



Digital Publishing Strategy Academy

Selecting a sales network A checklist of factors and issues for publishers

Bolting an online advertising sales network onto your business can be a powerful way to boost revenues without detracting from the role of your sales teams or encroaching on the advertisers they already have strong relationships with. Web advertising networks can help increase yield and average rates for online advertising and immediately overcome the remnant inventory challenge that many large traffic sites face. This workshop covers some of the key factors and acts as a checklist for publishers considering employing an online network.

Why networks need careful consideration

- Sales networks can be a powerful way to boost revenues
- Can bring in incremental revenue without detracting from the role of your sales teams
- Can do this without encroaching on existing advertiser relationships
- Can help increase yield and average rates, overcoming remnant inventory challenges
- But easy to get the deal wrong and poorly managed deals can create revenue challenges elsewhere



After this workshop you'll

- Be able to list key strengths for using online networks
- Be able to identify core issues for discussion
- Appreciate the opportunity cost
- Have a more rounded perspective on evaluating the deal terms
- ...remember that these Digital Publishing Strategy Academy workshops are intended to be a focus for discussion and not a comprehensive answer to all of these issues



Areas this workshop covers...

- What are online networks?
- Evaluation process
- Trading models
- Networks: key issues to check
- A short exercise

What are online networks?

Definitions and background



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What are online networks?

- Sales representation firms that sell media space for websites
- With inventory running across large numbers of sites
- Aggregating massive volumes of inventory
- Packaging them for sale to (often different) advertisers than the publisher deals with



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Network relationships

- Key element of online advertising ecosystem
- Sales networks can provide monetization for non-premium inventory
- Some publishers may have relationships with more than a dozen networks



Evaluation process

Considering whether you need an online network for your website advertising sales



Strengths

Key strengths

- Massive potential revenue increase

Further strengths

- Revenue from advertisers your team could not normally reach because of
 - Lack of client relationships
 - Too small a level of traffic
 - A different geographical area
- Revenues that can start immediately
- Revenues that can be throttled up or down depending on business needs
- Revenues that do not detract from focus of existing sales team



Weaknesses

Checklist of issue to look out for

- Revenue level
You won't be able to guarantee the revenues
- Conflicts
There could be a sales channel conflict because the network and the media owner may both be addressing the same customer
- Opportunity cost
Does the value of the benefit of your house inventory outweigh the value from selling through networks
- The wrong deal
The network may want less flexible arrangements than you can accept
- Expectations
There needs to be clear expectations about the volume and location of inventory that is available for a network



Evaluating the opportunity cost

Remnant inventory can be used for

- Generating traffic to sponsored area of your site
- Generating more traffic around the site, creating more impressions
- Fire-fighting for campaigns that under deliver
- Giving flexibility to impression delivery rates if traffic is below forecasted levels



Trading models

Consider the trading models for graphical advertising



Networks: which trading model?

- CPM
The best choice for most publishers: manageable and predictable
- CPC/CPA
The best choice for many networks but less controllable
- Revenue share
More complex but can deliver best results - publishers and commercial partners have to work closely together



Trading model: tips

- Calculate available inventory
- Discuss with internal stakeholders
- Calculate effective CPMs (ecpms) from the models
- Evaluate hybrid models that could include basic fees and top ups with the revenue shares



Networks: key issues to check

A few of the key issues publishers should consider when evaluating sales network advertising deals



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Networks: frequency capping?

- Frequency capping means restricting the networked ad inventory to X number of views per person
- Be cautious about frequency capping
 - Calculate your inventory
 - Model scenarios for frequency capping per session / day / week / month
 - Agree the best solution with internal stakeholders
- The model needs to give you as the publisher the greatest flexibility



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Networks – key issues: targeting

- Targeting can increase yield significantly
- IP geo targeting can expose non-national audiences in a way that boosts value and prevents existing advertisers having their ads exposed to out of market groups
- Caution needed on the IP targeting of ads
 - Review the geography of your audiences
 - Look for good matches with the sales network coverage
 - Explore revenue models and the implications of different rate cards from different markets



Networks: risks of quality

- Consider the advertisers who are buying through network
 - Ask the network for a client list
 - Look at the quality of the ads
 - Poor ads could tarnish the publisher brand
- Remember the role of the banned lists
 - Protect your existing client relationships
 - Remember that agencies and advertisers may be able to go around a client-facing sales team to work directly



Key takeouts



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Recap of context

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So now you can...

- List key strengths for using online networks
- Identify core issues for discussion
- Appreciate the opportunity cost
- Describe the issues more effectively to colleagues



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Making sense of the digital world

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