

# Publisher Advertising Revenues: The evolving Challenges and Opportunities

**+** Presented by



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CCO





- + Markus Karlsson, CEO | Founder, Affino
- + 25 years of digital business experience with: Audi, BBC, Casio, Diesel, EMI, MasterCard, Rovio, UBM, UMG, and now ODM, Procurement Leaders, Briefing Media, Ocean Media, and IDG



- + Jonathan Collins, CCO, Affino
- + Media MD and Publishing Director with long career at VNU-Inciseive, Experian, DMGT, Sift and UBM. Digital start up's and Consultancy Owner/Manager.



- + Affino
- + The Unified Business Platform for Media and Events Businesses
- + Full front-end for comprehensive data capture with Audience CRM

## Vantage Point

- + Media business platform founder
- + Web / cloud tech background
- + Ad service is one of dozens of commercial approaches supported
- + Agnostic as to commercial approach
- + Passionate about media companies maximising revenues



# Challenges



- + The ad tax
- + Banners & equivalents under pressure
- + Browser trends
- + Big tech
- + Google
- + Ads, GDPR, and the ICO
- + Complexity



The ad tax

+ Audience

+ Mobile Data Charges

+ \$23 a month (US)

+ \$276 per year (US)

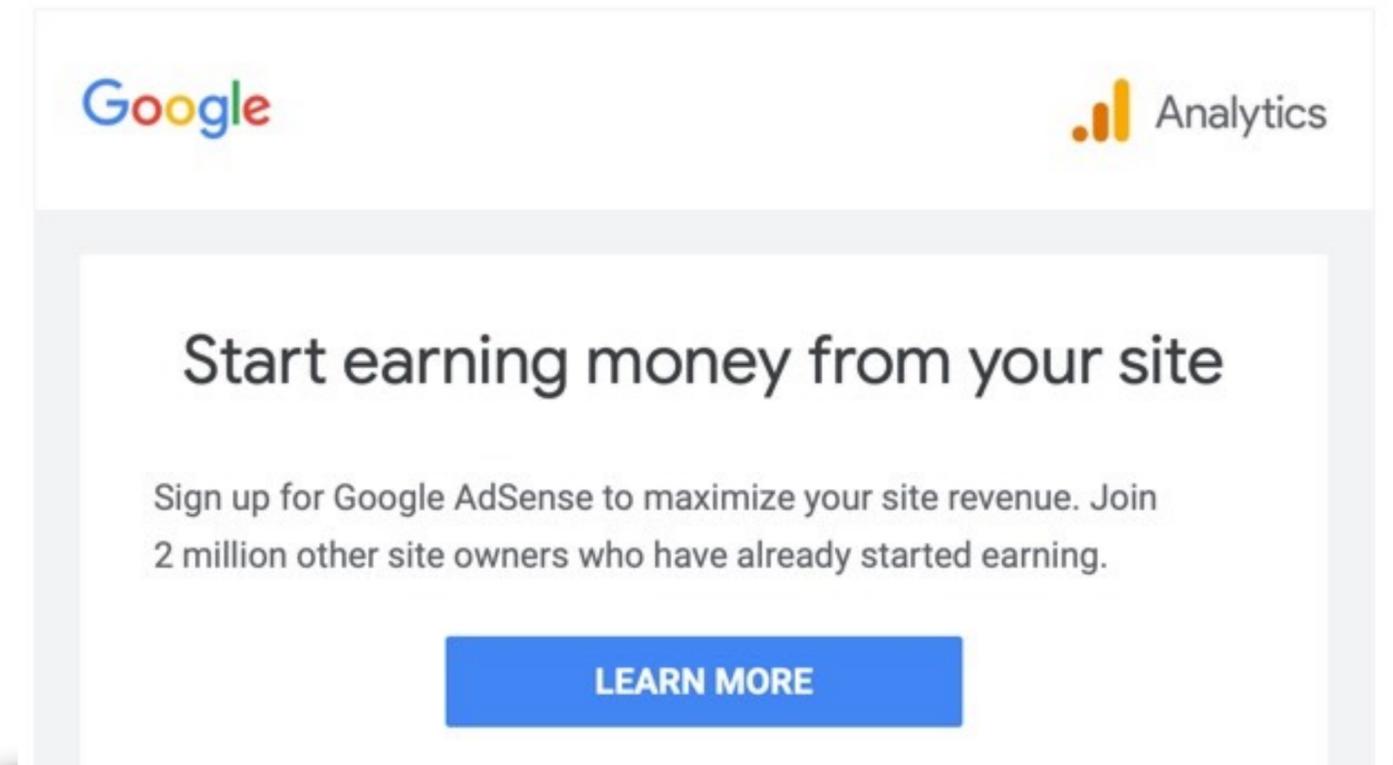
+ Source: Brave

+ Media

+ Ad Tech Tax

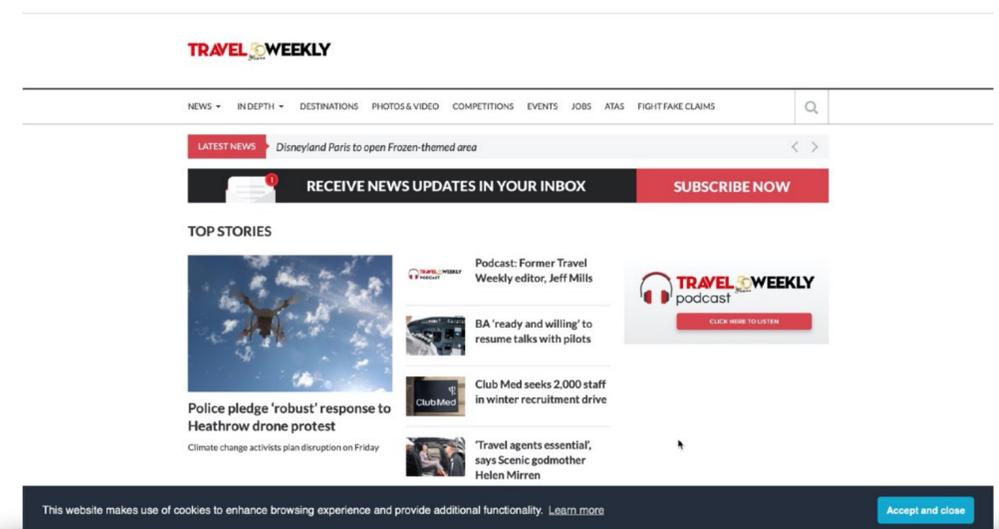
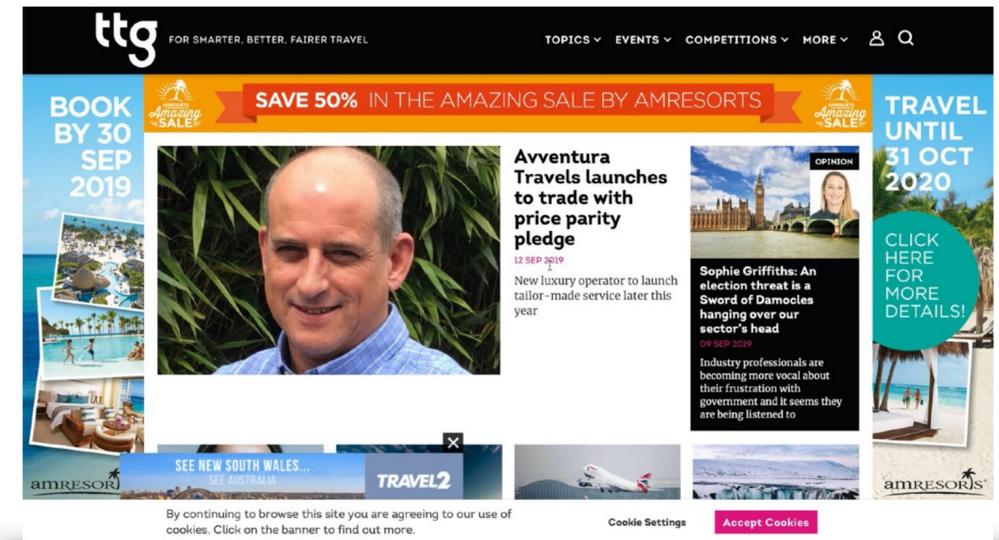
+ 33% to 62% if Blocker

