Gary Young: I’m very, very happy to introduce Dominick Rausch. He’s going to give you a lot of information. He’s a brand plus advertising expert at D for Discover Consulting, as well as the founder and CEO of United Motion Entertainment, a media development and production company, focused on delivering a new level of digital experience and marketing for brands that range from film, music, and publishing to consumer products.

A leader in the field of branded entertainment, Dominick was a producer of online entertainment for Horizon Media, CJP Digital, and Mofilm commercial spots. Dominick produced *Easy To Assemble*, sponsored by IKEA, which with over 15 million views worldwide was acclaimed as one of the most successful digital branded entertainment series to date. Other brands include Trident Gum, ACE Hardware, Party City, and Walmart.

Dominick’s producing work in feature films includes a forthcoming documentary starring Keanu Reeves, a Warner Brothers indie *April Showers* with Tom Arnold, and *Speed-Dating* with Chris Elliot. In 2009, he joined the Producers Guild of America, mentored by Bill Fay, then became president of production at Legendary Pictures, and received a nomination for *Variety*’s Digital 25 of 2011.

Dominick speaks at public events, both in the United States and overseas, such as the IPTV World Summit in London, as well as classes at Arizona State, New York Film Academy, and many others.

Dominick is currently developing and consulting on digital initiatives and projects for the Walt Becker Company, known for producing and directing *Van Wilder*, *Wild Hogs*, *Old Dogs*, as well as other advertising, entertainment, and start-up clients.

Dominick, thank you for being here.

DR: Absolutely. Thank you for having me. As has already been said, this is kind of dense, and advertising is a broad field. I’ll focus on the perspective of content creators and publishers, but it’s important to understand both sides of the spectrum. I encourage everyone to do research from the advertising perspective, because looking from their side back onto content is just as interesting in understanding what they are thinking.

But, also, if we don’t get everything covered and if there are more questions, I have cards here, and then also I think we have a handout. It’s two pages and my contact information is on there too, so please feel free to reach out with more questions, because I’m happy to answer them.

Also, I have a blog at dfordiscover.com, where I always talk about the latest developments in advertising or just things that are on my mind in terms of what content creators should know right now, such things as writing entertainment and my experiences working with different brands—the stuff that you don’t learn at university, the real life stuff.

I don’t know how many were here last time when Tammy Bleck was talking about blogging, but she had some fantastic advice on how to build your blog and how to build your audience online.

What was interesting to me listening to that and just from general feedback that I get from a lot of people in the industry is that we look at a lot of blogs and social channels and all that more as a promotional tool to promote something that we have online, such as a book or another website or any other product, but what a lot of people don’t realize is that we can use all those channels with which we are already building audiences to monetize via advertising.

That’s really the exciting part because what I think we all can agree on is that it’s a lot of work to keep a blog, to do all your social channels. It sometimes gets out of hand and you almost have to hire an entire team to do it, but it helps to know that all this hard work is not in vain. It’s not just to promote *a* product but also the promotion itself can be monetized.

That’s what’s really exciting about the model, and I think that’s what takes blogging one step further in the business model around publishing.

The question is why, besides making money, is advertising a good thing? Number one is credibility. If you do get sponsors for anything, your website, your live events, your whatnot, it adds credibility, because you have someone paying for it, so that already builds trust with your audience.

Obviously, there’s also additional revenue to your other product sales, like your book sales, and it makes it worth your time in terms of blogging so that you get some money back from the time that you’re investing into it.

Last but not least, and one of the most important things right now, is that the opportunity for digital advertising has never been bigger than right now. Just to give you a couple of numbers, in 2011, Internet advertising revenue totaled $36 billion for the whole industry. That’s just the US. In comparison, cable television totaled $32.5 billion.

So, the Internet in 2011 has officially surpassed cable television. That’s insane—first in history. That shows you where the trend is going. Right now they’re actually projecting that by 2017, the market for digital advertising just in the US alone will be $61 billion, so it’s going to triple. So, you just have to get a sliver off that market size, and you’ll be able to benefit from that movement.

I know we’re all thinking, okay, great, all the big publishers like Huffington Postand whatnot are going to take those numbers and run with it. Really, what’s important to understand is that with the market growing, the opportunity and the demand for it will grow too, so the advertisers will need space to sell their advertising into. Don’t get discouraged by the big dogs. There’s enough for everyone. The pie is getting bigger.

Again, by 2017, $61.3 billion will be in digital advertising, and in comparison, television as a whole, not just cable television but all of television, will be $75 billion. So they’re coming closer and closer together, just to give you a trend.

Then, quick announcement, if we’re not getting everything covered, as a follow-up, we’re going to be sending you a free e-book that I wrote. It’s about forty pages, and it goes into more depth about all the key players, like ad agencies, media buyers, sales representatives, publishers, content creators—what role everyone plays in it and what you should be paying attention to.

Most important to understanding how to squeeze the most money out of the dynamics of advertising is, who are the key players? That is one thing that is simple but that a lot of people don’t know.

I’m just going to draw it out. The way that I look at it is, you have the publisher right here. You have the audience, and the advertiser, and then here is the content creator. What’s important to understand is, what is everyone’s motivation?

There are many layers of motivation, but the ones that are important to us are that, as publishers, we want to make money, and we want to build an audience. The audience wants to be entertained or informed. The brand and the advertiser, most importantly, want to have access to an audience.

What’s interesting is, even though it’s a triangle, the publisher really holds the power because there wouldn’t be an audience without the publisher, and there wouldn’t be entertainment without the publisher. So the advertiser needs the publisher because they need an audience, and the audience needs the publisher because they need entertainment and information.

So as a publisher you’re really balancing two big players, and you have to think about both. And we mostly think about how the audience reacts to our products, and sometimes we don’t even think about that, but that’s one of the most important things to begin with. But that’s just that basic dynamic. To really take that in is hugely important.

Now the most important thing you have to understand is, because you’re right in the middle of all of it, you’re providing the service to the audience and to the advertiser. And someone has to pay for that service. What happens is, in order for the advertiser to access the audience that you’re building, they’re going to pay.

In order for the audience to really enjoy the entertainment or the information that you’re providing for free, they accept that there’s going to be advertising as part of your product.

But when it comes to a paid product, like a book or any other product, I would stay away from including too much advertising or advertising at all. You can discuss it with yourself, what you ethically think is the right limit to do it, but when it comes to a free product, audiences are mostly accepting of advertising because they know there’s that relationship with you—someone has to pay for the work that you’re doing.

On platforms like Hulu, Amazon—those are the platforms that are really benefitting from that model now because the traditional TV model is kind of running out of steam, so people want, because of privacy and the immediate way of watching entertainment, to go online. So, when getting entertainment for free through platforms like Hulu and Amazon, for them it’s acceptable to have advertising around it.

So now we might ask, how do we make advertising revenue through the book sales or book product itself, since we’re all publishers here? That’s where the huge advantage of the new developments in digital media in the twenty-first century come in, because before the Internet existed, to get our books out there or to access any audience with any entertainment product, we needed publishers, or we needed record labels, film studios. Those representatives, the publishers, were holding the keys to access the audience, but that’s no more because of the Internet. That barrier has fallen, so now we’re not separated anymore. *We* are the publishers.

So really, that’s gone away. This gets you more power, but it also gets you more responsibility. The exciting thing about it is that you can own your audience, which means over a long period of time you can monetize it, and you can control that monetization. It allows you to control several revenue streams instead of just one. What I mean by that is, you are not just publishing your book and making money through your book sales, but you’re also publishing and putting out entertainment on your social channels, your website, which you then can control and monetize via advertising.

All of a sudden, by you becoming the publisher, you’re becoming more like a mini-business that really is starting to control several revenue streams instead of just one.

