BROADSTREET

ADVANTAGES

How Magazine and Hyperlocal News Publishers Will Win In the Era of Google and Facebook

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A Brief Overview

Google, Facebook and ad networks capture greater proportions of digital ad spend each year. Traditional news and niche media companies haven't kept up, and it's commonly believed that they can't, for one or more of the following reasons:

- · Digital display advertising is dead, or will be soon
- If digital display advertising isn't dead, revenue coming from that and other sources, such as native content, will not be sufficient to support a publication
- Even if display advertising can support a publication now, it won't be able to for long

At Broadstreet, we don't believe any of this is true for the smaller publisher — **primarily, local news, city and regional magazines, and trade publications.** In fact, for smaller publishers, our outlook is very optimistic.

We recognize that our optimism is at odds with the rest of the industry. But we've worked with thousands of small, niche publishers over the course of the past six years, and have a deep understanding of what works and what does not when it comes to digital sales strategy for smaller publishers. There may not be another company in ad tech that has focused on the space as heavily as we have.

In this paper, we will examine the small publisher's greatest, unleveraged advantage: **autonomy**. By exploiting and exposing the ingrained weaknesses of digital advertising as it stands today, **small publishers can deliver unbeatable** value to prospects and win sales despite apparent disadvantages.

Overview

Only Have a Minute? Every section has a "TL;DR" at its conclusion, summarizing the most important points.

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A Note from the Author

n 2012 I created a small technology company called Broadstreet Ads. Broadstreet served hyperlocal news publishers. It sold access to a simple service: templated static banner ads that were easy for advertisers to update as needed. New product? New sale? Just want to keep an ad fresh? Editable Ads, as we lazily named them, made that possible for advertisers.

You would think that in 2012, dynamic banner ads would have been an obvious gimmick already fulfilled by various ad tech vendors. Strangely, very few vendors offered something like it. Why? Because most of the innovation in ad tech revolves around targeting capabilities instead of the thing actually being delivered — the creative.

Editable ads were a hit with our initial customers — usually small news organizations

with one to three people on staff. **Editable ads were** something different that advertisers hadn't seen before. They sold reliably and they performed much better than static banner ads.

Think about it: The internet is an incredible medium for both publishing and advertising. The underlying tools to build webpages, like JavaScript, CSS, and HTML5 could be used to deliver high impact marketing and advertising like no billboard, print ad, or magazine ad can. But given the clear power of such a medium, why is a barely-

legible, pixelated box ad still the dominant form of digital advertising today?

Through six years of running Broadstreet, we know one thing for sure: Better creatives lead to more sales and stronger campaign performance. But it took us another two years before we realized why more innovative,

impactful or dynamic shaped creatives weren't widespread: they were different. That's it — simply different.

It turns out that the larger ad tech industry relies heavily on standardized creatives. That's good for larger publishers who frequently deal with agencies and programmatic ad networks. But it's bad for smaller publishers who follow suit and are engaged in direct ad sales. Standardized creatives increase competition, suppress digital ad prices, and

ultimately lead to declining or non-existent sales. When the small guys play the same game as the big guys, they lose.

In this paper, we will discuss a number of ways for small publishers to differentiate themselves and win sales. These are the **Ten Major Advantages for the Small Publisher.** Every small publisher willing to leverage these advantages, like many Broadstreet customers, can thrive alongside Facebook, Google and whichever other vendors reach that stature in the future.

TL:DR

As promised, here's our section summary:

At Broadstreet, we invented something relatively simple, but different, and it ended up being a big hit with advertisers.

Most of the

innovation in

ad tech revolved

around targeting

capabilities in-

stead of the thing

actually being

delivered - the

creative.

- We realized that novel things aren't very common in digital advertising, even though it's the most powerful and dynamic medium to ever exist.
- It turns out there are reasons why that's the case and it's helping the big guys while hurting little guys who copy their strategies.

PARK4VE

If you like what you're reading, you'll love what we've got coming out of the Broadstreet garage.

getparkave.com

KNOW YOUR ENEMY, PART I:

The Key Strengths of Google, Facebook & Networks

here's money in digital advertising, and it should come as no surprise that it gravitates toward the advertising duopoly of Facebook and Google. Once-prominent news and magazine publishers, large and small, have been dramatically undercut — primarily because they simply cannot compete effectively on fields of data, intent, and scale.

If you're unfamiliar, **data** simply refers to what is known about a user. For example, Facebook knows practically everything about its users' interests, friends, social status, employment, age, and so on. Marketers target advertising specifically to users who match a given set of criteria, like interests or demographics.

Intent, on the other hand, refers to what we (probably) know about a user's desire to do something, like research products or make a purchase. One of the best places to capture a user's intention is with a search engine, like Google. A user looking to purchase a new mattress, for example, might perform a Google search to find mattress brands and reviews. And of course, he or she will be shown text ads from mattress companies hoping to market to users who are interested in mattresses alongside those search results.

Since the user has now demonstrated an interest in mattresses, Google could now serve display ads from

Net US Digital Ad Revenues, by Company, 2016-2019 (Billions)

	2016	2017	2018	2019
Google	\$29.43	\$35.00	\$40.08	\$45.69
-Youtube	\$2.92	\$3.88	\$4.43	\$4.96
Facebook	\$12.37	\$17.37	\$21.57	\$ 25.56
- Instagram	\$1.61	\$3.08	\$5.40	\$6.84
Microsoft (Microsoft ?& Linkedin)	\$1.61	\$3.08	\$5.40	\$6.84
- Linkedin	\$0.73	\$0.81	\$0.92	\$ 1.02
Oath	\$1.27	\$3.60	\$3.69	\$3.77
Amazon	\$1.12	\$1.65	\$2.35	\$3.19
Twitter	\$1.36	\$1.21	\$1.16	\$1.16
Yelp	\$0.62	\$0.72	\$0.84	\$0.98
Snapchat	\$0.30	\$0.64	\$1.18	\$2.04
IAC	\$0.50	\$0.45	\$0.41	\$0.38
Yahoo	\$2.25	-	-	-
Total digital ad spending	\$71.60	\$83.00	\$93.75	\$105.44

Note: induces advertising that appears on desktop and laptop computers as well as mod e phones, s other irternet-connected demos, am, includes all the various lomat s of a...sing on those plaborrn, net ad revenues after paytraffic ar.q.rtlon costs

www. emarketer.com

mattress companies while the user browses the web, even if he is not on a website contextually related to mattresses.

This Is Called Audience Buying, and It's Getting More Powerful

When marketers target users based data or intent they are buying an **audience**. Buying an audience isn't quite new, but it's certainly come a long way. Budweiser would traditionally advertise on Monday Night Football, not Cartoon Network. Pharmaceutical companies would more likely advertise in medical journals than the New York Post. It's smart marketing because advertisers are trying to make sure their budgets are being used efficiently. There's no point in advertising to people who aren't likely to buy your product, right?