+ Source: AOP UK



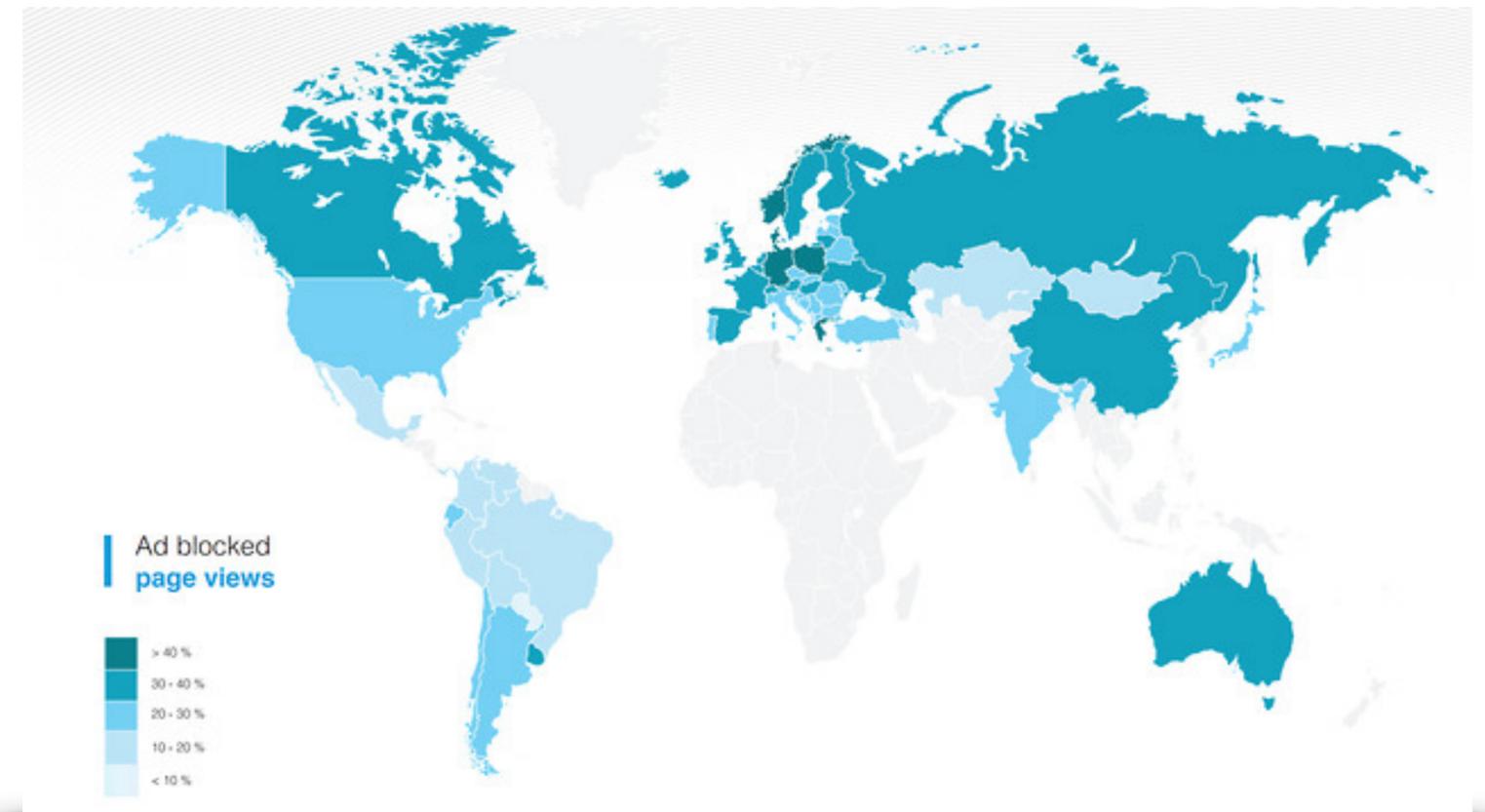
## Banners & equivalents under pressure

- + Apple and Firefox, even Chrome partial blocking
- + Blockers and privacy tools more pervasive
- + Standards, including viewability
- + Script ads and trackers can breach GDPR
- + GDPR / Privacy reduce targeting
- + Lower volume and lower targeting yield
- + Organised crime and invasive governments increasingly involved
- + Over 50% of ad tech no longer working reliably
- + The #TurnOffAdTech (for 1 day / week) experiments frequently show up-ticks in engagement / highlight false claims