In terms of book sales and making advertising revenue through book sales, you’re thinking of the book more as a bigger business model rather than the book itself. So you really are creating more of a network around the book with social channels, with a website, with a blog, with YouTube channels, if not apps, and you’re really thinking more about how you can create a strategy that drives audiences from platform to platform and have the book at the center of it.

Looking at it as a mini-business helps you to really appreciate and understand how many elements are involved in making it a success and also what it really means not just to publish your book on Amazon but really build a network around it to attract potential book buyers from millions of people on the Internet.

The great news is that by having the book, all of you are already one step ahead of everyone who’s launching a blog or a social media account because you already have a product with value that gives you credibility.

A lot of people just go out there and start writing about something that they feel might be interesting, but if you have a product that is actually tangible, it already lends you credibility because writing a blog is not easy, but it’s certainly easier than writing a book with 200 or 300 pages. People take that as a credible selling point. That is not only the audience but also the advertisers. You’re positioning yourself as an expert, which we’ll get into later during the niche audience part.

So now you might think, all that outside work, the marketing, the promotion, that’s so much dreadful additional work. But really the good news here is that all that additional work can be monetized via advertising. That’s what we’ll discuss now.

How can we make money from advertising?

Here are the self-publishing platforms that I would suggest, that I’ve used in the past, and that I think are most efficient, and I’ll also list the content formats on each of these platforms:

First and foremost, a website. On that you can have text, pictures, videos, and podcasts.

Then a blog. Sometimes a blog is a website, but you can also just set up your blog via Tumblr, so you don’t even have to do your own WordPress. That is just as valid because on that you can also use text, pictures, videos, and podcasts to include advertising.

You can build a YouTube channel. With YouTube, the advertising is controlled by YouTube, but because you’re creating video, you’re creating a platform for audiences to be attracted.

People often get scared off by creating video. Now, I’m not saying necessarily put up a camera, set yourself in front of it in the basement, and just start talking, but at the same time, you don’t have to create Hollywood movies.

At the end of the day, what you have to do is ask yourself, what does my audience want? What is that audience interested in? How can I provide value for them? Because, sometimes, it is so easy to just create a minute-long video in which you really provide value, where you talk about some gold nugget you might have hidden inside your book or you might have inside your blog, but you’re putting it out in the world in a way that’s much easier to consume because it might be easier for me to just watch a one-minute video than to read a 700- or 800-word blog. So look at your YouTube videos or YouTube channel more like an extension of your blog, rather than a whole new Hollywood production or having to create new stories that you have to tell.

Really, think about, what is *my* brand, what is my blog about, my book about, and how can I add value, package the information that I have in a much shorter, quick entertaining version so that people can have bite-size content?

Even though it seems overwhelming in the beginning, once you get into it, doing a one-minute, or even thirty-second, video on a weekly basis isn’t even that hard once you have it all set up and you start really getting the feel for it.

What we’ve seen—in 2009, when we did the show *Easy to Assemble* for IKEA, there was a big trend more toward the entertaining content. YouTube, I think, it was about $300 million that they invested into original content. They started over 100 channels, and they had all kinds of movie stars, TV stars, the whole cast of *Dexter* was doing one show, but that really didn’t take off because the medium, YouTube, was just not the right medium to tell those kinds of big stories.

Think about how do *you* consume YouTube, and that’s exactly how your audience consumes YouTube. It’s really just information, bite-sized content that doesn’t have to be big story telling. The Internet in itself is more of—and I speak for myself but I think a lot of the audience would agree—it’s more of an intimate medium, and I think that’s exactly what a lot of people underestimate.

I wouldn’t consider watching Netflix or Amazon or Hulu on my TV Internet. Even though that is Internet distribution, it’s still more like TV watching, but when it comes to the Internet content, like *Huffington Post*, YouTube, blogs, it’s really intimate. You’re not sitting there with your family reading a blog. You’re not watching YouTube with your family. Everyone’s doing this on their own, so think about that when you’re creating your YouTube content. It’s less intimidating that way.

The first three were website, blog, YouTube channel. Then live events are a big one. That’s one of the biggest platforms in terms of attracting advertisers, especially when you don’t have a big audience. When you do have a small audience that’s very niche, and you can put together a live event—and that doesn’t have to be a big party with a red carpet on Hollywood Boulevard. It can be a little workshop with 50 people, but if it’s 50 people that are all running business start-ups, and right around the corner you have someone who’s printing business cards, that could be an advertiser because he needs those 50 people more than the million on your YouTube channel.

Live events are big. And live events, that means workshops, seminars, you can do little parties, or even just little get-togethers. At the end of the day, in your case, especially with books or with blogs, what you want to do is provide value at those live events so that you get the audience there.

It’s a nice idea to try to charge a lot of money for workshops or seminars, to do like a weekend workshop and get a lot of people paying a lot of money, but often getting them there for free and getting a good advertiser and building that relationship with the advertiser might be a bigger payoff for you later on, because you might build a bigger relationship with that advertiser and can extend that relationship into having them pay for advertising on your blog and all the channels that you’re building online.

Live events are great for getting potential clients and potential advertisers into one place.

Last but not least, social media accounts. Text, pictures, and video. I’m mentioning this last, even though that’s always on the top of the list for a lot of people, because while you can certainly make money on social media accounts—there was a little bit of a hype in 2011–2012 where people like Kim Kardashian got thousands and thousands of dollars for tweeting something, but they’ve started to realize that a lot of that doesn’t have a lot of click-through rate, and it just didn’t really work well.

It’s still there and if you have a really large audience, it works, but when you don’t have as big of an audience, I wouldn’t put such a big emphasis on that and would use social media more as a promotional tool, rather than for placing advertising. That being said, it can be done, especially when it comes to smaller brands.

Again, website, blogs, YouTube channel, live events, and social media accounts. All of those platforms have one thing in common—you can put advertising on them. So those were the platforms that I’d suggest in terms of attracting advertisers.

Then there are different forms of advertising on those platforms. There are a lot of different forms of advertising, different banner ad sizes, and whatnot, but what I want to discuss here is really just the most common, the ones that I’ve used, that most of my colleagues have used, and that we have experience in and we believe are successful.

So, for your website and blog, because they’re both reading and website-based, it’s the same formats, so we have the in-text links.

We have display, which, that word, in the beginning, I didn’t know what that meant until my colleague Dustin, who’s here in the audience too, taught me about it. Display means nothing else but banner ads and anything that you can see that’s not video or anything. That’s display advertising. When people use that word, that’s what they’re talking about.

Then prerolls, midrolls, and sometimes postrolls. Prerolls are really the most common, and they’re the same thing as a commercial spot, just 15–30 seconds. I’m sure we’ve all suffered though the initial rollout of prerolls on YouTube when it was still 30-second spots to a minute, and it was like, well, I might as well not watch the video. Advertising agencies have started to adjust and make 15-second videos to fit more into the platform on digital media.

So we have in-text links, display or banner ads, prerolls/midrolls.

Then audio prerolls if you do have a podcast, that’s a great way, especially for smaller brands, to create a little 15- to 30-second audio commercial.

Then a great way to make money especially with a smaller audience is endorsements—text, video, and podcast endorsements. You can do it on your blog, on your video or YouTube.

This is, again, why it’s not a bad idea to create a YouTube channel and audience because video is more valuable for advertisers. Video is considered the most valuable medium because you’re creating an even more engaging experience with your audience. So the rates are much higher there. So that would be on the website and blog.

And then on the YouTube channel, it’s either prerolls or midrolls or postrolls, which you don’t control. That’s YouTube. If you do have a YouTube channel, you can turn off and on the advertising feature, but you can’t control what kind of advertising is going to roll in front of it. You also cannot control how many times or how high the fill rate is, how many times a preroll is going to run in front of your video.