Google, Facebook and ad networks are constantly trying to find ways to better target users, and they're succeeding.

Some Publishers Attempt to Mimic Audience Buying

Publishers both large and small have seen the great power of audience buying, but they've also seen their ad sales ability erode because marketers are generally going to spend their money where they think it's going to be most effective.

This loss of revenue has led many publishers to scramble to mimic this functionality:



Publishers have attempted to build up their own user demographic or interest data in-house or through third party software



They have attempted to mimic the ability to buy intent by selling search pages, landing pages, directory pages, and anything else that could be pitched to an advertiser as a reasonable definition of intent

There are two huge problems here, especially for small publishers. Not only is the user and intent data that publishers collect typically second-rate compared to that offered through Google and Facebook, but most publishers are lacking another key element to make data and intent targeting viable: **scale**.

If You Slice Up Your Audience, You Need Scale to Make It Work

You may be surprised to hear that many major magazines and well-known news websites do not attract sufficient scale, or pageviews, to make it possible to effectively sell advertising to small segments of their user base. If a Brooklyn magazine maintains a "dining guide" section on its website, for example, it may attempt to attract advertisers by implying the clear intent of its readers. If readers are perusing a dining guide in a Brooklyn publication, so the thought goes, they must have some intention of dining in Brooklyn, right?

That's certainly true, but how much traffic can the dining guide really generate?

By contrast, Google has an audience of roughly 500,000 monthly searches relating to top

restaurants in Brooklyn¹. That's more traffic than most publishers get across their entire site, let alone a dining guide. Furthermore, the users performing these searches are demonstrating much stronger intent to dine in Brooklyn than those browsing one of numerous Brooklyn dining guides.

Similarly, some publishers attempt to sell segments of their audience based on third party data providers. Using this third party data, a publisher might be able to convince a marketer that they can effectively target a male, 18-25 year old readership. But again, what percentage of traffic is made up of those male, 18-25 year olds? Is it significant enough to lead to a sale, or is Facebook a better option? Facebook has better demographic data, plenty of interest data, and monstrous scale.

So far we've focused primarily on Facebook and Google as examples and totally ignored ad networks as a whole. Ad networks (Google having one of the largest) also make audience buying at scale possible. Using first, second, or third party profile or intent data (of varying quality), ad networks broker large advertising purchases between an advertiser or agency acting on behalf of an advertiser and thousands of publications, including content in Google and Facebook's networks.

This is Where It Gets Interesting: Scale Demands Commoditization and Standardization

Since these big ad-tech players are now the best way to achieve targeted, efficient spend of a marketing budget, they have attracted staggering amounts of marketing money and have effectively set the standard for how advertising business is done online. This part is important, because it'll lead us to our next section.

To programmatically sell ads at scale, two things must take place.

Commoditization:

The publication where an ad is running doesn't really matter anymore. ²What matters is the people browsing, or the audience. The bigger the advertiser, the more interested they're going to be in targeting a precise audience across multiple publications. **Cost per Thousand Views (CPM)**³ and similar pricing models make it possible for advertisers to make tiny "purchases" of a publisher's ad inventory without any serious knowledge of who they're purchasing from⁴.

Standardization:

A marketer might have a set of digital files (usually, images) that they want to run at scale. This is only possible if the majority of publications accept digital files with matching specifications. For example, a 300x250-sized ad can only run on a website that makes enough room for it. You couldn't run a leaderboard ad such as a 728x90 in a slot designed for a 300x250.

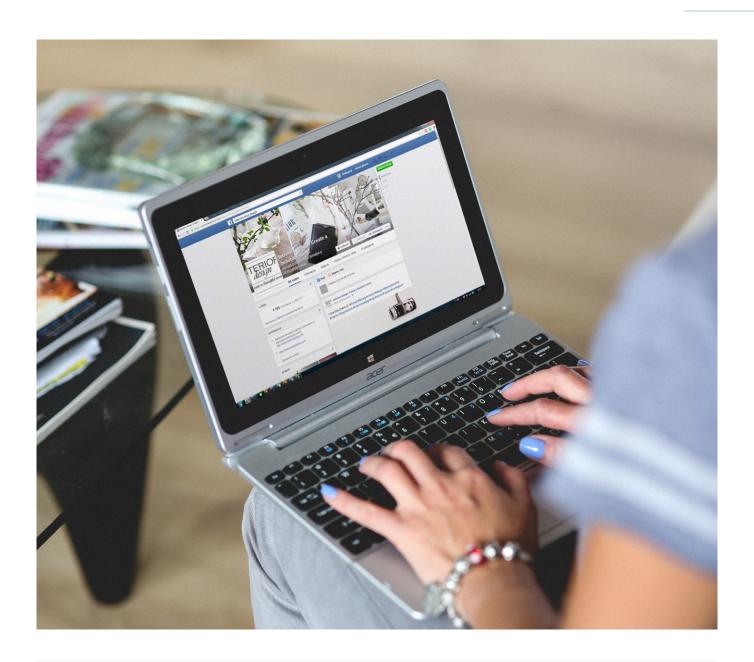
This doesn't seem important at first glance. In fact, it seems downright mundane. In theory, and this is what the purveyors of ad-tech will tell you, commoditization and standardization are both commonplace and necessary, because smaller publishers can get a piece of the advertising budget that used to go to the big guys like the New York Times, as long as they bring the right audience. Additionally, a small car dealership could wind up on a big league site alongside major brands like Ford and Chevy.

There's only one problem: The internet has lowered the barrier to publishing content so dramatically that the competition for advertising spend has exploded. The money sent back to publishers from Facebook, Google, and ad networks is spread so thin across so many players that surviving gets more difficult as time goes on. The lesson is that standardization, which is essentially guaranteeing that everyone is selling the exact same product, makes it practically impossible for a publishing business to differentiate itself.

² One could make a compelling argument that this is not the case, but this is a generally accepted view in ad-tech

³ CPM is the most probable driver of clickbait headlines, "fake news," and endless click-for-next photo galleries, because traffic leads to impressions, which leads to revenue

⁴ Marketers do want to run in, or alongside quality content — they just don't care whose content that may be, as long as they're hitting the right audience



TL;DR

As promised, here's our section summary:

- Facebook, Google and ad-tech's user and intent data, along with incredible scale, have made marketing with a big budget much more efficient.
- Through this rapidly acquired market power, their pricing and ad inventory specifications have become de-facto standards and the rest of the market has followed suit.
- Developing sustainable pricing strategies and differentiating product has been more or less forgotten by many smaller publishers.
- Ad-tech will do and say what is good for ad-tech. The best interest of most publishers is simply not aligned with the best interest of the ad-tech industry⁵.

KNOW YOUR ENEMY, PART II:

The Key Weaknesses of Google, Facebook & Networks

t this point, we've described the major strengths of the ad-tech giants, which by contrast, happen to be major weaknesses for most small publishers. You could be forgiven for thinking that the total domination of ad-tech will lead to the continuation of doom and gloom stories we read about in industry magazines. But we wouldn't be publishing this paper if there wasn't a clear path to something better.

