

Seven Ways to Increase Your Revenue

with Microsoft's solutions for publishers

This thought paper has two purposes. First: to spark some new thinking among publishers who recognize that their advertising inventory should be generating more revenue. Second: to introduce Microsoft's distinct view on the industry, and its unique combination of solutions that provide publishers with new growth opportunities.

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Solutions for Publishers



Your advertising business isn't simple. You deal with numerous ad agencies and advertisers of every size, you likely deal with networks and other third-parties. To drive traffic to your own site, you may also deal with other publishers.

These days, publishers are stretched pretty thin. In fact, a lot of publishers would tell you that they don't even have time to consider better ways to manage their advertising. Others, however, know that it's time to turn a corner. The old ad-serving solutions address old problems, but haven't kept pace with the rapid growth, dynamic change and new opportunities presented by the current market. As a result, publishers are missing key revenue opportunities.

Microsoft sees the whole picture, and knows that in order for publishers to maintain a focus on their business, they need business partners that can address their concerns more holistically. As you read on, you'll get a glimpse of that viewpoint. You'll also see how Microsoft provides publishers with an array of unique business solutions that streamline their daily interactions with agencies, advertisers and networks. Most importantly, you'll gain an understanding of how those solutions open up new opportunities for digital publishers.

#1. Increase your revenue through better forecasting

Publishing revenue is driven by ad impressions, and profitability is often determined by the degree of forecasting accuracy. Inaccurate forecasting either results in costly make-goods or excess unsold inventory. If you over-estimate your number of available ads, you provide make-goods for orders you couldn't fill. And the opportunity cost for make-goods can be significant.

Other Systems' Forecasting Capabilities



Atlas AdManager Advanced Forecasting Model



With Atlas AdManager, you can review historical data for as long as you have been using AdManager.

If you underestimate your inventory, you end up sitting on unsold impressions. Often, that unsold inventory has to be sold at a significantly reduced rate in order to fill it.

Ad management 101, right? Here's the rub. One of the inherent flaws in today's inventory forecasting is actually perpetuated by the limitations of today's forecasting tools. Inventory forecasting tools typically only provide a rolling 30-60 day prediction model which doesn't provide enough information to forecast accurately. For example, to know how many impressions to offer and sell in each target category/section for November, many inventory management systems provide you with a rear view of October and maybe September. But to do a thorough forecast, you would probably want to look at the pattern of how many impressions you delivered last November. Or you may want to take a look at inventory and sales numbers from the last

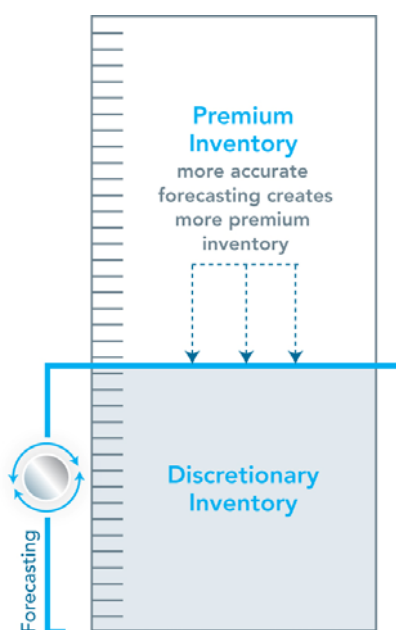
time period when there were similar trends or events that increased traffic. Or you may want to look at actual numbers from a period last year when you ran a similar campaign or promotion to drive visitors to your site. In

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other words, to forecast accurately, you need to use actual data from any reference point in your publishing history on specific sections of your site, not just sample data from a restricted window of time. If your ad-server allows you to have that level of flexibility, the insight you gain will enable you to reduce the number of make-goods and unsold inventory.

Microsoft addresses forecasting differently than most other solutions. At the core of Microsoft's Atlas Publisher Suite is Atlas AdManager. Atlas AdManager provides a unique forecasting toolset that enables publishers to forecast with a more flexible model by allowing you to evaluate scenarios based on data from any time period and any section of your site. Atlas AdManager enables you to look at historical information any way you'd like, so you can take seasonality, unusually popular content and other factors into account as you plan. When you start with a more accurate forecast, you'll naturally end with better results.