But endorsements also work great on YouTube. A lot of beauty brands are very hot on YouTube, a lot of fashionistas and people who are experts in fashion. I mean, in general, a lot of experts online on YouTube—if you have a niche audience and are an expert in something and your audience trusts you, that’s what advertisers want to access.

So, endorsements, product placement is the next step of—is everyone familiar with product placement? You’re doing a video. Say you focus on tennis. You have a tennis video blog, so when you’re doing this video, an instructional video for example, you would be paid—Nike would probably not do it because they’re only going for big ones—but if you have a local brand with environmentally friendly clothing or things that save the environment, you could wear those clothes. That would be considered product placement. You’re not really calling them out; it’s just there. You’re basically just getting paid for having it there.

The next step up from there is product integration, which is product placement, but you’re also creating more content around what you’re actually wearing. So you’re making the audience aware of the product. You’re not just having it there and hoping the audience sees it, but you’re also talking about it, and how comfortable it is, and giving more of an endorsement, but you’re not making an endorsement video, because your video is still about the how-to. So the video itself, the content itself, doesn’t change. It’s still about what you’re giving the audience, but you’re integrating the brand a little more, and that’s why it’s called product integration, and that’s more valuable than just product placement.

And then the most expensive category is branded entertainment. We’ll get to that more later, but that would be, again, the show we produced for IKEA, where it’s all about the brand. Basically you do research on what is the brand’s identity, history, where are they going from here, where did they come from, and you’re integrating all that identity into your characters and your story. So the characters in your story need to represent the identity of the brand, and not just the products. It’s like brand paradise, because you’re basically using the brand to tell a big story.

Great example: *The LEGO Movie*. That’s branded entertainment times ten. It seems like, oh, LEGO made a movie, but really LEGO didn’t write the movie. They hired producers. They hired a studio. So that’s where we as publishers come in again. That’s the model in branded entertainment: you as the publisher produce something for the brand, rather than just attaching advertising around something that you’ve already produced.

So that’s YouTube. As you can see, video has a lot of leverage and creative ways of integrating advertising.

Then there are live events. Think about sponsor packages, which is print ads on any written materials, and that could be putting together gift bags, back-of-the-room sales, verbal endorsements in your speeches, in your workshops.

I’m not sure if you’re familiar with back-of-room sales, but that’s actually interesting for publishers. Let’s say we have a workshop on how to do certain moves in tennis or warm up for tennis and someone happens to have written a book about tennis shoes, and they want to sell that book. So, basically, for them to be able to sell that book after or before your panel, that happens to be that target audience, they have to pay you a fee for that. So that’s also considered advertising during live events, which is great again if you have a niche audience, a small audience.

You can have any form of website/blog ads leading up to the live event. Again, that’s why live events are such a great thing because you can actually measure your audience, which is often a problem with the blog and all your social media channels. It gets dispersed pretty quickly if you don’t have the team in place. So with a live event you can actually measure ticket sales, and you can know exactly who is subscribing and have information on that audience, which is valuable to the advertiser, so you can sell the advertising at a higher rate because you have information about the audience. So that would be live events.

And then on the social media accounts, the most common ways of generating revenue is through endorsements, and then sponsored links, and branded pictures or branded videos—again, for example, the tennis player wearing an outfit.

So how can advertising fit within your content? The most important thing to really understand and to think about, because a lot of people still haven’t understood it, is that content online, especially when it’s on promotional channels, social media channels, or your blog, even if it’s promoting a product, it still needs to be content. And there’s a phrase that’s kind of become a buzz phrase in the last couple years and that’s *content marketing.* All that means is that, rather than looking at the stuff that you put on Facebook and Twitter as just promotion, look at it as continuously entertaining the audience.

So if you have a Twitter account, let’s stick to the tennis example. If you’re blog, your book, and everything is about tennis, then there’s nothing more irritating that constantly tweeting, “Hey, check out my book,” “Hey, check out my latest blog,” “Hey, check out this,” “Check out that,” because we’re getting numb to that after awhile. We don’t want to constantly be bombarded with promotion.

We’re going to probably much rather subscribe to a channel that entertains us or that gives us information. So if you can take the work out for yourself and you find other cool blogs or videos or other things that you’ve found online and you retweet them, you repost them on Facebook, or you mention them on your blog, all of a sudden you’re becoming more of a center for someone to get information on tennis. You’re becoming the expert. So it’s not just your book that you’re selling, but really all your channels are entertaining the audience over a longer period of time.

So, if you’re not necessarily putting out a direct sales force and saying, “Hey, go out and sell my book to these and these people,” if you really want to do something that’s called inbound marketing, you’re creating channels and content that is timeless.

Once you put it up on Facebook or on Twitter, it’s out. That channel exists so every time you add something onto it, that channel gets bigger and bigger and bigger, and the audience sees, wow, this guy actually takes out the work to give us all this information. He or she scans the Internet to help us out. They’re really passionate and can feel that you’re putting in that work, so they’re going to subscribe to your Twitter account, and chances are, once they are subscribed, once they follow your Facebook feed, etc., that they’re going to check out your blog. From the blog, once they have built trust with you and realize you have a book, they go, “Oh, they have a book, that’s fantastic,” and then they go and buy your book.

Now that sounds like a lot of work, but what happens is, once you have all those channels in place, that starts automating your marketing process. So you don’t have to constantly go out and really do the direct sales, but all of a sudden those channels start doing the work for you.

Where that matters for advertising is that on the one hand, that’s a great way, obviously, to market your books and your products, but also an advertiser now sees, okay, this person actually creates content and value for their audience. They’re not just constantly promoting themselves, because no advertiser is interested in attaching themselves to someone who keeps bombarding and spamming their audience.

What they’re interested in is attaching their name, or associating themselves, with a channel that creates value for their audience. So that’s really the core to your content strategy. You have your book or you have your main product, and all the other content that you’re creating around it needs to be just as entertaining, just as valuable to the audience, as the book itself. That’s a lot of work, but that’s going to pay you twice because you can monetize that by getting more leads for your book and via advertising. So that’s where it really pays off.

Often when you create content, you wonder, why doesn’t the audience like it? And you ask all these questions, and then you put yourself in the seat, and say, hold on a second, would I actually read that or would I subscribe to this Twitter account. And then you realize, actually, I wouldn’t. Sometimes it’s too boring or you realize you just haven’t put enough work into it or it’s just not interesting enough, if you’re honest with yourself.

So, if I wouldn’t subscribe, why do I expect my audience to subscribe? So that’s always my first step that I go back to and say, what’s interesting to me or my audience? Identify myself with my audience. What’s newsworthy? What would I share with my friends? What would actually entertain me, and what value do I get from this content?

And when I can answer all those questions with a positive answer, then I know I have something here. But if it’s all kind of in the gray zone, it’s probably not going to do anything and especially is not likely to interest advertisers.

In my experience, there are three levels to include advertising in your content. We’ve discussed the platforms, we’ve discussed the different formats, but now let’s talk about when and how you’re going to integrate it.

The first level is you place the advertising around your content after creating or publishing the content. So that means you have a running blog, you have a running social channel, you have content already up, and you’re placing banner ads around it or prerolls on your videos.

By the way, just so you know, YouTube does allow you to use their player on your website, but not to monetize your video, so you would have to go with a different video player to actually monetize a video that you want to on your site.

So, what I would suggest is, if you have a video that you believe is strong enough, both on YouTube and on your website, then put it on YouTube, build your YouTube channel because that’s where you can generate advertising revenue from their sales force, but also put the video on your site. There are video players—there’s one called Brightcove, and there’s Ooyala. They do charge money for their video players, but what happens is, you control the advertising that you feed into that video player, so that has nothing to do with YouTube.

Q: Can you limit or control the type of advertising that YouTube attaches to your video?

DR: To a degree. We’ll talk about this later, but it depends on if you go through ad networks, which is more like an aggregation of advertisers and publishers, and they’re doing it for you, or if you do direct sales.