Let's change our mindset and start thinking like a guerilla. Ad-tech doesn't appear to be helping publishers very much. In fact, it continues to encroach on territory and prospects that publishers once considered their own. But it still has weaknesses. Small publishers can retain and regain business that was once theirs by closely examining

Ad-tech doesn't appear to be helping publishers very much. In fact, it continues to encroach on territory and prospects that publishers once considered their own.

the weaknesses inherent with all networks of scale. Just as Google and Facebook's strengths map to a small publisher's weaknesses, their weaknesses map back to a small publisher's greatest strengths.

Once we identify these weaknesses, we'll delve deeper in the next section, using personal insights and data to determine which types of publishers are best positioned to take advantage of the soft spots within ad-tech.

WEAKNESS #1: Standardization & Categorization

In previous sections, we described that to trade ad inventory and advertising spend at scale, the inventory and creative must be standardized. That is, in order for an available slot on CNN.com to be filled by a network, the creative must fit that slot. That's what standardization is for.

It goes a bit further. Publishers don't want certain types of ads appearing on their sites, even if they fit with the proper specifications. For example, a flashing ad, or one that plays audio automatically, might be something a publisher wants to filter out. For this reason, ads, especially rich media ads, need to be categorized. Anything that doesn't fit the usual mold is not a candidate for scale.

This has real implications:

- Rigid standards are ineffective: Advertising and marketing is supposed to be creative and compelling.
 Marketers want fun and innovative ways to captivate an audience. It's terribly difficult to deliver a message and make an impact with such rigid standards. It's no wonder the average click rate for display ads on the internet is 0.05% that means only one out of every 2,000 people who sees an ad actually clicks on it!6
- They're a hard sell: Banner ads are so predictable and boring that they're getting harder to sell. Would you want to be an ad salesperson pitching something unoriginal with a dismal 0.05% click rate?

^{6&}quot;Display Advertising Click Through Rates," Smart Insights, March 8, 2017

Earlier, we commented on how the internet is such a powerful and dynamic medium — something that good advertising should be able to take full advantage of. But with standardization, most of that power is lost. The result is that digital advertising comes off as just plain uninteresting.



Which of these ads most effectively communicates the quality of work that a kitchen remodeler could do? A standard 300x250 or a print ad in a magazine? Just a note, the ad on the left is full size and the ad on the right is one sixth of its actual size.

It's easy to argue that the ad on the right shows the work of the remodeler more effectively and with greater integrity.



Most businesses require effective visual advertising, but most publishers today can't or won't offer it because they feel beholden to someone else's ad specifications.

WEAKNESS #2: Fraud

The ad-tech industry has a serious fraud problem, and it's difficult to deter. There are a number of fraudulent publishers and exchanges, small and large, who auto-refresh pages to drive up impressions, click their own ads, or use more sophisticated, automated measures to accomplish both. The sheer depth of the problem can't be addressed here. Let's look at some recent headlines:

- CNBC: Businesses Could Lose \$16.4 Billion to Advertising Fraud in 2017
- CNBC: Online ad fraud is a 'widespread' problem, Google and other big ad platforms admit
- AdExchanger: Google Offers Refunds For Fraud, But Only On Its Own Terms
- AdExchanger: <u>Fraudsters Have Media Plans, Too</u>
- Streetfight: Report: CMOs Overwhelmed By Cost of Mobile Ad Fraud
- Portada: As CMOs Spend More on Mobile, Budgets Are Eaten Up by Fraud
- Marketing Dive: Study: Pro sports sites hit by ad fraud from massive 'Sports Bot' operation
- Buzzfeed: The Publisher of Newsweek And The International Business Times Has Been Buying Traffic And Engaging In Ad Fraud

This isn't to say that the ad-tech industry isn't aggressively fighting the problem, but there are certainly more bad guys than good guys in this arms race. **We predict that the ad fraud battle is going to be a long-running one.**



WEAKNESS #3:

Lack of Transparency

Fraud is an issue, and along with that comes issues regarding transparency. This is a problem that impacts the entire ad-tech industry, including promoted posts on social media sites like Facebook. Simple questions like these are usually difficult to answer:

- · Was my campaign impacted by fraud?
- What percentage of my budget actually went toward buying the inventory on the site vs middlemen?
- · Which sites did my ads land on?
- · Were my ads definitely seen and optimally positioned?
- · Of the users who engaged, where did they come from?

These are all legitimate questions. Anyone spending their money deserves to know the answer to every one of them. There is a major push taking place to boost transparency in the industry, but it's not moving fast enough — and frankly, it should have been there from the start.

WEAKNESS #4:

Advertiser-Publisher Relationships

Services like Google AdWords and Facebook encourage businesses both large and small to market themselves online. While self-service is certainly scalable and ideal for Google, it's decidedly impersonal for the end-user. This leaves opportunity for publishers:

- Publishers and their reps can easily ask a prospect using AdWords to give their publication a try. It's "easier" because there's no personal relationship with Google (or Facebook) that the publisher is encroaching on.
- Learning to use Google AdWords isn't trivial, and that discourages many small business from even starting. Facebook is markedly more simple for an advertiser to learn, but there's still very little glue between the advertiser and Facebook. If the advertiser doesn't feel they are getting value from their Facebook campaigns, they have no one to talk to about it. That's where small publishers come in. They're the ones who can deliver value.

Publishers very often have personable sales reps who can help guide prospects toward successful campaigns and value. Personable sales reps who seem genuinely interested in helping their clients succeed generate repeat business — that's something self-serve platforms cannot do effectively.

TL;DR

Let's summarize the weaknesses in ad-tech. We're going to develop a plan for attacking them in the section discussing the Ten Advantages of the Small Publisher.

- Standardization of ads promotes digital advertising mediocrity or worse. Advertisers lose performance and small publishers have a more difficult sell.
- Ad-tech has a very real fraud problem. It costs both advertisers and publishers billions of dollars.
- There isn't nearly as much transparency in the industry as there should be.
- Tech companies aren't exactly known for having great customer service, if they have any at all. Most self-service ad platforms leave prospective business owners too intimidated to explore, or unsure about whether they're running effective campaigns, because they don't have guidance from someone who knows what they're doing.

Who is a "Small" Publisher?

You might have noticed that we qualified the title of this paper with "small" publisher — which we define as hyperlocal news, city and regional magazines, and niche publications like trade journals — anybody with a narrowly defined audience which precludes it from the "scale" of big media companies.

We believe that small publishers, who tend to have tight relationships with their community advertising clients, are well positioned to effectively leverage those relationships for several reasons:



Small publishers have more autonomy — that is, they have the ability to do whatever they please to attract new business. They can deliver value. This is critical to targeting ad-tech players' weakness in standardization.