Browser trends

- + Highly disruptive to ad tech
- + Privacy moving from plugins to the core browsers and operating systems, and network protection.
- + Apple Safari & Firefox now have 3rd party cookie blocking by default, and Firefox Focus privacy browser
- + Apple & Firefox removing fingerprints
- + Four Apple updates this year reducing 'fingerprinting'
- + Brave (new browser) privacy and anonymity at it's core
- + Google Chrome restricts invasive ads
- + Apple Safari and Google Chrome 'nerf' ad blockers
- + Up to 95% of 'views' are bots



## Big tech

- + Directly competing as media companies
  - + (whilst avoiding being seen to do so)
- + Always evolving
- + Always looking to maximise their own earnings (mid to long term)
- + Always willing to throw media companies under the bus
- + Google, Apple and Amazon all recently caught out promoting own products above competitors on 'neutral' searches
- + Heavily lawyered up
  - + Excellent and introducing uncertainty into the legislature
  - + Direct relationships with governments and EU
  - + Should have been more tightly regulated some time ago



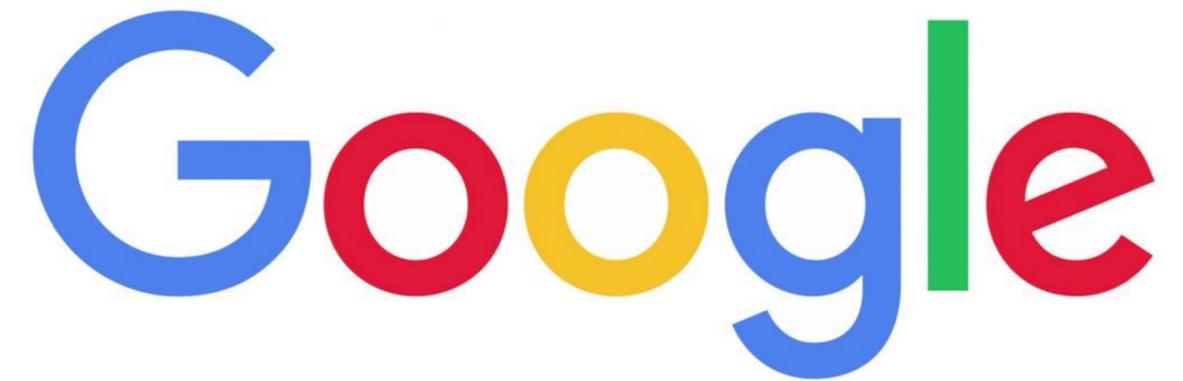
- + *“For several years the advertising industry has been engaged in a conspiracy to deceive its clients and the public about online advertising.”*

Bob Hoffman



## Google

- + Still the dominant player in ads & ad tech
- + Other big tech encroaching: Amazon (products), Apple (apps, music, tv), Facebook (social, location)
- + 50 State antitrust litigation against Google
- + €8.2 billion EU Fines against Google
- + EU Digital Commissioner now with Superpowers
- + Flip flopping on Privacy
- + Reports of hidden pages acting as unique identifiers for advertisers
- + Supporting non-compliant IAB standard (Ref ICO)
- + Prediction: will soon be no longer 'business as usual'



## Ads, GDPR, and the ICO

- + Mixed signals
- + Over 200,000 GDPR violations reported to EU Commissioners
- + ICO had issued no "notices of intent" to serve GDPR fines (March 2019)
- + ICO's equivalents in 11 countries have issued fines, inc. CNIL €50m against Google
- + Transparency & Consent Framework v 2.0 not GDPR compliant
- + Major targets are the big privacy violators = ad exchanges
- + Publicly stating that by Xmas will start prosecuting
- + Privately advising that it will be lenient for three years

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### My Preferences

#### Affino Preferences

Let us know the preferred ways in which you would like us to communicate with you.

#### Marketing Preferences

I prefer to receive marketing communication via:

Phone  Mail  Email  SMS

#### Sales Preferences

I prefer to receive sales communication via:

Phone  Mail  Email  SMS

#### Customer Services and Support Preferences

I prefer to receive support communication via:

Phone  Mail  Email  SMS

Deselect All

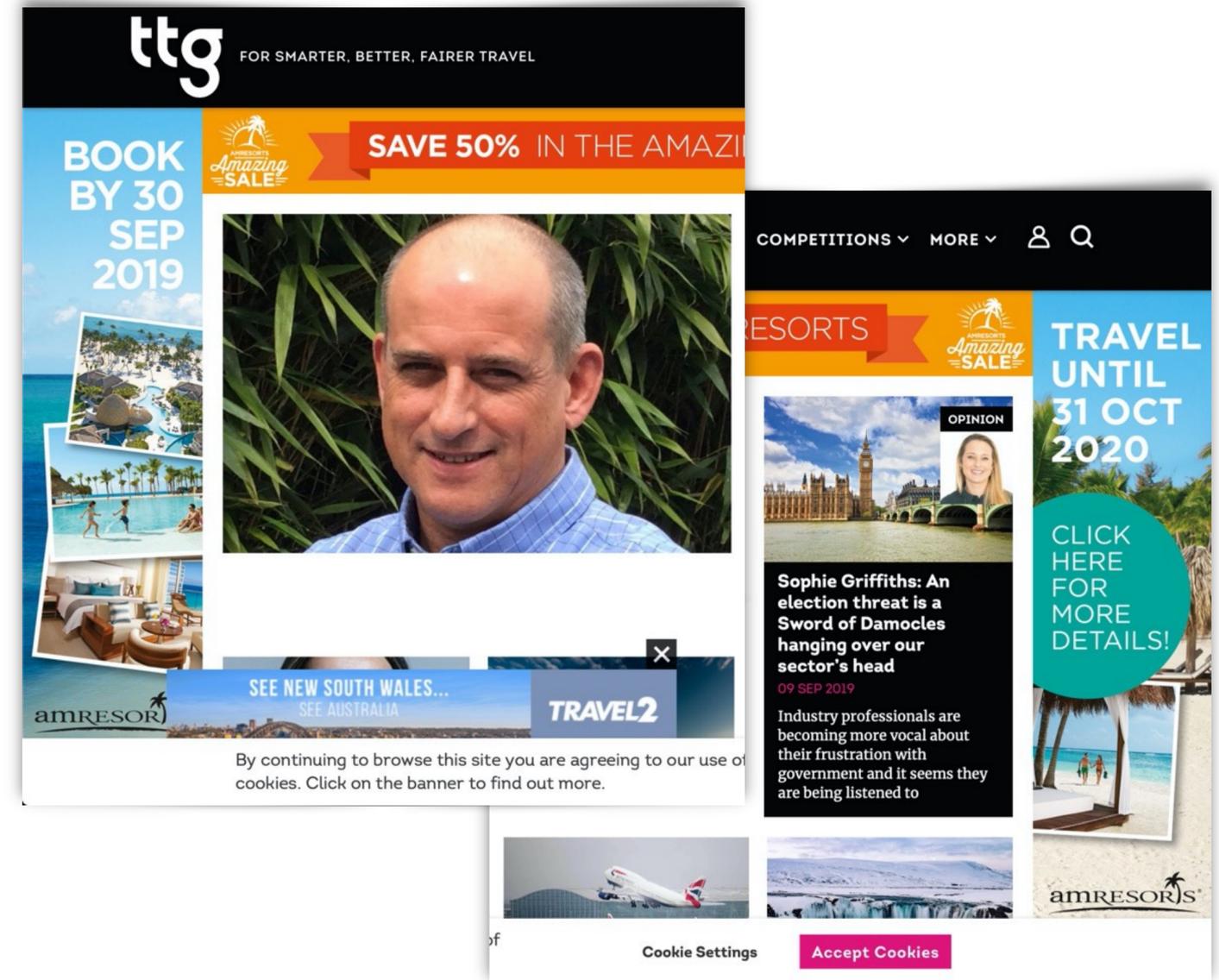
Phone  Mail  Email  SMS

Unsubscribe From All Marketing

Submit

## Complexity

- + Banner ads can still generate significant revenues
- + Gets harder the better you get and more topic based inventory is sold
- + Having lots of campaigns on-screen is a constant balancing act
- + Traffic fluctuations cause real issues
- + As does lack of engagement with content
- + Promoting high value ads above lesser ones can go wrong
- + Adding in user personalised ads uses up on-page placements
- + Viewability means ads have to be higher up the page
- + Documenting & reporting cookies for ad exchanges is extremely complex / just not possible
- + Predicting and Reporting ad impressions is an art-form as much as science



# Opportunities



- + The known audience
- + Maximizing the value ad
- + The content marketing opportunity
- + The agency model
- + Content hubs
- + Further key approaches to add value
- + Future trends