If you do direct sales, absolutely, you 100 percent control it. That’s the nice thing about subscribing to one of those video players, you control the code that you’re going to put into it, so you can absolutely make sure what runs and what doesn’t. And that’s absolutely the upside to it. On YouTube, you don’t. And that sometimes can be a problem. YouTube has been pretty smart with algorithms, but we’ve had examples where we had a video that was all family-friendly and whatnot, and there was an R-rated video game running in front of it. It’s just not ideal.

Q: Is there a way that you can block YouTube from having—

DR: Yeah, you can. You can just turn off advertising altogether.

Q: You can?

DR: But you can’t control what goes through, that’s the thing. Either you turn it on and let them handle it, or you turn it off and you’re not making any money from it. So, that’s up to you.

So that would be the first level in integrating advertising after the fact. That would be banner ads, video prerolls. If you interested in in-text advertising, which is links to other sites, or links to products, you can still integrate them later on. That would be the first level.

The second level, I would say, would be to integrate advertisers while you’re creating content, not after, but while you’re creating it. That includes endorsements and definitely in-text links while you’re writing a blog. Let’s say you’re writing a blog about organizing your schedule, so you could have in-text links to scheduling software and all that, and they’d be grateful to have that in there because they know your audience is going to need that at that moment.

The third level would be to produce the content for the advertiser. So the first was to integrate after the fact, the second is to integrate it while you’re creating the content, and the third is to create it for the advertiser altogether. So where that matters now for the advertiser: the example would be entertaining videos that revolve around a product or your advertiser.

Think about your interests as a content creator. On the first level, if you’re placing advertising around your content after the fact, then your main focus needs to stay your audience, not the advertiser, because what you want to do is build a very intimate relationship with your audience, build trust, create a strong voice, a small community that you can tap into. Once you start focusing on the advertiser, you’re going to lose touch with what your audience is looking for.

The truth is that what the advertiser is looking for is your relationship with the audience, so if you’re integrating banner ads and prerolls and all that after the fact, then stay focused on the audience. Stay focused on the content and the relationship with the audience. Keep them entertained, emotionally involved, actively engaged at all times on all platforms. Produce great content on all your platforms.

Also sometimes less is more, that’s one thing I wanted to add here, as long as you stay consistent. Some people get overwhelmed by the idea of putting out content every day on all those channels. I would suggest, and I think Tammy was saying this too, I think she only blogs once a week. And some people only blog once a month. If you are consistent, and those blogs are really valuable to your audience, it doesn’t matter how many you have but how high the quality is, because—Dustin, what was the fashion blog that only posts once a week?

Dustin: The Beauty Department.

DR: The Beauty Department, and they only post once a week, and their advertising revenue is probably in the hundreds of thousands.

Dustin: Yeah, they generate a lot of page views, unique page views, over 6 million with just one day a week.

DR: Yeah, one video a week, over 6 million page views. The difference between unique visitors and page views is—we will get to questions later, but I do want to explain this because it’s important for advertising and for measuring it.

Let’s say you have a website with an about page, a content page, and a contact page. So you have one page where all your blogs are, then you have another tab that’s an about page, and then let’s say you have a contact page. Now if you include advertising on all those pages, what happens is that one person, if they visit all three pages, you get three page views, but you only get one unique visitor. So if someone has 6 million unique visitors, chances are they’re going to get up to 18 million page views, which is fantastic.

So, basically, and this was kind of big in the early 2000s when a lot of people were scamming the advertising system, they just created a lot of pages or lot of a slideshows. There are still a lot of websites are out there now doing this, but they’re starting to die out. It’s really short block content, and it’s just amazing headlines, like, you know, Who Puked in Someone’s Face, and then you click on it, and you go to the next page, and you see the pigeon exploding, and all that. You basically go through the pages, and they’re trying to lead you through different pages so they can increase their page views because that is what accounts in your bottom line to multiply the revenue from advertising. Does that make sense? A little bit?

Q: Maybe for everyone else, so I’ll talk to you separately. So, you mean, if someone has those three pages on their website, the content page, the contact page, and an about us page, that means that those pages could then make unique visitors come?

DR: No, so, basically, the unique visitor—look at your website as one whole destination. So the unique visitor only visits that whole destination once, right? So that’s why it’s a unique visitor. But within that destination, you have different areas, or different pages, so that’s why one visitor can generate three page views because he moves around within the page.

Audience: Now I’ve got it.

DR: Okay.

Audience: So that unique visitor can go visiting—

DR: Exactly

Audience: And create multiple page views.

DR: And why that matters is because you’re going to have advertising banner ads on multiple pages, so you want your audience to stay or navigate through the website as much as possible so that every time they reload the page, there’s different advertising on it.

Q: And that’s what my first question was. How does someone get advertising?

DR: We’ll get to that. I’m covering the basics to understand the big picture of advertising and what matters, and then we’ll get into more the details of that.

All right, so, we said on the first level, if you integrate advertising after the fact, if you produce the content, most important is to stay focused on the audience.

On the second level, if you integrate the advertising while you’re creating the content, then really it’s about balancing the interests between the audience and the advertiser. Because what you don’t want to happen is for that endorsement to not be your voice. If you’re endorsing something that doesn’t really make sense for your audience, then that’s a great way to say goodbye and lose everyone, because you’re going to lose their trust. They’re going to smell that you’re just doing this for the money, even though, of course, we need to make some money, but if you’re breaking that trust with that audience, you’re going to lose them once and that’s it.

So really the most important thing when you’re creating content while you’re integrating advertising is to stay true to your voice. That’s one thing I wanted to add too, because Tammy Bleck was talking about blogging last week, and she refused a couple of advertising integrations, which I think is definitely high integrity. The most important thing in delegating that process, endorsing or putting advertising within your content, is that you can do it with integrity. Just stay true to yourself. Stay true to your audience and just be honest, is this really something I would endorse? Because, if you endorse it, then guess what, your audience is going to love it.

There’s a couple of YouTubers who do car reviews or food reviews, and they have such passionate audiences because some people just eat fast food and they love it. Their audience loves the same thing, so whatever they endorse, the audience is going to run out and eat it. So if they start endorsing broccoli, their audience is going to be out the door.

That’s really all that is. If you’re integrating advertising while you’re creating content, stay true to yourself, but at the same time, of course, consider what the advertiser is looking for to get that money.

On the third level, if you’re creating content for the brand, the main focus is the brand and the product itself. So you’re not really focused or worried about the audience here, because most likely what’s going to happen is the advertiser pays you to create the content. They’re going to take the content and distribute it or syndicate it for you or for themselves.

So, often what happens is you can have it on your own site, and you can absolutely distribute it there, but they’re also going to distribute on other platforms. So, in our case, with *Easy to Assemble*, what happened was we built our own website and had our own blog. We built our own audience, but it also got distributed on Hulu, My Damn Channel, YouTube, etc., and that was all IKEA. They were doing that; we didn’t even touch that. They basically took that piece of content and distributed it on their own platforms that they controlled.

So in that case, if you’re creating content for the brand, don’t worry too much about the audience; let the brand tell you what they need, take the check, and go home. But, again, stay true to yourself if you want to make it part of your content strategy.

Q: Well how do you know who they’re going to disseminate it to in terms of your platforms? If you create content for an advertiser, and then the advertiser distributes it to their platforms, how do make sure they don’t distribute to some company that you’re not true to or that you don’t like?

DR: Yeah, that’s out of your hands. If you don’t want that to happen—

Q: Can you sign a legal contract ahead of time, like, I don’t want you to distribute this to any pornographic—

DR: If you’re Keanu Reeves, and you have that power, then yes you can, but if you’re not, then the advertiser is going to control the content. It is a good point to bring that up, because if that is something that you’re worried about, and you want to keep control of where your content goes, then that’s not a form of advertising I would spend time going after.