Larger media companies (or media companies that want to achieve scale) try to attract major advertisers who have big budgets, and big budgets are most easily spent through Google, Facebook, or competing ad-tech partners. In other words, big publishers have fierce competition.



Small publishers tend to be more recognizable within the audiences and communities they serve. It's more likely that an advertiser would support a great city magazine or hyperlocal news website, as opposed to a site like BuzzFeed or Mashable.



Sactown Magazine is the largest magazine in the Sacramento region. But our secret sauce — and the reason why advertisers are particularly interested in us — is our reader engagement and brand loyalty, which comes from the high editorial standards set by the co-editors-in-chief.

STEVE CHILDS, Sactown Magazine



We offer a unique connection to our audience. It's a combination of delivering a high quality audience along with great art direction to our advertisers. It's powerful.

RAY HARTMANN, St Louis Magazine

KNOW YOURSELF

The Ten Advantages of the Small Publisher

The name of the game is value. Anyone who spends money wants value in return. It may sound obvious: If you spend \$20 on a cheeseburger, it had better be the best cheeseburger you've ever eaten, right?

Digital advertising today has a way of leaving advertisers feeling like they're not getting enough value for their money. It's common to hear publishers say they lost advertisers who didn't feel like they were getting their money's worth.

Prior to the rise of digital, newspapers and magazines were the dominant forms of advertising. It was so reliable that ad salespeople didn't quite have to sell value; newspaper and magazine advertising was simply how a business, especially a small business, got the word out.7

to grab some of their marketing spend simply must

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Serious Question:

Advertisers

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able value.

Let's say you have an appointment with a prospective advertiser. What can you bring to the table that has

> undeniable value? What do you know will get them excited? What would you be excited to show them?

A 300x250 static banner ad probably isn't going to get anyone jazzed, but salespeople still attempt it every single day. How can you be confident when you're selling the exact same product as everybody else?

Differentiate!

Show the advertiser something compelling that they're forced to recognize

the value. Create something that you would personally buy if you ran their business. Many small publishers possess much more power here than they realize. That's why we wrote this document.

Advertisers today have options, and anyone looking



You are not selling ads, you are helping to improve local businesses. You need to be customer-oriented and you need to provide real value. If you do not truly believe, in your heart of hearts, that you are providing value, then you're probably going to have a really hard time selling ads and, frankly, you should probably be taking a hard look at your customers, your offerings and your business as a whole.

SCOTT BRODBECK, ARLNow

⁷ "U.S. advertising expenditure, 1998-2007," Purple Motes, February 16, 2009

Here are the Ten Advantages of the Small Publisher. We'll start with two foundational advantages and then move to more specific advantages that you and your team can leverage today.



Community Support & Affinity



We are able to offer something that the large internet advertising platforms are not: Goodwill. People really value the fact that we're providing reliable coverage of their communities. And they recognize that all of our sponsors are local, too. So when someone signs up for an ad or sponsorship package with us, they're attracted not just to the price for the exposure, but to the ability to be associated with a well-regarded local brand. Not to mention we offer display options that are much more eye-catching that what's available on many web-formats.

JAY SENTER, Shawnee Mission Post

Only a few national publishers have true brand affinity and a community of readers who will reach into their own pockets to support them. For example, the New York Times and the Washington Post. Broadstreet's customers, by contrast, tend to consistently garner community support. Why is that?

- The community often knows the publisher by name
- The community often sees the publisher or staff at local events
- · The publishers and staff are frequently friends or followers of people in the community
- They report on things close to home

In other words, it's the power of human relationships that spurs brand affinity. This drives two more benefits:

- Users tend to engage with advertisements for companies they really know. Advertising for a favorite local restaurant can be legitimately interesting as opposed to an ad for a national or international company.
- · Subscriber revenue, previously thought impossible, is driven by community support for the publisher.

The advantages of a tightly knit community leads to something Google and Facebook definitely do not have: The Direct Relationship.

2

The Direct Relationship

Direct sales are an invaluable part of the value - and often the most important interface that the client will have with the publication. A direct salesperson is who makes the process seamless, who works on the client's behalf and who is the person who provides trust and comfort to what can be a daunting experience, particularly for a small business person. Publishers beware: undervaluing what salespeople do is a critical mistake. WENDY COHEN, Berkeleyside

Poor program results
Poor service levels from providers
Price is too high for the product/service
Too many errors made
Other
25%

Source: Local Search Association, SMB Advertiser Churn, January 2016

Smaller publishers' sales staffs typically have direct relationships with their prospects or clients. They can meet in person. A salesperson can establish the fact that he or she is truly interested in helping business owners meet their marketing goals. Trust can be established.

With Facebook and Google, there is no such relationship. For small businesses, they are largely self-serve platforms, which:

- Have little variety in terms of creative offerings
- Do not provide personal customer support or guidance on what may lead to a successful campaign
- Don't provide much in the way of transparency when a campaign is completed — only numbers

The result is that smaller advertisers tend to become disenfranchised. Let's take a look at a chart from the Local Search Association, which shows why small businesses tend not to continue using self-serve platforms:

The number two reason why small businesses quit dealing with the big guys is because of poor or non-existent support. You can bet that contributes to the first and third most common reasons for quitting: errors made and poor results.

The fact is that small businesses very often do not have a dedicated marketing staff. They need and want someone in their corner who they can trust to put their marketing budget to great use. They want someone who will listen and help develop a game plan. They need to sincerely believe that their money is working for them. Small publishers can deliver that. And when they do, sales and renewals come much, much more easily.



Autonomy, Flexibility, and Creativity (Compelling Creatives)



When working with a potential client, the ability to offer different advertising formats is critically important in signaling that we're both flexible and serious about helping them achieve their campaign goals. And it certainly helps get conversations started."

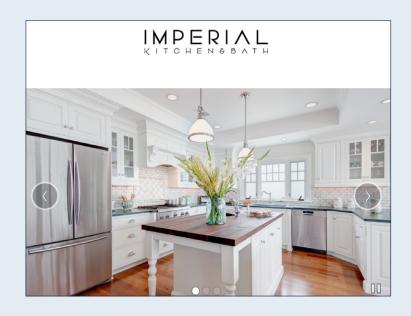
GARY MCGREGOR, Now Magazine (Toronto)

It's hard enough getting an appointment with a potential advertiser. It's even harder to be confident walking into a sales meeting selling 300x250 and 728x90 banner ads when you know everyone else is selling the same thing. Sure, you have an engaged audience with a high average net worth. Sure, your content is top-notch. Sure, you've got swagger. But what about the thing you're actually selling, the advertisement? Is that compelling too? Will you and the prospect be confident that it'll help do the job of making the campaign a success?

The rest of this section showcases some of Broadstreet's products. The point here is not to market Broadstreet's offerings — it's simply to show you that stepping

outside of the traditional definition of digital display advertising is a powerful move. It strikes at one of the most fundamental weaknesses of ad networks and tech giants: standardization.