#2. Increase your returns through real-time management of premium inventory



Even if you've forecasted as accurately as possible, things will change. The trick to not letting change impact your bottom line is managing the change as it occurs. Unfortunately, many ad-serving solutions don't provide information in a manner that's timely enough for your response to have the greatest impact. If you need to make a change, those solutions certainly don't reflect the change in real-time. In order for you to stay on top of your dynamic business, your technology needs to respond as quickly as you do.

Atlas AdManager's real-time technology provides updated reporting every 3 minutes, and re-prioritizes the ads you serve every 30 seconds for an even delivery of all of your contracted ads. For the first time, you can make updates in real-time and take advantage of up-to-the-minute revenue opportunities that may have otherwise gone unnoticed.

Atlas AdManager allows users to extend campaign dates, change the number of impressions designated for a campaign and other common updates at the moment the change is requested, while the campaign remains live. And the changes take effect immediately. This real-time approach also enables you to determine how many impressions are available at any given time, enabling you to better plan and package your inventory for maximum total CPM.

#3. Increase your revenue by increasing your targeting capabilities

When you can pinpoint the exact audience that is immediately relevant for the ad you're serving, your advertiser will likely get the best response rate and a better return on their media investment. That's good for the advertiser, so it's good for you, too. If you can target users based on audience-centric behavior, you deliver your highest value audience and can command the highest possible rate. This is because behaviorally targeted audiences are the most relevant and ready to convert at the exact moment the ad is served.

When it comes to targeting, many ad-servers enable the basics (however, some do not provide Declared Data): Declared Data (age, gender, income, profession, etc.), Geographic Data (city, state, zip/postal code, country, area code, SIC code, and bandwidth) and Content-Based Targeting. If your ad-server's targeting engine enables you to re-message your audience, you'll have a standout advantage. For example, if your targeting is so sharp that

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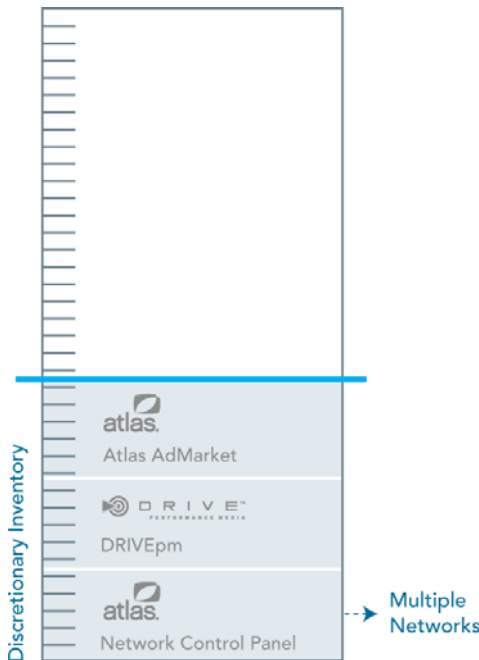
you're able to track where various consumers are in the sales cycle for the advertised product, you can reach audience members with specific messaging that carries them to the next stage in the cycle. And you're able to provide complete, accurate cost-per-acquisition data as well.

Atlas AdManager provides all of these targeting capabilities, but goes even further to offer a higher degree of re-messaging. Publishers can tag site pages and sections to whatever depth they choose. Advertisers can use the same technology to tag certain pages on their sites as well. Atlas' Universal Action Tags and tracking technology allows the publisher to re-message or serve a different ad based on what they've learned by the user's activity on both sites.

#4. Generate top dollar from the rest of your inventory

Once you've taken steps toward gaining command of your inventory and greater control of the factors that impact your revenue, you'll inevitably still have occasional unsold inventory.

Before looking to third-parties for inventory sales, you may wish to consider other avenues of selling that remaining inventory directly. For starters, if you're a large publisher with a lot of impressions to sell, you may be able to take advantage of Atlas AdMarket. Atlas AdMarket enables the largest publishers to create and control their own marketplace for their impressions. This is a unique capability that may make sense for the sale of all of your inventory, not just your unsold impressions.*



Microsoft also offers two unique solutions for selling unsold inventory to third-party networks at rates that make sense.