I would just eliminate that off your list and say, look, that’s not something I’m interested in because I want to control my content. Don’t even worry about creating content for a brand. Focus on the first level where you’re creating your blog, you’re creating trust with your audience, and you’re feeding advertising into that blog. I would just focus there.

All right, so then the difference between making money up front versus on an ongoing basis. This goes back to the three levels.

So, the first level, placing content after the fact, what happens is you’re feeding advertising, either direct sales or advertising through ad networks into your website, and the way that gets calculated is either through cost per mode (CPM) or CPC, which is called cost per click, or CPA, which is cost per performance campaigns, but you don’t have to worry about that too much.

What you have to worry about is that it’s paid on net 45, net 60, or net 90, or sometimes net 30, but rarely. What that means is that the money is paid out to you 45 days after the last day of the month that the money was made in. So if you’re on a net-45 contract, it takes 45 days. So let’s say, even if it’s the fifth of June, and you made a lot of money on that day because a lot of people went to your website, you’re not going to see that money until 45 days after the last day of June. That’s important because if you start planning on generating revenue and you’re reapplying that revenue to marketing or planning to use that money, you’re not going to see it until then.

And then what happens too is that within that time, you want to look at, in your own reports, because you’re going to compare with the advertiser if your reports match up with them. That’s not something that you necessarily have to worry about because Google AdSense and those platforms do that for you. So you all you have to know is that it’s going to take either 45 days, 60 days, or 90 days after the last day of the month of revenue received.

But the good news about that model of putting in advertising after you’ve created content is that it’s the best way of generating ongoing revenue, rather than while creating or creating for a brand, because what happens here is that you’re creating an ad feed rather than just specific ads. So you’re not constantly taking one specific ad into your website, but you can feed in Google AdSense and until you say stop, they’re going to keep feeding advertising into that. So for as long as you’re generating an audience or you’re creating content, you’re going to have ongoing revenue coming in. So that’s the best model to create ongoing revenue.

When it comes to creating content while you’re putting advertising into it, you can sometimes get some money up front, especially if it’s like an endorsement on your blog or you’re doing a review, sometimes you can charge people somewhere between $25, $50, depending on how big your audience and credibility is, up to a $100 per blog. But often it’s based on performance, and you get paid by how many times people click that link. You get paid literally a dollar per click, five dollars per click, depending on what has been negotiated.

So that’s a good way, once you get your blog going and you have an audience and a little bit of credibility, that’s a good way to make a little bit of money faster and control it more up front so you don’t have to wait 45 or 60 days.

The third model, creating content for the brand, you get the money up front. That’s it. You’re basically a hired gun, you’re doing something for them. In a way you’re almost like a commercial producer, but you’re doing what you’re good at—writing, producing a video, talking to your audience, using that relationship to create value for the brand—and they’re paying you for that up front, because that way they have the right, to your question again, to syndicate it wherever they want to. They’re basically buying you out of the contract, saying, “Here’s the money that we’re paying you as a producer. We’ll take the content and take it from here. You can also distribute it, but otherwise we’re good.”

Now, how to prepare for advertisers and how to get advertisers. That’s the handout, did we already hand it out? I’ll just roughly go over the main details, but there’s more info on the handout if there are more questions. Also reach out to me any time if you have more questions about it. This is a six-step process based on the way we’ve done it in the past and how it’s been successful for us.

At first, always define who is your target audience. And get as much information as possible on age, gender, ethnicity, etc.

Two ways of getting that information: Google Analytics, they’ll give you at least some high-level information—country, I think they give you some ethnicity but not much on that. They’ll give you more information like, how many people are on your website, what do they click on. To get more demographic information, [quantcast.com](file:///C%3A%5CUsers%5CAwesome%20Amy%5CDownloads%5CQuantcast.com) is a great website. If you implement their tag on your website, they’re going to start measuring ethnicity, education level, do they have children, do they not have children. So you’re going to get some more detailed information on your audience, and that’s for free. There are obviously paid solutions like Nielsen, but that’s thousands and thousands of dollars. That’s not worth it, and that gets very detailed, but mostly you don’t even need that.

So the goal here is, again, it doesn’t have to be crazy, but get as much information as possible about your audience so you can present that.

Then what kinds of advertising formats are you planning to offer to your advertisers? Make that up front. Make that like a Chinese menu just so they know exactly what they’re up against.

And then how large is your audience? Get numbers on your websites, social channels, literally every place that you could possibly have an audience. Gather it all and list it so that advertisers know what kind of value they’re getting, not just from your website but from the whole brand around it.

This is one thing that will save you a lot of time—and I didn’t do it in the beginning either and then I realized how important it is—narrow down your list of advertisers and brands, because obviously there are thousands of brands out there that you could call, and the question is, “Where do I even begin?”

The most important thing is to think realistically because Coca Cola doesn’t need more exposure. They’re not in the business of getting more exposure. They have exposure. I think everyone knows that brand, but what they’re doing is more specific campaigns that they’re producing with high-level individuals and campaigns.

So we don’t have to worry about that, but smaller brands, local brands, or even national brands that are smaller or new brands that need exposure and do want to feed into a niche audience need you. So what I would say the most efficient way of going about it is, start with a list of, say, 30 to 40 brands that you know their target audience matches your target audience. And then prioritize that list by putting the smallest brand at the top of the list and the largest brand at the bottom.

That’s how you then go the next step and do research on each of those brands. Find out their target audience, what products are they currently focusing on, what kind of advertising have they put out in the past, who is their ad agency of record, recent press releases, events that they’ve sponsored—which is, by the way, a great way of seeing where their mind is at. You have all these events, like the trade shows where they all get together, and if you can find out where they sponsor, what kind of booths or events they sponsor, you’ll find out what type of audience they’re after.

Then, next step, most importantly, create the media kit. That seems overwhelming, but it’s not as hard as it seems. One thing I would suggest is Google “Martha Stewart media kit.” You’ll get a good idea of what the format looks like, because she has an editorial calendar in there too, and she lays out what kind of advertising formats they’re selling, how often they sell it, at what pricing, what their audience is, so it gives you a good idea.

Basically think of your media kit as your public business plan because what you’re presenting here is, who is my audience, what’s my product, who are we, why are we the ones you should trust and give money to, and what are we selling, what kind of advertising formats, and how much are we charging for it.

Then there are much more detailed tips on the sheet, like how to figure out how much to charge. One good trick is to ask for media kits from websites, like Upworthy or whatnot. Literally, pretend like you want to advertise with them and you want to buy advertising space.

What’s going to happen is, because they want to make money from you, they’re going to send you their media kit, and then in their media kit, you’ll see their prices. And then you can say, ah, okay, so here’s what they’re charging. All I have to do is underbid them, and then we’re getting close to the number that we can charge. That’s a great way of getting an idea of what the pricing is.

Audience: Upworthy probably has millions of viewers.

DR: Yes, Upworthy is big—even smaller sites send out media kits, definitely. And, for example, if you sign up for ad networks, for example Glam Media ([glammedia.com](file:///C%3A%5CUsers%5CAwesome%20Amy%5CDownloads%5Cglammedia.com)) is all about fashion, beauty, very female oriented. When you sign up with them, I think they give you a media kit right to start off with, just so you have an idea of what the whole network is about. A lot of ad networks do.

Just to run through that again, I’d say start with the Martha Stewart media kit, it’s a great reference. Describe your company or your personal bio, describe the products you will be basing the advertising around, then present the advertising formats that you’re selling, include an editorial calendar, how many times do you blog, how many times do you post on Facebook, on Twitter. It doesn’t even have to be specific information, just so they get an idea of the frequency, how many times can they be exposed to your audience.