True story: A magazine client called Broadstreet's office midway through 2017. They told us how home remodelers, country clubs, and many of their traditionally reliable print advertisers were reluctant to consistently run digital campaigns. The clients' concerns, they said, was that digital advertising didn't quite represent their work like the full page glossy ads did. This magazine client asked us if we could come up with something different that addressed this. We came up with the **Glossy Gallery**.





This ad isn't designed to sit in the sidebar and be ignored. It goes right into the main content column - perhaps in or after the story. It's designed to let the imagery do the talking.

Profiles arah says. "We wanted to make it our own, while embracing its original beauty and ones." They devised a plan that touched almost every room in the house—from YOUR GUIDES TO LEADING LOCAL PROFESSIONALS najor modifications that included the gutting of two upstairs bathrooms, to simple Profiles Select a Category out impactful changes such as adding built-in storage and new lighting. **Newsletters** IMPERIAL Enter Your E-mail Address Here DAILY NEWSLETTER SPECIAL OFFERS Exclusive deals from area businesses MAGAZINE PREVIEW A sneak peek of the next issue Please enter the letters from the image below As a design professional, Sarah follows a philosophy of helping clients focus on neasuring the time and energy spent in a room versus the money spent on it. Whether your budget is \$25,000 or \$250,000, each decision should align with the



This gallery can be created with a logo and a handful of images by anyone, without any technical skills required. It can be run through Broadstreet or any other adserver, like Google DFP. It collects impression and click data like an ordinary display ad.

So it's just an image gallery?

Yes. Many display ads would list company information like a phone number, address, email address, and other information that probably won't result in an immediate call to action. We believe that's a mistake and that there are more important goals to be met:

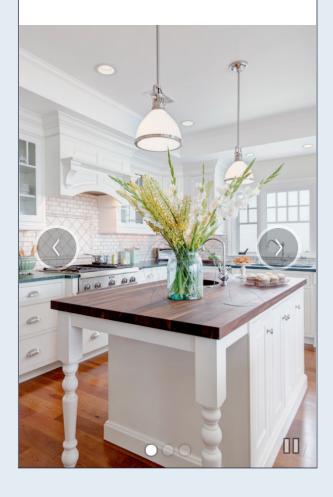
- Telling a compelling story. Nothing tells a story like powerful imagery. You might even argue that the crisp photos above are more compelling and engaging than video or sponsored content could possibly be.
- Encouraging the user to engage. There's no "click here
 to learn more." It simply encourages engagement.
 Broadstreet's platform tracks engagement such as
 whether the user actively browsed the gallery.
- Representing the business and the product of the client. Ultimately your prospect is going to buy and renew because they believe that their business will be seen as prominent and well represented at a reasonable price.

With no design fees, simple creatives like this are very low cost, but high impact. In fact, **you can (and should) create them before a sales meeting.** Selling something your prospect can see is vastly easier than describing something that doesn't exist yet.

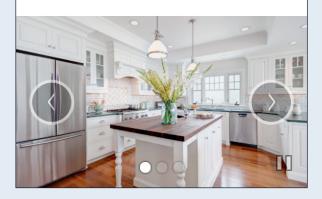
This same ad format also doesn't have to be a square in the middle of the page. It can be hero-sized banner, a traditional tall sidebar ad (300x600), or a medium rectangle (300x250). The choice is yours — be creative.







IMPERIAL KITCHENGBATH





Large or visual creatives aren't just a novelty. Think about how advertisers who are traditionally underserved by digital display could leverage something like this:

- Real Estate Agents and Firms
- Home Remodelers
- Country Clubs
- Restaurants

Powerful imagery can provoke a visceral response. According to Broadstreet's own statistics, large, crisp images tend to lead to a 5-10x increase in engagement over standard banners.

Another true story:

With the permission of one of our clients, Broadstreet ran a picture of a cheeseburger at the bottom of the sidebar of a well-read publication. It was simply a good-looking cheeseburger — no text, call to action, or targeting. It received a 1.25% click through rate, outperforming the top creative on that page by nearly five times.

Let's take a quick look at Process Industry Informer, a trade magazine. Look at the size of the hero on the homepage. Prospects would normally try to wriggle out of a conversation regarding a 728x90, but something like this at 1400x400 would be received much differently.

That may not be the most exciting version of a non-standard ad. But you might imagine that the advertiser can appreciate getting something most publishers and ad networks won't or can't offer.

Let's take a final look at Wasau Pilot and Review. The top of the page has a very prominent advertisement for a restaurant and bar. Many publishers would shy away from something so



large, but Wasau Pilot and Review is making a point here: They care about the success and visibility of their supporters. There are many ways to do that — such high visibility is only one of them.



Think about how this affects pricing:

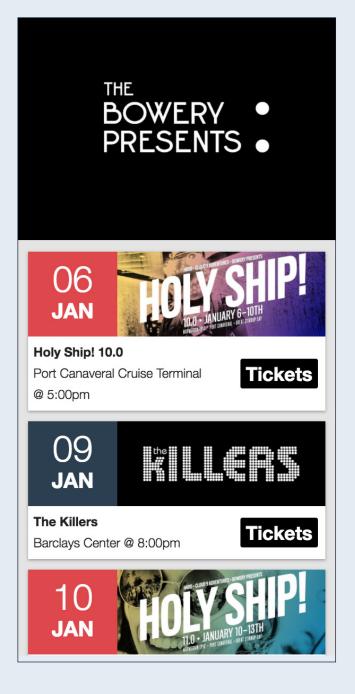
Now that you're offering unique creatives, how are you going to price them? \$5 CPM? Wrong. With creatives like these, you have more flexibility and may no longer need to think in terms of market-rate CPMs - because what you're offering is totally unique compared to the rest of the market. There is no more apples-to-apples comparison between you and Google. It forces the advertiser to seriously consider where they're going to get the most value.

Size isn't the only way to make creatives more saleable, engaging, and ultimately effective. Creatives can be dynamic and informational.

Take this Broadstreet Ad Format, to the right, which updates itself to display a venue's upcoming events.

This ad from The Bowery Presents isn't something that you can look at once and then ignore. It features a dynamic listing of upcoming shows. Furthermore, clicking on the tickets link takes a user directly to the ticket sales page.

You could make a very compelling argument that this is no longer an ad. This is something much more valuable: information. Readers of a city magazine or news website are legitimately interested in the news and happenings surrounding the local businesses that they know and love.



Do you know where small business most frequently post information about their business, work, and upcoming events? Social media

How many business have spent years accruing followers on a social network and to find themselves struggling to get their messaging out to the audience they worked hard to build?

Another Broadstreet format pulls in the latest social updates from an advertiser's feeds on an hourly basis. Think about the benefits:



Unexpected warm weather calls for unbelievably delicious cold brew #neworleansstyle #repost @aderario90

Efficiency

Their social messaging is being reused for their display advertising, boosting the effectiveness of the investment they're already making in their social media strategy

Dynamicism

There's no need to constantly upload new creatives when an advertiser wants to refresh their messaging

Visua

Nearly all social posts include a video or image, and we know that leads to better performance

Audience Amplification

Not everyone interested in Rook Coffee sees their posts or follows them on Instagram, Facebook, or Twitter. A creative like this puts updates in front of that audience.