## The known audience

- + The long term winning model
- + Media companies are built around audiences
- + Know them better (than clients & big tech) through:
  - + Direct Relationships
  - + 1st party delivery
  - + 1st party stats - CRM, analytics, events, membership, surveys, transactions

| 5 Accounts |              |              |          |                  |               |            |                    |             |              |        |                |              |                    |                   |                |       |               |
|------------|--------------|--------------|----------|------------------|---------------|------------|--------------------|-------------|--------------|--------|----------------|--------------|--------------------|-------------------|----------------|-------|---------------|
| Logo       | Name         | Account Code | Contacts | Engaged Contacts | Award Entries | Page Views | Average Page Views | Email Opens | Email Clicks | Points | Average Points | Top Category | Open Opportunities | Won Opportunities | Contract Value | Spend | Last Touch    |
|            | Wallin Media | 5            | 7        | 6                | 2             | 1,873      | 3                  | 10          | 10           | 750    | 107            | Prospect     | 2                  |                   |                |       | 8 minutes ago |
|            | Octo Tech    | 1            | 8        | 8                | 2             | 1,595      | 3                  | 9           | 5            | 694    | 86             | Prospect     |                    | 1                 | 29,610         |       | 9 minutes ago |

Callouts from the image:

- CRM (yellow callouts pointing to Account Code, Contacts, Engaged Contacts, Open Opportunities, Won Opportunities, Contract Value)
- Events & Awards (purple callout pointing to Award Entries)
- CMS (blue callout pointing to Page Views, Average Page Views)
- Site Analysis (red callout pointing to Page Views, Average Page Views)
- Message Campaigns (teal callout pointing to Email Opens, Email Clicks)
- Sales & Marketing Automation (green callout pointing to Points, Average Points)
- Ecommerce (pink callout pointing to Contract Value)
- All Interactions (blue callout pointing to Last Touch)

## Maximizing the value ad

- + It's getting harder to earn 'easy' ad revenues
- + Need to maximise the value ad
- + **Banners to topics to hubs to sites**
  - + Banners can earn £100's to £10,000's
  - + Topic Hubs can earn £1,000's up to £100,000's depending on audience and sponsors
  - + Sites only make sense when £500,000 + earnings
- + Value vs Volume
- + Ability to provide intel
  - + Company and organisational interest & engagement
  - + Role & persona based interest & engagement
  - + Actual contact data where opted in

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 One Alfred Place, 1 Alfred Place, WC1 7EB, United Kingdom

**Interests**  
 Analytics Campaigns Community Content Management CRM  
 Customer Engagement Digital Asset Management eBusiness +

**Contact Lists**  
 Affino 2017 In Review Reader Affino 2018 Roadmap Reader Affino 8 Aware  
 Affino Briefing Mailer Nov 2018  
 Breakfast Briefing Sept 2017 Sales and Marketing Automation GDPR and Affino 8  
 Email Test Insight Contacts Publisher Page Reader +

**Contact Associations**  
 Amirun Ali Jatin Desai Rao Kancharla

**5,225 points**  
**Advocate**  
 User Code: 100000  
 On-site Contacts: 66  
 Twitter Followers: 207  
 Facebook Friends: 309  
 Total Followers: 582

First Touch  
**26 Aug 2010**  
 Member  
 Last Touch  
**18 Sep 2019**  
 Login

edit user security send message send info relate content audit user view profile view account go to list

Details Demographic Communication **Analysis** Commerce Digital Assets HR Events Permissions

**Badges** Add Badge

**Engagement**

1200  
 0  
 Oct 18 Nov 18 Dec 18 Jan 19 Feb 19 Mar 19 Apr 19 May 19 Jun 19 Jul 19 Aug 19 Sep 19

**Latest Activity**  
 Login  
 04:33 PM 18 Sep 2019

All Conversion Events

## The content marketing opportunity

### + The trend

- + Agencies under threat
- + Companies in-housing from agencies

### + The threat

- + Companies increasingly becoming competitors to media brands
- + Increasingly produce significant volumes of own content for content marketing

### + The opportunity

- + Media companies have the trusted audience
- + Media companies have the content skills, teams, and platforms necessary to take over from agencies
- + Become more active partners
- + Add and earn more value
- + Generate great content that further grows audience