Last but not least, include the information on your audience—size, demographics, all the research that you’ve done, now in a pretty, neat, little package, so they can see, okay, this is the audience that I’m buying.

The media kit really matters for everything. It doesn’t matter if you’re sending it out to a big ad agency, or you’re giving it to the guy who wants to sell business cards to your entrepreneur audience. By the way, especially for the small businesses, if you have a media kit, it’s very impressive because they go in and think, “Oh, they have their stuff together. I have all the information right here.” It makes all the sales questions much easier because they’ll take you seriously for having done all the work that they would have to do. So the media kit is really a powerful tool to smooth the conversation and close the sale quickly.

Q: Can you build your media kit in PowerPoint?

DR: Yeah. We actually do it in PowerPoint a lot. By the way, this is something we do in our consulting business. If you do need help, we’re here for you.

And then, the next step is reach out to the brand. You can find a lot of contacts via LinkedIn. Do research on the agency of record. This is something also that you want to understand—you don’t want to reach out directly to the brand, because the brand themselves, if it’s a bigger brand, they mostly don’t handle their sales. It’s the ad agency or their media buy agency, so you have to get someone in that department or that company in order to discuss sales or media buys. By *media buys* what they mean is the media that they’re buying, which is basically the advertising space on your website.

When it comes to smaller brands, they often don’t have an ad agency. If it’s a local brand, the chances are you’re talking with the owner directly. Going in person or making a call is better than just sending a cold e-mail.

If it is a bigger brand, and you’re sending an e-mail to an ad agency, what helps, before you send the media kit, send a one-pager that just summarizes the media kit. Just think of them as like the most crazed-out people getting pitches all day long. They’re going to just fly through the highlighted information.

It doesn’t even have to go in order of what’s logical, but you could start with, “I have 500,000 people in your target audience, females 18–49, that are interested in fashion products.” If they see that line, great, they’re going to continue reading. Give them the information that you know is going to be the most valuable.

It doesn’t have to start, “Here is who I am; here’s the biography.” Give them what they want, and then you can roll out the rest of the page with a little more background information. On the first reach out, I would only send a one-pager. When they get back to you, either set up a call or if they say, “Hey, I am more interested,” then you can send the media kit, because then they are going to be more interested in the background information.

What’s best is, insist on a phone call to walk them through the media kit because sometimes, and it always happens, they go through the media kit and there’s a thousand more questions. It’s best to say, “Hey, can we set up a call? I’d love to walk you through the media kit,” and then you send it right before the call and can go through it.

Then keep following up. It can take up to five times, if not more, five points of conversation or touching base to really get the conversation going and make a sale. It takes some time, especially with the bigger brands, but it can be done.

Most importantly, keep informing them that you’re here to give them more information if they need more information. That’s always one of the good ways, instead of, “Hey, can we hear from you. What’s going on?” Just say, “If there is any more information that we can provide, happy to.”

Also, a great way to keep in touch, if it’s been two or three weeks, is if your audience has grown or you have a live event coming up, just keep them informed. “Hey, just wanted you to know we have this live event coming up, and we wanted to let you know about this opportunity that’s coming up.” So, rather than telling them, “Hey, get back to me,” just keep them updated, and they can choose whether they get back to you or not.

It can take some time to build the relationships.

So now to your question about how you can control advertising. Let’s discuss the difference between ad networks and direct sales.

So ad networks, AOL for example, is an ad network. Google AdSense is an ad network. Those are the two biggest ones, and they have millions and millions of publishers, but there are smaller ad networks too. Basically an ad network is the middle man between the publisher and advertisers.

They have basically two departments. One department keeps collecting all kinds of publishers within the verticals that they focus on. *Verticals* means—automobile is a vertical, lifestyle is a vertical, fashion is a vertical, travel is a vertical. So *vertical* basically means one area in which advertising is focused. It’s kind of like genres for movies, you know, you have comedy, you have horror, you have romance. Verticals are basically the genres for advertising. I think there are about 17 verticals, and you can look them up.

But basically different ad networks focus on different verticals, because they’re very competitive. So they start scooping up publishers, including your blog. If they see some movement and they see, oh, this guy has lots of viewers over here in this vertical and that fits within our network, they scoop you up and you become part of the ad network. Or you can go and apply, and most ad networks are pretty easy to get into because what they’re interested in is aggregating many publishers and content creators in their vertical.

All they are is matchmakers, so they match all the advertisers that they have built relationships with. They focus on specific verticals in which they collect advertisers and publishers, and then all they do is match them up. The great thing about working with an ad network or letting ad networks feed advertising into your site is that they do the sales for you. You don’t have to do anything besides embedding their code into your website.

It’s a good way to get started on your website, especially in the beginning when just for the credibility factor. If you have advertising, the ad network will make sure that the fill rate stays pretty high on your website, and you won’t just have a blank space where there’s supposed to be advertising. That really helps, especially in the beginning.

The down side to ad networks is that they can take up to 60 percent off the top of the revenue. You’re sharing revenue with them because they need to be paid for all the services they’re providing.

By the way, you’re probably never going to see a person with the ad network. Those are massive, virtual companies. You might speak to someone on the phone, but mostly it’s via e-mail. Once you’re feeding the advertising into your website, you probably won’t talk to them again. Once you have the contract signed, it’s kind of an automated process; you just keep getting the new codes.

Once you have the code embedded, it goes from there. They’re basically updating the campaigns with the advertisers all the time so you don’t have to worry about it. The downsides are that you have to share revenue, and you cannot control what advertising they’re feeding in.

Now, obviously, by signing up with someone like Glam Media, you already make the choice of focusing more on female products, so chances are they’re not going to advertise an R-rated movie. They know their network and their audience, so you can somewhat control it by just signing up with specific ones. But if you sign up with Google AdSense or AOL, those are pretty generic and big. They’re not really focused on specific verticals, so chances are that you can’t really predict what advertising they’re going to show.

One thing they all have in common is that they’re not doing pornographic. Any kind of sketchy material doesn’t go through the advertising networks, so you don’t have to worry about that.

Then direct sales, by comparison, is pretty simple. It’s either you or a sales person picking up the phone or sending an e-mail to the agency or the brand to discuss putting advertising on your site or around your product.

The disadvantages: it takes some time to build relationships with the ad agencies or with the advertiser and takes some time to make a sale. Your fill rate in the beginning won’t be as high or fill up as quickly as with ad networks because it might take some time for you to build the machine, build the relationship with the advertiser, until you start filling your blank spaces.

The advantage is you keep 100 percent of the revenue, which is the biggest advantage, really. You control which advertising goes up and which doesn’t go up. And the overall advertising rates are much higher, because the advertiser knows exactly what they’re going to buy into when they deal with you directly, and that’s important to understand.

As part of an ad network, you’re really just part of the thousands of publishers who are in that ad network, so there’s never really a direct interface between the publisher and the advertiser. They’re all trusting the ad network to let their algorithms and their people work on matching, but if you directly work with or speak with the advertiser or the ad agency, you can be much more specific about the value that you can provide.

What you can do here is not only sell banner ads, but you can say, “You know what, in order to get the higher rate, I’ll also do an endorsement blog. I’ll also do an endorsement on all of our social media channels.” You can give added value, and they love that. They basically pay the price that they would normally pay just for the banner ad, but to build the relationship, you’re offering them something for free.

You’re saying, “Hey, I’m giving you more value, because I’m also giving you all these social channels where I’m building relationships with audiences who might not necessarily be at my website but follow me on Facebook or Twitter.” You’re giving them added value for a price that normally wouldn’t come with that whole package.

You can only do that with direct sales, because the ad network isn’t going to do that for you. The ad network is only going to fill the spaces, either prerolls in the video player or banners that have been designated for them to sell.