Informational

There's no need to look away. Content from local businesses is legitimately interesting.

Ads like these are traditionally expensive to build — which is why you don't see them very often. Broadstreet makes this creative, and many others like it, available off-the-shelf for anyone to use — and these creatives can be customized in minutes with no learning curve or frustration.

Again, working with Broadstreet isn't required to think creatively when it comes to display advertising, but it does make many interesting concepts easy to implement. The point of this section is that better creatives simply impress, perform, and renew better. Anyone who doesn't see that will have a difficult time building an effective sales strategy on a local level.



Section / Page Sponsorships

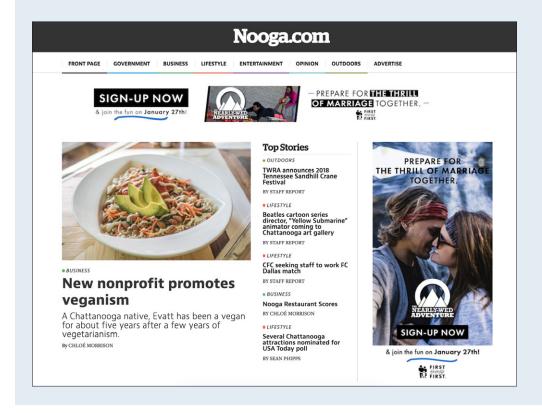


Businesses advertise for a whole host of reasons. You may have a retailer with a brick-and-mortar shop on Main Street who just wants bodies in the door. You may have the top Realtor at a local agency that wants to solidify his or her position as such among colleagues with exclusive placement. You may have an unknown or well-known person who is launching a new business and wants visibility or branding."

MICHAEL DINAN, NewCanaanite

The No. 1 request among Broadstreet's customers in 2017 was the ability to easily implement "Section Sponsorships."

Most magazine and news websites have different verticals, or sections for example, Dining, Arts, Real Estate, and Shopping. Allowing advertisers to "roadblock" a section, meaning that all available ad units in a given section are earmarked for a specific advertiser, is a powerful sales proposition. It's something that can't be replicated through an ad network. It delivers undeniable impact and value for the advertiser. This is truly one of those packages where advertisers immediately see the value - you don't really need to do much of the talking.

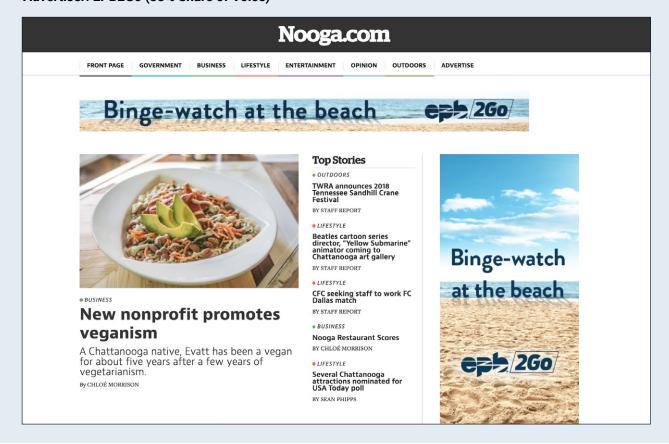


Section sponsorships don't have to be limited to a single advertiser, either — 33% or 25% share of voice is still a great value. Take a look at how Nooga. com rotates three advertisers through the leaderboard and sidebar on its homepage. (They do this for other sections, too.)

Advertiser: Nearly-Wed Adventure (33% Share of Voice) Advertiser: Rock Village (33% Share of Voice)



Advertiser: EPB2Go (33% Share of Voice)



Try combining a section sponsorship with some uniquely sized or dynamic ad units, and you can bet that you'll have the best offering available for advertisers.



Sponsored Content



We have been working hard to orient ourselves as a provider of solutions, not a seller of advertising. What gives us a competitive advantage in doing so is first and foremost our large, engaged audience and strong brand -- we can build our solutions around that. But having a great toolbox for creating great marketing is also important, and that's where our sponsored content processes and ad technology ... play a key role.

SCOTT BRODBECK, ARLNow

Big and prominent ad placements work. Advertisers love seeing their own brand and knowing that their target community is seeing it, too, but they also love to read about their businesses.

Sponsored content is something that many hard journalists aren't big fans of — it seems to blur the lines between advertising and editorial. But with proper labeling, even our most resistant customers have found ways to make it work and serve their clients.

Consider the benefits:

- It can tell a memorable and compelling story display ads can't do that very effectively
- It's evergreen content that will live on your site and in search engines forever
- It's something that the advertiser can share in their own social media channels
- · It's something that can be resurfaced

On that last point — sponsored content usually gets the most views when it's first published. Residual views come over time. But you can also promote that piece of content with a display ad in the future.

Take a look at the "ad" to the right: It's a simple creative with a sponsored content post's featured image, title, and



Ornery Brewery set the tone for brew pubs in Prince William

Prince William County's first brewpub just did something every brewery wants to do: Distribute its beer on the wholesale market to local restaurants.

snippet. Clicking on it takes a user to the post. Something like this would be nicely packaged with sponsored content or sold as an upsell once the original post has gotten buried by other news stories.



Smart, Flexible and Understandable Pricing

Many smaller publishers feel that they need to sell their online inventory by the thousand views, commonly referred to as CPM-based pricing. But is that really the best strategy, especially when dealing with smaller advertisers?

Small advertisers like to think, if I'm paying x per month, am I getting x in value?



From the beginning I've been calling my strategy "advertising with a conscience." I truly consider it my duty to do everything I can to help an advertiser get back more in revenue than he's spending with my company ... if one of these actions result in some direct conversions the advertisers are amazed. And I'm still amazed at how appreciative people are for just that little bit of extra effort without feeling they're being nickel-and-dimed.

MICHAEL WHITE, Greater Long Island

Again, the revenue your digital publication generates should be predictable and sustainable. A CPM-based model can create variability in your monthly income. What if Google decides to "fine tune" its search results, negatively impacting your site? What if Facebook decides to "fine tune" it's news feed, putting your content in front of fewer users?

Both of these things happen, and it's not a great strategy to be at the mercy of your largest competitors. That's why we encourage **flat rate pricing.** Think of the benefits:

- It's easier for advertisers to understand. \$1,000 per month seems a lot more straightforward than "100k impressions at a \$10 CPM."
- It helps place focus on the value you're offering as opposed to the pricing. We don't want advertisers thinking about \$x CPM vs \$y CPM — we want them thinking about value.
- Most importantly: It allows you to build a smart and sustainable revenue plan.