DRIVEpm is a premium network that consists of top-tier publishers and advertisers. DRIVEpm is a compelling network option for large publishers who use Atlas AdManager because the two solutions share technology components that together provide a significant targeting advantage, enabling DRIVEpm to offer publishers a higher CPM.

Though DRIVEpm is a compelling option, publishers also like to work with a number of different networks. Selling inventory to multiple networks may be more effective than spreading it across multiple networks, because delivering ads through a single network at a higher frequency often has diminishing returns.

Atlas AdManager's Network Control Panel is another way to generate a return on your unsold inventory by streamlining the sale of inventory to, and measuring the performance of multiple networks at once. Atlas Network Control Panel is comprised of a set of Atlas AdManager capabilities designed to enable publishers to easily control multiple deals with multiple networks at the same time. Its "tournament-style" approach ensures that inventory value is determined by market demand. Atlas Network Control Panel facilitates a connection with DRIVEpm and many other networks through a single interface.

* AdMarket is a custom service specifically designed for very large publishers.

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#5. Maximize revenue by balancing your short and long-term objectives

Many Publishers face the challenge of balancing the number of impressions they've contracted for and maximizing the revenue they earn on each ad impression/click. Sometimes the two goals conflict with each other. Typically, an ad-server will sort the campaigns either by the number of impressions left to serve or the effective CPM (eCPM) of the campaigns. In either case, the publisher is leaving money on the table.

Sorting campaigns according to remaining impressions allows for discretionary impressions to be served ahead of more important impressions. Alternatively, campaigns are typically sorted according to eCPM, ensuring that the campaigns with the best performance or highest CPM get a lion's share of the ad requests. While this may seem to be a solid approach, it doesn't help you maximize your business' long-term revenue. If a short-term performance-based campaign happens to get a great performance, it could easily trump one of your most important advertisers and prevent their remaining impressions from being served. Your long-term relationships with key advertisers are going to bring in more revenue over the long-term, so you need to be able to strategically prioritize their campaigns.

Your long-term relationship with key advertisers is going to bring in more revenue in the long-run. You need to be able to strategically prioritize their impressions.

Standard Ad Serving Model Prioritized by eCPM



Prioritized Ad Serving with Atlas AdManager Prioritized by eCPM and user-defined business rules



Atlas AdManager enables publishers to organize advertisers and campaigns into tiers, and further prioritize within each tier. The tier structure enables greater control of ad serving prioritization.

Atlas AdManager enables you to use an unlimited number of campaign "tiers" to configure a prioritization scheme that will deliver the ads as though you were personally responding to each ad request yourself. You can even further prioritize within each tier. The value of tiers is immediately evident when you begin assigning your advertisers and campaigns into the tier structure. A lower tier will never be evaluated for delivery before a more important tier, and you'll never have a house ad showing when you should see a paid ad. When an ad request comes in to Atlas AdManager, the ads automatically find their rightful place in the ad queue based upon the business rules you've established.

By assigning advertisers and campaigns to tiers, you ensure that the guaranteed (premium) inventory delivers first and doesn't get displaced by a low click-through rate CPC campaign that could consume large numbers of more effective impressions that simply meet the click-through rate goals. As a result, you receive the maximum revenue for each ad call and also protect your relationships with key advertisers. Also, the discretionary impressions can correctly be shifted to lower tiers since their revenue is not guaranteed.

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#6. Increase revenue by expanding your audience and inventory

Expand your audience

If you're a large publisher, it's likely that you're a frequent advertiser on other publishers' sites. As an advertiser, you're looking for many of the same efficiencies and insights that you seek as a publisher, but you need to consume them a little differently. Using a single provider for both your advertising and publishing ad management solutions has benefits, but is often not possible because many solution providers don't offer both.

Microsoft has a solution for both. The Atlas Advertising Suite is a technology platform that enables your traffic acquisition team or agency to efficiently manage your campaigns. Like the Atlas Publisher Suite it provides advanced control and analytics for display, rich media, video and search campaigns.