So that’s really the difference between direct sales and ad networks. Now, the way we often do it when we start a website or a new channel, is we start out all ad network, 100 percent fill rate. Then over time, start pulling back—just 80 percent ad network, 20 percent direct sales. And then keep growing the rate as we can see how demand starts, and we’re building relationships and advertisers start trusting us. As we can increase the fill rate on direct sales, we’re pulling back on the ad networks and giving more space to direct sales.

One tool that’s really important to write down is Google DFP. It’s called DFP for small business. Basically it’s a free tool, up to 90 million views, so it covers you for quite awhile, in which you can control all the embed codes and everything directly from one place.

Once you have DFP installed on your website—it sounds more complicated than it is. It’s really just embedding some codes through your Wordpress template. There’s even plug-ins where you can just plug it in, so you don’t even have to worry about HTML code. The great thing is that you can control the campaigns, the frequency, the pricing, all of it. You can even cap it off. You can say, I don’t want to have any campaigns that pay less than one dollar per click. Just don’t put them on my website.

That’s a way of controlling what gets fed, and that also controls the advertising network feeds. So DFP gives you one incredibly powerful tool for free that really lets you control all the inventory on your website, and other places too, wherever you embed the code.

Last part: how do you keep advertisers and yourself happy? That’s one of the most important things. Since we most likely won’t be able to compete with Hulu or the Huffington Post any time soon, rather than being frustrated or giving up, the solution is to focus on the niche audience.

Go back to the tennis example: even if you just have a couple of thousand unique viewers or page views on your tennis website, that’s still incredibly valuable to a small tennis brand. If someone wants to start a new tennis shoe that might be alternative materials, that audience is incredibly valuable to them. With retail going digital, it’s not as important anymore to just advertise locally to get people in the store. Chances are that if they have a new tennis shoe, and they’re selling it online, it doesn’t matter where the audience is coming from. As long as you have a couple thousand of them, that’s incredibly valuable to them.

I think that’s really what we’re doing—focus on the niche audience and really make them happy, listen to them, have conversations with them through social channels, and really build a small community.

That’s what we’ve come to realize is really most effective—thinking, especially online, of your audience more like a community. You’re all on the same level. With TV and traditional media, there’s a much bigger distance between you and audience, because it’s a more anonymous process. Online there are more channels for them to approach you and for you to approach them.

It would almost be a disadvantage if you didn’t use that intimate relationship, because I think we can all agree that’s really what the Internet has built. The barriers come closer together between content creator and audience and advertisers, which is exciting, because it gives us a much faster way to interact and really adapt to our audience. In the end, this is what the advertisers are looking for, because they trust us, the content creators, to know our audience so that we can provide value to our advertisers.

So the more targeted your audience, the better your chances are to increase advertising revenue for sure. Because you not only focus your efforts in terms of building audience, but you also focus your efforts in who you are reaching out to in terms of advertisers. Because if you have, let’s say, a green brand, lots of brands already fall off the list that you don’t have to be worried about because you know that’s not the target audience. It helps to just focus your efforts and your time.

Q: For smaller companies that are on your level, is there a best way to find them?

DR: Is there a best way to find—

Q: To find them, to find those advertisers.

DR: You mean the smaller companies? Just lots of research. Reading, reading other blogs. Tammy Bleck had a couple of great resources in terms of finding neutral bloggers, but once you get into the blogosphere online, even just, like Huffington Post. Another great resource is Yelp. Basically the trick is to go to things and platforms or events that are similar to yours in the area, see who’s advertising there, and then approach those advertisers. That’s how I would do it.

Last couple of quick tips: one thing that a lot of people don’t know is that you can approach advertisers any time, but there is a good chance of succeeding at the end of the year, at the end of the fourth quarter. What happens is that, not all advertisers but I want to say like 70 to 80 percent, when their fiscal year ends, they always plan their budgets for the next year around September and October.

If they didn’t—and most of the time they don’t—if they didn’t spend their budget throughout the year, they have money remaining. The agencies all get budgets from their brands, and they have to spend that money in buying advertising, producing spots, placing those spots on TV, on your websites and whatnot. If they didn’t spend all that money—and for them it’s impossible to know exactly to the dollar how much they’re going to spend until the end—so then what happens is that in the last month with any money that’s remaining, they don’t want to return it to their clients because it’s a tax write-off. Why would they return the money if they have it?

So they get more risky and experimental toward the end of the year. There’s often 50 to 100 thousand dollar campaigns just lying around. They’re totally open to all kinds of suggestions, especially when there’s a chance of a big return on investment, because that’s when they start trying out different models that might not have worked before. They can say, look, it didn’t cost us much, but if the return is high, if there’s a lot of audience coming from that, that’s fantastic, and then we’re going to spend more money on that next year.

So that’s a good time to pitch, especially the content where you’re integrating the advertising while you’re creating the content or pitching ideas where you can create content for the advertiser. That’s the best time to pitch that.

Otherwise, if you want to plan ahead for the next year and you want to get in on the larger campaigns, even with smaller brands, they start planning their budgets for the next year around September and October. I would say August is a good time to start pitching, even though that’s summer, but that’s when people are starting to come back. That’s a good time to get in before they’re starting to make their decisions.

Then [adage.com](file:///C%3A%5CUsers%5CAwesome%20Amy%5CDownloads%5Cadage.com) is a fantastic resource for staying updated on everything advertising—what the trends are, what the latest formats are, who’s buying what. Just in general for you as publishers, it’s a good resource to stay in touch with everything related to advertising.

And then I already answered this question, but one trick that we’ve used a lot is to look at other websites, or social channels, or live events that are very similar to you, and just start writing down who’s advertising in those channels. You can literally go approach those ad agencies or those brands directly because you can say, “We’ve noticed you’re interested in this and this subject. We happen to focus on this as well, so you might be interested in this.” It helps your initial conversation to be more focused, rather than just a cold call.

Most importantly, don’t give up. That’s the last tip. It does take time, but it is well worth it. At the end of the day, and this again goes back to the triangle and how the model has evolved, the great thing is that you want to do promotion for your books and your product anyway, so you might as well monetize that effort. Really what it takes is just thinking a little bit more about the content creation process so that it becomes valuable to both your audience and your advertisers.

So that’s why I would say—don’t give up. Put a little more effort into the promotional phase, make it more entertaining, and then it helps you both build your audience for your book sales as well as for the advertiser and potential advertising revenue. Then you get money for all the hard work and it’ll hopefully pay off.

So if you have any more questions, we’ll open up for questions now. Also, I have my business cards here and my two colleagues, Dustin and Eva, are right here. They are also happy to answer any questions if you would like to follow up.

Q: One question for you—you mentioned niche, that targeted markets are key for advertisers. So many of us have niche audiences, and we’re talking not millions, maybe not even tens of thousands, maybe a thousand. Our audiences are targeted, and people will commit with fewer numbers versus doing the gunshot with a million (or ten thousand), let’s say.

How do you deal with advertisers from that point of view? So many of the advertisers that I’ve talked with are still caught in these huge metrics, these huge numbers. Since you have this range of experience—

DR: I think what you have to do is learn your audience’s behavior so that you can tell your advertiser a story. You want to tell them, “Here is the value that I’m going to provide for you.”

There’s more value than just exposure. I think a lot of people, both content creators and advertisers, are still caught up in the idea of advertising as something you just throw out and hope that people are aware of the brand. Really what you can do with a small and targeted audience is you can provide extra value.

So you can go to the advertiser and say, “Look, on these millions of websites, you might get a banner ad. How are you ever going to know who’s going to see it and what that’s going to do for your business? What I can do is put the banner ad on there, and I can write a blog about it, and we can together create a live event” that’s specific on that subject because you’re an expert, and you can invite other experts.

So really I would get more creative in what kind of package you’re offering to those brands, so more than just a banner ad, and this is where the media kit comes in, providing them a whole story of this is who our audience is, we know that they like this, they will come to this event.