Many ad salespeople who sell by the impression are forced to guess or forecast how many impressions will be available in the coming months. It's hard for a business to set revenue goals when the thing its revenue is built on (impressions, which are linked to pageviews) can, at times, be out of its control.

- 66

Your revenue should be built on blocks that you have determined — it should not be determined by the whims of Silicon Valley giants.

Flat rate pricing is easy to understand and it's also great for planning.

Let's say you have a revenue goal of \$500,000. You have seven major sections on your site:

Homepage, News, Real Estate, Dining, Arts, Family & Style

Under this model, each section would need to bring in approximately \$71k per year. That's around \$6k per month. Could you attract four advertisers to sign on for a roadblock at \$1,500 per month for each section? Or perhaps three advertisers at \$2,000? Could you supplement that with sponsored content? The point here is that your revenue should be built on blocks that you have determined — it should not be determined by the whims of Silicon Valley giants.

Lastly, as a small publisher, you have the ability to pitch your advertising as a sponsorship as opposed to advertising. Non-profits use this approach to great success. Asking for support instead of a paid advertisement positions your organization as a benefit to the community.

Newsletter Sponsorships



The exclusive email sponsorship was really our first diversification with respect to ad types. The text was visible to everyone who opened the email. Our clients all wanted to book our email newsletters after that - capturing the exclusive mobile readers at 6 a.m. while many were still in bed. And inventory was short.

DOUG HARDY, CTNewsJunkie

Newsletters serve two powerful purposes for small publishers. Firstly, they drive traffic. It is absolutely critical that you have as much control over the drivers of your traffic as possible, and newsletters serve that need well. Best of all, they can be sent out automatically — perhaps pulling the latest stories or features, summarizing them, and sending the newsletter out three to five times a week without any effort from the publisher.

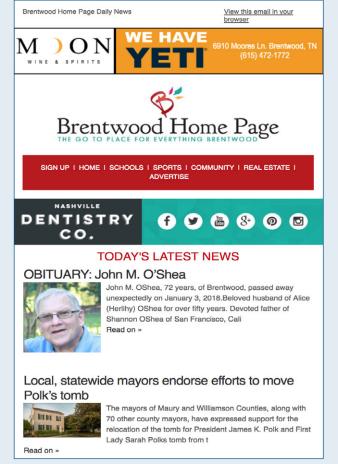
On top of driving traffic, **newsletters contain valuable ad inventory.** Advertisers love being in an inbox. They love the idea of leveraging your newsletter lists for marketing. A newsletter is the closest thing to something real like a magazine or newspaper — it doesn't feel like transient internet content.

Publishers tend to leverage their newsletter inventory in a few different ways:

- Selling newsletter space as a standalone product
- Selling newsletter space packaged together with display advertising

Of course, in order for newsletter advertising to be viable, it needs to be relatively painless to set up and report on. There are a few advertising platforms that support this exact use case (Broadstreet being one of them).

Let's have a look at a newsletter advertising setup by Homepage Media Group. HMP uses horizontal units inserted in the header and then again every few



posts. The positions are managed entirely through their adserver, and rotate daily. Newsletter ads can be scheduled to run ahead of time, and reported on like ordinary ads.



Transparent Reporting



Many clients report better performance. It is one of many reasons they choose to work with us — quality of audience and content, along with great creative units, make for a powerful pitch that gets attention.

TOM MARSHALL, New Jersey Monthly

Transparency is a major problem in the ad-tech industry. If you run a campaign with Google or Facebook, you aren't going to get much, if any, data on who engaged with the campaign or where in the world the people who engaged with the campaign are actually located.

Robot activity is a major problem for the industry, and advertisers are beginning to hear about it. That's why it's critical that small publishers set themselves apart from the larger industry by being as transparent as possible when it comes to reporting on campaigns. Transparency is a powerful tool in that it:

- Raises the bar most publishers, for example, just report "views" and "clicks" for a campaign. Simple numbers could have been pulled out of thin air.
- Humanizes data the more information we can provide on the people behind the "views" and "clicks," the more

real those views and clicks become. They aren't mysterious internet strangers.

 Leads to renewals — by raising the bar and establishing that the advertiser's money really is being put to good use, you're establishing trust, which will be critical when asking a customer to renew for another term.

So, what's the downside? Being transparent frequently requires extra effort, because the majority of ad platforms don't offer anything beyond standard metrics. Google Analytics can be set up to track the performance of creatives, but that requires development.

Broadstreet offers detailed location data for every click that it can. What follows is a real report generated by Red Bank Green, a small news publisher that depends on this level of transparency.



Advertisement Report:

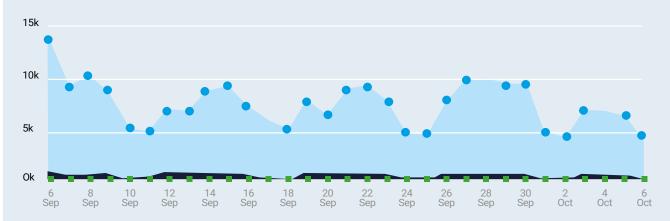
Brenda McIntyre Realty.
Prepared on 2016-10-06
Performance from 2016-09-06 through 2016-10-06

Brenda McIntyre Cube 072616

Name	Views	Hovers	Clicks	Click \Rate
Brenda McIntyre Cube 072616	232,259	12,334	881	0.38%

Denotes above average performance. The global average display ad performance is 0.06%. according to benchmarks at Google. Core Events By Day

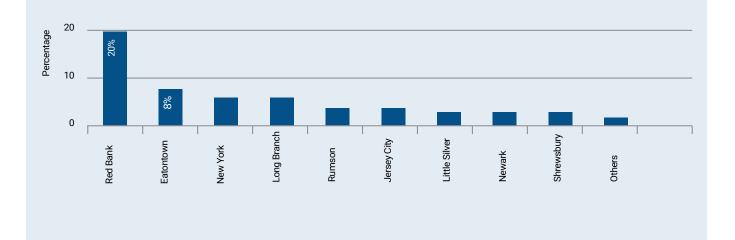
Core Events By Day



■Views ■Hovers ■Clicks

Breakdown by City:

Here is a break down of ad events by city. These can be core events like clicks or hovers. or special events that are available Only to certain ad formats.



