

A Buy-Side Perspective on Increasing Online Ad Sales

for show directors, publishers and
senior sales/marketing executives

As an audience strategy, marketing and media buying agency, Encore hears hundreds of sales pitches annually, especially for digital media. While we have seen some great ones, we are amazed at what we hear – and what we don't hear – many other times. In this timely, relevant white paper, Encore Managing Partner, Cristopher Levy, a veteran media strategist and buyer who has directed the investment of millions of dollars in advertising, shares strategies and tactics for avoiding the pitfalls that can cost you dollars, maximizing revenue through the right offerings and building durable relationships in the fast-growing multi-billion dollar online advertising marketplace.

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“Interactive marketing will near **\$55 billion** and represent **21% of all marketing spend** in 2014, as marketers shift dollars away from traditional media and toward search marketing, display advertising, email marketing, social media, and mobile marketing,” according to a report by Forrester Research.

Do you want to eat a bigger slice of the online advertising pie? If you do, then come to the table with the right tools. Here are some tips based on Encore’s experience on the front lines of media buying...

OFFER A ROBUST, MARKET-DRIVEN PORTFOLIO OF DIGITAL MEDIA PRODUCTS

If you want to maximize your digital revenue streams, **understand the changing media habits of the specific markets you are serving.** Are you noticing a lot of people accessing your web sites through mobile devices? Which devices? What percentage of your audience has smartphones? How much do video and rich media increase various engagement metrics with your audience? Are your email open rates, opt-ins and opt-outs holding steady, increasing or going down? What impact do ad size and placement have on click-through rates (CTRs)? Answers to these and other audience behavior questions should serve as key inputs into your ad product strategy.

In order to really understand your digital media marketplace, you should also take the time to see it through your advertisers’ eyes, as it may look much different than you see it through your own eyes. **From multiple platforms... online display, email, search, webinars, podcasts, interactive directories, gaming and mobile, to a vast array of ad products... leaderboards, skyscrapers, peelbacks, takeovers, interstitials, floating ads, expandable ads, interactive ads, roadblocks, surround sessions and online video ads, and an ever-growing supply of online ad inventory, ADVERTISERS HAVE A LOT OF CHOICES TODAY.** Keep this in mind when developing your digital media solutions, and differentiate your offerings as much as possible. Stay on top of emerging platforms – digital is a very fluid space. Keep up with new rich media formats, new ad sizes, and what is being offered by your competitors, as failure to offer a competitive, up-to-date ad product mix will cost you dollars.

As much as advertising has changed, one thing has not changed: **ad products are still only as good as their ability to connect advertisers with their audiences** so focus more on audience delivery than on the latest technologies.

Your suite of advertising opportunities should include at minimum the Internet Advertising Bureau’s (IAB) Universal Ad Package (UAP), which includes four units: wide skyscraper (160 x 600), leaderboard (728 x 90), medium rectangle (300 x 250), and rectangle (180 x 150), to make producing creative more efficient and cost-effective for your advertisers. In addition to the UAP, **offer more advanced digital media products, which BOTH engage your audiences and meet your customers’ needs.**

Overlay additional options to create higher-value solutions, such as...

- > TARGETING: geo, keyword, profile/behavioral, content, opt-in preferences, etc.
- > PLACEMENT: run-of-network (RON), run-of-site (ROS), home page, above the fold, first position, etc.
- > FLIGHTING: special schedules i.e. the month prior to a show, the week a special issue is released, etc.

Create gateway products and incentives for new/first-time buyers to encourage them to cross the bridge from traditional to digital media. Offer performance-based solutions, test buys, bundles (booth space, online ad, etc.), and other products which reduce risk and upfront costs.

PRICE BASED ON MARKET DYNAMICS

We see many pricing proposals which are not competitive and others which are simply mind-boggling and not anchored in any type of value equation. When pricing your inventory, you must factor in both macro and micro variables. On the macro side, understand the supply and demand situation in your space, and where you fit

in. For example, there has been an explosion of online display ad inventory flooding certain markets with more ad space than

can be sold which has driven CPMs down very low. On the other hand, sites which can deliver high-demand audience niches can fetch 10x or higher CPMs than the bottom tier of inventory and sell out at these rates. Online ad markets are more fluid than traditional media markets so you will also need to pursue a more dynamic pricing strategy.

Explore different pricing models, including sponsorship, CPM, cost-per-click (CPC), cost-per-action (CPA), cost-per-lead (CPL), hybrid, cross media bundles and remnant.



Many publishers and sales reps believe their online ad products are more different than they really are and sell and price based on this belief. This creates a disconnect with experienced media buyers who know the inventory available – and may cost you the sale. Avoid this by knowing your marketplace.

On the micro side, understand the value drivers that matter to advertisers such as targeting, placement, rich media, etc. as if you can add more value with these, you can price your ad inventory higher.