Often what helps is to have some sort of historic data. If you have done an event, that would be fantastic because you can say, we had 50 people show up. Really think about it more as a bigger package. How can you create value for that specific advertiser that someone else can’t, especially the ones with the big audience, because they are limited in what they can offer?

The Huffington Post and those large websites, they’re mostly limited to just exposure. Now they do some branded campaigns, and they do some endorsement blogs, but again, it’s a much broader audience. What you have might be a local audience or something specific to a specific subject.

Audience: More of us have to present it the way you just did so that we can educate those agencies.

DR: That’s right, and by the way, that’s actually a good point to bring up. That’s been half of my job with a lot of the agencies and why it takes so long. Half of it is education. I mean, literally, just telling them what’s possible and what ways are out there now because digital is still new, even though it’s been around for a couple years. The things that we can do with it are amazing and some people are simply not aware of it.

And also, in all fairness, they just don’t have time to keep up with a lot of that stuff. Often what happens is that we as content creators become like mini agencies for the smaller brands because the big agencies haven’t caught up, kept up with time or with the zeitgeist, and so they’ve kind of fallen behind.

I had one example, right after *Easy to Assemble*, where I went to New York to meet with Young & Rubicam, they’re like Saatchi & Saatchi, one of the big agencies. It was funny. It was one of the most fascinating meetings I’ve ever had.

They had literally the head of content, the head of marketing, and all their assistants, it was six people, and I was presenting my case study on *Easy to Assemble*, and I said, “Hey, we want to do something similar for you guys.” Rubicam is an agency; it’s not a brand. It’s an agency with a lot of large brands, and literally after I was done with my presentation, there was silence in the room.

And I thought, did they not like it? Or did I offend you? What happened? And I asked them, “Does this not work for you? Are you not interested in this?” And literally, they said to me, word for word, “No, no, no, this is fantastic. You’re just making us look bad.” One of the biggest agencies in the world, and we had a small web series, but they didn’t keep up with time and they were afraid because we were doing something that they hadn’t done yet.

So, again, you do have power as the publisher because as big as the agencies are, they have their plates full. If you come up with new and innovative ideas of how to provide value to advertisers, that’s really the key. It’s all about providing value.

Audience: A trend right now in advertising is native content, so the agencies are actually actively looking for content creators to tell a story.

DR: As he just said, one of the trends right now is native content. *Native* means basically organic to what you’re already doing. In the past ten years, the trend was to slap banner ads or prerolls on top of it. Now advertisers are getting smarter, and they’re realizing, wait a minute, the audience is here for a reason. They’re here for a blog or they’re here for a video, so why take them out of the element that they’re here for? Let’s integrate ourselves into what they already like. You as a content creator, you know your audience much better than the advertiser, so you tell the advertiser, “Hey, if I do this, I promise you my audience will like you more.”

I actually had a colleague, they just started a very secret—it’s two of the cocreators of Machinema, which is one of the biggest YouTube channels. They have hundreds of millions of audiences. They have a bunch of YouTubers with millions of subscribers. Because they know their audience so well, they’ve literally turned down million dollar campaigns, because they’ve said, “Look, if I endorse this or if I do this, it’s not native. If it doesn’t fit within what I do, then all my efforts are for nothing.” The funny thing is in the beginning it might be like, oh my God, I just turned down a million dollar campaign. But, guess what, a week later someone calls and offers two million because you said no to someone else.

If you stay true to that and to your native advertising, your value goes up.

Q: How would you differentiate native content from branded content?

DR: It’s, in a way, the same.

Q: You had mentioned that you, or somewhere I read that you were going to talk about sponsorship. Is that the other side of the coin? Just sponsorships in general.

DR: I mean sponsorship is mostly, I would say in this case it’s mostly based on folks with live events. That’s where I would focus sponsorship, but someone asked that before about corporate sponsorship. I think that was a different panel, maybe. Because I’m happy to talk about corporate sponsorship, but I don’t think it was part of this.

Q: Can I ask you about it? Corporate sponsorship?

DR: Well, why do you want corporate sponsorship?

Q: Well, why not?

DR: Well, I don’t know if that’s the most effective way of getting revenue, of generating revenue, with the product that you have. You guys are all book publishers, right? Or not?

Audience: Not all.

DR: Not all? Okay. Well, I mean, what can I say? It’s basically the same as sponsorships. Let’s say go back to live events. I would consider corporations like the big brands that are out there, after more of a wider, national audience, not local. So when it comes to live events, and you’re selling sponsorship packages, especially at live events, it makes sense to focus on something local rather than something wide. I’m not sure how big different audiences are. At a certain level it makes sense to go after corporate sponsorships, but I wouldn’t if you don’t have a really large audience. I wouldn’t worry about it so much.

Q: Well, what if we know someone else who says, “I like your idea. I like your audience.” And they decide to do it?

DR: If you don’t have a large audience?

Audience: Yeah, if a person’s starting out, and they don’t have a large audience and sees someone who knows someone else and says, “Yeah, I really like that person. I believe in that person. That person’s got a great—”

DR: That happens with independent [inaudible] but not with advertising, because advertising is all numbers. It’s all audience. Advertisers are very specific about measuring their reach.

Now if your friend works at that company, and they have a very big heart, and they want to support you, yes, but only if you can present a way of helping them grow. Let’s say again you have a smaller audience, but you have a specific plan, and you can present to them, “Here is my marketing plan, and how am I going to build that audience with you. If you give me this money, I promise you I am going to reach X amount of audiences within this target demo for you with my product,” then you can get that money.

So basically in that case if you don’t have the audience yet, just present a very detailed and convincing plan of how you’re going to build that audience. And if they believe you and if you can show with your history in building audiences, then I don’t see why it wouldn’t—if they believe in your product, and they see a fit between your audiences, absolutely.

Q: Have you helped people build audiences?

DR: Me personally?

Audience: I mean in your company.

DR: My focus is more on advertising and revenue strategy, but part of our business *is* building audiences for our own channels. I’m happy to help, but it’s not my core expertise. I have other colleagues that do that better than I do.

Oh, two more questions. Any more questions?

I know it’s a lot of information. I was trying to cover first the big picture, because there is a lot of terminology that goes into it. But, like I said, we’re following up with a 40-page e-book, which has a lot of the terminology in there. Also what I started doing on the D for Discover blog, I started a glossary with terminology. I try to explain in the most normal words and nonjargon possible, because I know exactly how frustrating it is.

Q: What are some common mistakes that you see bloggers make?

DR: Expecting advertisers to be human. No, what I mean by that is it’s, I think—I’m guilty of that too. You know, you have something that you believe is really valuable and know your audience, and it’s so frustrating that someone else can’t see that. If you’re in their shoes—and this is why I’m encouraging all of you to really look into the advertising perspective as well—for them it’s literally all about the numbers.

I run my head against the wall sometimes because it’s like, how can you not see that this is valuable for you? But then again, they have their marketing plans, and if it doesn’t fit in, there’s no emotional negotiation. It just doesn’t fit in. The end. And I think that’s where a lot of bloggers, I think, lose a lot of time.

That’s why I’m saying focus on a niche and focus your efforts rather than trying to cast too wide and put too much value on something when you might be better at something very specific. All of a sudden that gives you much more revenue than trying to cast and reach a wide audience.

I think that would be the number one mistake. People not focusing on one thing, trying to cast too wide and compete with other destinations. I’ve seen other people try to be like a mini Huffington Post or be something else. I think that’s a huge mistake. I would say find your core expertise. Especially if you have a book, that already is so much credibility. Focus on that and build that audience. I think that’s a huge mistake a lot of people make—trying to go too wide.

Any more questions? All right, thank you.

GY: You did a great job. I want to remind everyone, please like us on Facebook. We like you. And thank you again.