Extended Event Summary

These are counts for special or extended events for this ad. The data shown is only for events where user details could be obtained

Click	Front Click	Black Click	Riight Click	Left Click	Top Click	Bottom Click	
632	108	92	90	86	90	95	12,313

Detailed Click Data

This is a complete list of all click events where individual user data could be obtained

When	Region	City	Postal	ISP
2016-09-18 11:36: 14.334631	NJ	Eatontown	07724	Comcast Cable
2016-09-26 10:45:21 294164	NJ	Rumson	07760	Verizon FiOS
2016-09-17 17:57:41.339882	MD	Greenbelt	20770	Sprint PCS
2016-09-26 10:45:31 335979	NJ	Rumson	07760	Verizon FiOS
2016-09-13 17:32:12 952322	NJ	Fair Haven	07704	Verizon FiOS
2016-09-29 17:46:22 984754	NJ	Rahway	07065	Comcast Business Communications
2016-09-17 15:44:48: 054511	NJ	Shrewsburry	07702	Comcast Cable
2016-09-17 15:44:20 129873	NJ	Shrewsburry	07702	Comcast Cable
2016-09-17 15:44:10 839188	NJ	Shrewsburry	07702	Comcast Cable
2016-09-17 15:43:39 642369	NJ	Shrewsburry	07702	Comcast Cable
2016-09-18 22:04:37 37119	NJ	Eatontown	07724	Comcast Cable
2016-09-21 22:51:00 485125	NJ	Red Bank	07701	Verizon FiOS
2016-09-21 20:14:19 410076	FL	Summerfield	34491	CenturyLink
2016-09-10 09: 31:22 502518	NJ	Fair Haven	07704	Verizon FiOS
2016-09-19 16: 15:29 637307	NJ	Little Silver	07739	Verizon FiOS
2016-09-14 15:45:00 307176	NJ	Red Bank	07701	Verizon FiOS
2016-09-09 11:26:09 551396	NJ	Asbury Park	07712	Verizon FiOS
2016-09-10 09:31:04 385742	NJ	Red Bank	07701	Verizon Fios
2016-09-26 25:52:11 839437	NJ	Jersey City	07306	Verizon Wireless
2016-09-17 15:44:02 806442	NJ	Eatontown	07724	Comcast Cable
2016-09-20 14:29:40 568185	NJ	Red Bank	07701	Verizon Fios
2016-09-20 12:33:35 032476	NJ	Carteret	07008	Verizon Wireless
2016-09-11 14:20:35 833451	NJ	Red Bank	07701	Verizon Fios
2016-010-03 01:20:58 166433	NJ	Red Bank	07701	Verizon Fios
2016-09-23 14:23:01 92991	NJ	Red Bank	07701	Verizon Fios
2016-09-16 00:58:26 650769	NJ	Eatontown	07724	Verizon Fios
2016-09-26 23:52:29 6698	NJ	Hoboken	07030	Verizon Wireless

Broadstreet reports can be automatically sent to advertising clients on a regular basis, keeping them aware that their campaigns are working for them.



Optimal Placement



Flexibility, ad size, run, whatever it is — they can't get that from the big networks. Like all small publishers we need to differentiate ourselves on the advantages we have. We find that goes a long way. STEVE HULL, Bethesda Magazine

Smaller publishers can tell advertisers exactly where their creatives or content are going to appear on their websites or magazines. That sounds like a given, right?

Well, when advertisers buy at scale, many times they have no idea where their ads are going to run, how often they'll be seen, or in what context. These are open questions:

- Will my ads be front and center, or marginalized?
- Will it appear next to objectionable or relevant content?
- · Will it be placed favorably on mobile devices?

Ad networks are in the business of filling ad inventory, not necessarily making sure that any particular campaign is getting favorable placement. An ad could certainly appear in some place that it'll get noticed, but does it always?

This brings us back to the question of value. Competing on price with an exchange is difficult for many small publishers, but they can pull the conversation back into their favor by guaranteeing great placement and visibility, which will deliver measurable results every single time.



Competing on price with an exchange is difficult for many small publishers, but they can pull the conversation back into their favor by guaranteeing great placement and visibility, which will deliver measurable results every single time.



Try combining a section sponsorship with some uniquely sized or dynamic ad units, and you can bet that you'll have the best offering available for advertisers.



Better Overall Performance



What we attempt to do with every single customer, regardless of size, is to build a program around their goals and objectives. If they are looking for leads, we have some lead generation options we can bring into the conversation. If they want branding, we have some good options for that, too. If we can determine what they want for their investment, then work with them on a program that delivers that, then the conversation is about value, not price.

GARY DEHART, IntuitiveAccountant.com

In two years of studying value-oriented digital advertising, we've noticed that smaller publishers tend to yield higher engagement rates for ad campaigns than larger publishers. When good placement and a large, dynamic, or informational creative is used, the engagement rates increase even more. It's common for publishers on Broadstreet to report click rates of 0.5% or more, even for long campaigns.

High click and engagement rates are important. That means that given a set number of impressions, you can deliver more impact than an ad network can. So even if your publication isn't one of "scale," if you deliver 3-5x higher performance than an ad network, you have the effect of delivering 3-5x more impressions that you actually do.

Let's say there two equally priced campaigns. One is with a publisher who can deliver 2,000,000 impressions in a given time period. The other campaign is with a smaller publisher who can only deliver 500,000 impressions in that same time period, but has the tools available to deliver higher performance.

	CPM/eCPM8	Impressions	Campaign Cost	Clicks	CTR	Cost per Click
Large Publisher / Network	\$3	2,000,000	\$6,000	2000	0.10%9	\$3.00
Small Publisher / Magazine	\$10	500,000	\$5,000	2000	0.40%	\$2.50



As a small publisher, your greatest advantage is the ability to deliver value. In other words, pitch them something that you know they'll get excited about.

⁸ Since we recommend flat-rate pricing, the small publisher's CPM in this case can be considered an "effective CPM," or eCPM. So if a website gets 100k views per month and the flat rate is \$1,000, the eCPM would be \$10.

⁹ 0.06% is the average internet click-through rate, so 0.10% is being generous.

How do you know they'll get excited? Well, are you excited to pitch it? If you aren't excited, think about what you're selling and what you can do to make it something an advertiser would be stupid (yes, stupid) not to buy.

And don't forget your strengths:

- · You're a member of the community, not an outsider like Yelp or Patch
- The ability for you or your staff to meet face-to-face with a business owner is powerful
- You can deliver advertising formats that are easy to create while also being
 - Big and prominent stroke the client's ego
 - Informational it shouldn't just be an ad, it should be useful
 - Dynamic if it isn't updated frequently, it's old news, and that affects performance (and renewals)
- You can deliver "ownership" of sections of your site with section-sponsorship strategies
- · Advertisers love reading about themselves, and you can deliver that with sponsored content
- · Your pricing structure is simple and easy to budget for
- You can get into your community's inbox via newsletter and advertisers want to go along for the ride
- · You can deliver detailed and transparent campaigns and reports
- · You can guarantee great placement and prominence
- When you do the math, stellar campaign performance can outweigh traffic volume and cheap or cutthroat pricing from competitors

Conclusion

Do not let the industry define what you can and can't do for your advertising clients. As a small publisher, you have incredible autonomy and flexibility. You have the ability to deliver value to your customers, your friends and community members, like larger media organizations can't or won't. By actively thinking of new ways that you can help their business grow, you'll be helping to grow your business as well.

So Now What?

If you're intrigued by the ideas expressed in this guide, and would like to talk to us about how we could apply them to your publication, give us a shout. We've worked with hundreds of publishers like you and would love to talk.