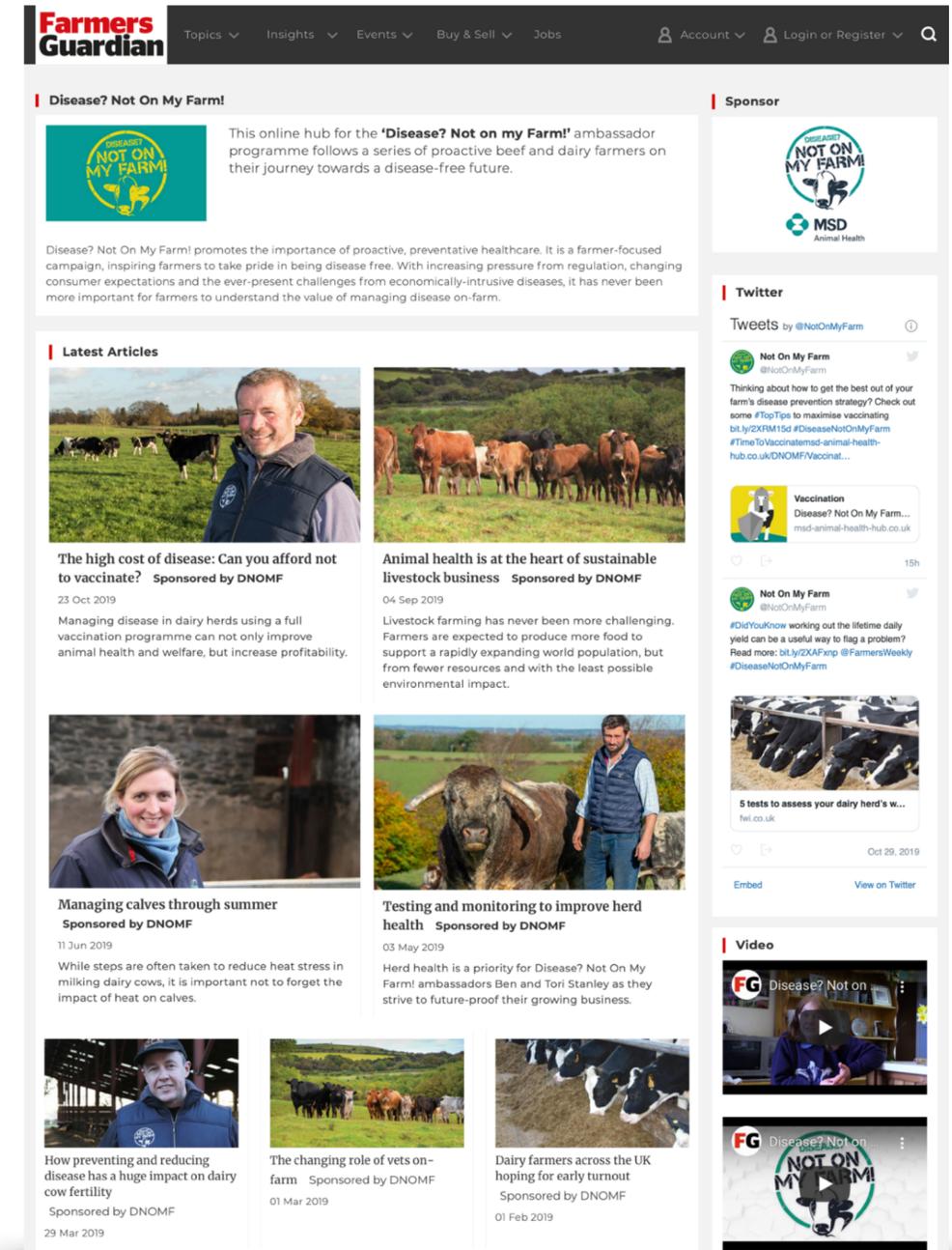
## The agency model

- + Skills already in place for adding the most value, tends just to need focus, structure & resourcing
- + Investment in agency teams combining sales, marketing, content & social skills (start with existing team)
- + The content should be editorial lead and signed-off to ensure highest quality, and consistency with brand.
- + Fully embrace topic driven content hub brands, fewer brands more topic focus
- + Build up rate card of services for each campaign
- + Look to provide combination of services including content, video, audio, events, competitions, data, and social engagement
- + Have set of example campaign types that are easy to buy into
- + Adapt to each audience
- + Crucial to provide effective metrics and reports to back up campaign effectiveness