For example, **we recently ran a campaign, where the CTR on a floating ad product was more than 10 times higher than the average for the rest of the buy. Do you think we would be willing to pay a bit more for this product?**

As the old saying goes, “information is power”. The more you know about the economics of your marketplace, the better you will be able to maximize digital media revenue, by not under pricing your ad inventory and leaving money on the table, and not over charging and losing the sale.

EDUCATE SALES REPS AND CUSTOMERS/PROSPECTS ON INTERACTIVE MARKETING

Selling a digital media portfolio is much different than selling booth space, exhibit guide ads and trade pub ads. Make sure the people who sell your digital media products understand them, have engaged with them and can clearly communicate the different value propositions of each. Also, many sales reps want to bundle ad products. We are big proponents of cross media buys. However, if a sales rep suggests that we buy a package, let’s say a trade pub ad and online display ad campaign, because it will enable us to more effectively reach their audience, and we ask what the audience duplication factor is between the two

and the rep does not know, how much confidence do you think we will place in this recommendation? It is always clear to us when a sales rep is just reading off a rate card and does not fully understand what he/she is selling. These experiences don’t instill confidence in the buyer (in fact, they also don’t instill confidence in the sales rep) and can cost you revenue.

If your sales reps are pitching online display ads, they should know the **difference between unique visitors, visits and page views**, the IAB’s UAP units, the specs, features and terminology for all of the online ad products they are selling, and how the ads are delivered.

When it comes to pitching new digital media buyers, you will achieve more success with an “EDUCATE THEN SELL” vs. a “JUST SELL” strategy. Many advertisers and agencies are still not comfortable with online advertising so going right into sell mode is counterproductive. Educate your customers and prospects about interactive marketing with white papers, case studies, webinars and other tools. Assist them with creative. Show them examples of what others have done. Make them feel comfortable.

CREATE EFFECTIVE SALES COLLATERAL

We often receive sell sheets for digital media products with nothing more than “marketing fluff” and product prices. **What is the purpose of listing a skyscraper costs \$4,500 per month without sharing key details on audience reach?** We are amazed at how many sales reps provide minimal if any quantitative and/or qualitative audience data, especially when this information is at the heart of the media buying process and digital platforms offer such a wealth of easily-accessible data. This makes audience data an excellent differentiation point as we see big differences between the best sales collateral, proposals and pitches and the weak ones when it comes to this area. High-quality, up-to-date audience data will make your sales efforts that much stronger. While it is great to know that you offer roadblocks, peelbacks and ads that can fly across the page, none of this really matters unless these ads are reaching the right audience. Failure to address key metrics that buyers need wastes buyers’ time, slows down the sales process and may reduce your ability to close the sale. Clearly communicate data that is essential for making purchase decisions upfront – don’t make buyers have to ask for basic data points.

LEVERAGE THE MEASURABILITY OF ONLINE ADVERTISING

Are your advertisers looking to generate click-throughs to their web site, maximize reach against their target market, achieve high frequency against a certain high-value niche, drive traffic to their booth or build an opt-in database for remarketing? If you want to gain repeat business, understand your customers’ objectives, and make sure their campaigns are being tracked correctly so they can obtain the necessary performance data to help them achieve their objectives. **While post-campaign reports are helpful, it is much better to provide real-time data so that if something is not working out, it can be corrected on-the-fly.** We recently employed a new digital media product, and based on real-time tracking data, we saw that it was not delivering the ROI we wanted. Working with the media vendor, we were able to

Optimize your customers’ campaigns against the metrics that matter to them, including:
Reach. Frequency. Time spent. CTRs. Open rates. Video views. Downloads. Inquiries. Webinar participants. Booth visits. Fans. Posts. Comments. Email opt-ins. Mobile double opt-ins.

reallocate these dollars to other ad units which were performing better. This type of collaboration transformed our buy from a transaction into a partnership and reflects an organization and sales rep interested in their customers’ success. However, many other times we don’t receive any tracking at all which we always find surprising when you consider how easy it is to get this data. Which of these relationships do you think will be more sustainable over the long term, especially in a relatively new area like online advertising where customers need more support?

About Encore Media Partners: Encore is an audience strategy, marketing and media buying agency, which specializes in local, national and international trade and consumer shows, exhibitions and conferences, and serves a diverse mix of clients, including leading show producers such as **American Film Market, dmg world media, and TradeFair Group, an Access Intelligence Co.** Encore helps its clients reach and engage their target audiences and achieve their objectives through its consulting, strategic and tactical marketing services and media buying and placement. More info is available at www.EncoreMediaPartners.com.



Stay on top of MOBILE MEDIA!

According to the CTIA–The Wireless Association® Semi-Annual Wireless Industry Survey Results released on March 23, 2010, “more than **822 billion text messages** [were] sent and received on carriers’ networks during the last half of 2009 – amounting to almost **5 billion messages per day** at the end of the year.” While there are many “hotter” technologies, SMS is the most ubiquitous mobile channel today, and enables you to offer advertisers the largest possible audience. As smartphone penetration increases, usage of more advanced mobile data applications i.e. surfing the Internet, watching video, etc. will increase, providing richer media opportunities to connect advertisers with your audiences.