## Content hubs

- + Interested audience, with known interests
- + Delivers to the full audience, not blocked like much of ad tech
- + Hybrid media / agency execution
  - + Content
  - + Media
- + Related
  - + Social
  - + Events
  - + Competitions
- + Outputs
  - + Data
  - + Audience insights
  - + Content & Media
- + Quality content further grows audience, engagement, subscriptions, data and revenues for primary brand



## Further key approaches to add value

### + Directories and reputation marketing

- + Lucrative for the right sectors (B2B), especially ones which themselves are highly value add, e.g. legal, professional services
- + Reputation moves the decimal point on the invoice
- + Take time to establish

### + Affiliate and direct sales

- + More relevant to consumer, require heavy investment in content, SEO, video and social (not client funded)
- + Direct regular income stream not dependent on clients

### + Influencers Services

- + Media companies have a host of influencers in-house, leverage on-site, on video and on social
- + Well established in China

The screenshot shows the WWL (Who's Who Legal) website interface. At the top, there is a search bar with the text "Search for firms, lawyers, experts, articles and features" and a "Register or Login" link. Below the search bar is a navigation menu with categories: Research, Market Insight, Thought Leaders, Analysis & Features, Awards & Events, Who We Are, and Shop. The main content area is titled "Market Insight Tool" and "Guides". It displays search filters for Practice Area (Arbitration), Region (Europe), and Country (All). The results section shows "Results: found 145 Experts and 809 Lawyers and 98 Barristers who match your search". Three expert profiles are listed: Mark Bezzant (FTI Consulting, London, England), Richard Boulton QC (Berkeley Research Group (UK) Ltd, London, United Kingdom), and Alexander Demuth (Alvarez & Marsal, Munich, Germany). Each profile includes a photo, name, firm, location, and a brief description of their expertise. The website also features a "Global Guide" and "National Guide" for Germany - Arbitration Expert Witnesses.



## Future Trends

- + Increasing regulation
- + California Consumer Privacy Act
- + Increasingly anonymous audience
- + Deeper relationship with known audience
- + More value add through agency, directory, affiliate and direct and influencer marketing
- + AI - content, including ad creation
- + Prediction: Apple removes ad identifier, adds more privacy restrictions
- + Prediction: Pincer on agencies as ad budgets move in-house and to media companies



## Summary

- + The ad tax
- + Big tech regulation
- + Increasingly anonymous audience
- + Leverage opportunity with agency model, affiliate programmes, direct sales and marketing, and influencers
- + Maximise audience value



## Suggested Next Steps

- + Look to grow the percentage earnings from the available advertising budgets
- + Look to add more value
- + Speak with your clients to best ID willingness
- + Get to know your audience better
- + Streamline your tech stack
- + Focus on actionable intel



## Interesting reading

- + How advertising went from minor annoyance to major menace | Bob Hoffman  
+ <http://adcontrarian.blogspot.com/2019/09/a-conspiracy-of-silence.html>
- + Apple Safari and Google Chrome neuter ad blockers | ZD Net  
+ <https://www.zdnet.com/article/apple-neutered-ad-blockers-in-safari-but-unlike-chrome-users-didnt-say-a-thing/>
- + Google Hit With Sweeping Demand From States Over Ad Business | Bloomberg  
+ <https://www.bloomberg.com/news/articles/2019-09-10/google-hit-with-sweeping-demand-from-states-over-its-ad-business>
- + Google, Industry Try to Water Down First U.S. Data-Privacy Law | Bloomberg  
+ <https://www.bloomberg.com/news/articles/2019-09-04/google-industry-try-to-water-down-first-u-s-data-privacy-law>
- + Cookies Crumble | The Drum  
+ <https://www.thedrum.com/opinion/2019/09/20/cookies-crumble-the-latest-trends-digital-advertising-dmexco>
- + The #TurnOffAdtech Movement is Gaining Momentum | Dr Augustine Fou  
+ <https://www.linkedin.com/pulse/turnoffadtech-movement-gaining-momentum-ad-fraud-historian/>
- + Google accused of secretly feeding personal data to advertisers | Telegraph  
+ <https://www.telegraph.co.uk/technology/2019/09/04/google-accused-secretly-feeding-personal-data-advertisers/>
- + UK regulator ICO is suddenly everywhere | Digiday  
+ <https://digiday.com/marketing/get-ad-tech-take-gdpr-seriously-uk-regulator-ico-embarks-pr-roadshow/>



# Q&A



## Contact us to continue the conversation

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