There's an interesting benefit that comes from the combination of Atlas Advertiser Suite and Atlas Publisher Suite. You can use the same cookie information gathered from your use of Atlas Publisher Suite to segment your audience by the activities they engage in on your site, and then use those specific audience segments for your own ad campaigns delivered through Atlas Advertiser Suite. For example, if you wanted to target your most loyal site visitors (those who visit your site, or certain sections of your site, most often) with special offers, you can use the segmented cookie data from your Atlas Publisher Suite to target specific users through the Atlas Advertiser Suite. Or you may want to determine which of your site loyalists consume video (or another format) most often and target those video consumers with your own targeted video advertising on the other sites they visit.

Extend your inventory

The combination of DRIVEpm and Atlas Publisher Suite provides a unique opportunity to extend the impressions you can offer – even if your inventory is sold out. Your advertisers want to buy specific audiences that visit areas of your site. If you've run out of sales opportunities on your own site, DRIVEpm can serve as an extension of your site since it uses the same Atlas tracking technology. You can sell those advertisers impressions that will appear on other sites within the DRIVEpm network. Those impressions will meet their targeting requirements exactly, and they can be restricted to people who visit those key areas of your site.

#7. Increase revenue by offering more impressions and more lucrative ad formats

Once you've maximized your inventory, your next best opportunity may be to upgrade that inventory by adding new media formats on your site.



By creating opportunities for your advertisers to use more engaging formats, you garner a significantly higher rate for those impressions. For example, in-stream video and rich media opportunities have more appeal for your advertisers because they offer a more engaging brand experience for your audiences. Higher value means a much higher CPM.

Advertisers need to be where their audience is. If you're considering new advertising formats by pursuing blogging, podcasting, RSS feeds or mobile opportunities, you need to know that your ad-serving solution is ready-made to expand into those new areas with you.

Atlas Publisher Suite makes it easy to manage rich media, video, mobile and other formats (including

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email, blog and RSS advertising). Atlas Publisher Suite is an integrated platform that enables you to manage historical information, inventory and your creative assets for all of these formats all in one place.

Bonus: Grow your bottom line by reducing operational costs

Microsoft offers many direct opportunities for publishers to increase their revenues through various combinations of tools and insights. The indirect result of each is that publishers also achieve a greater level of efficiency in their operation. Whether you're using a combination of Atlas AdManager and Atlas Network Control Panel, Atlas AdMarket, DRIVE, or Atlas Advertiser Suite, you'll see a reduction in your manual steps and operational costs.



Before reading this overview, you may have already recognized the need for a better way, but the thought of switching to a more advanced ad management system is what really keeps you up at night. Fair enough. Switching is challenging. If you have an interest in Microsoft's solutions, it would be worth your while to take a few minutes to learn how Microsoft can smooth the transition and make the change manageable.

To ensure that you get the greatest return from Microsoft's solutions for publishers, the company has established support organizations that proactively provide all the assistance and expertise you'll need to make the switch. As a Microsoft client, you'll be surrounded by dedicated client service, technical support and in-depth training from the Atlas Learning team. And Microsoft's expertise extends further to cover your operational concerns, like integration with your other systems, custom development and the Atlas Publisher Analytics group that can help you make your inventory packaging more profitable.

Switch to Microsoft

While other companies are scrambling to meet the accelerating demands of the ad-serving market, Microsoft is providing solutions that enable new opportunities. The seven opportunities in this document are just a few of the basics.

Imagine what other opportunities Microsoft, with all its capabilities, can help you realize. Better yet, our solutions are completely flexible, and can be designed to fit your particular business needs. Pick and choose what works now with your business model, and add later what you need as your business evolves.



What are your biggest revenue challenges? When you think about it, can you think of any company that can help you solve them better than Microsoft?

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Product Index

Microsoft's Advertiser & Publisher Solutions group provides greater insight, control and expertise for publishers. The Microsoft solutions referenced in this overview include:

Atlas Publisher Suite: The Atlas Publisher Suite is a collection of tools that help publishers manage their advertising business. The suite includes:

Atlas AdManager includes the forecasting, prioritization and targeting components of the Atlas Publisher Suite.

Atlas Network Control Panel is an add-on module to Atlas AdManager that allows publishers to sell discretionary inventory to networks at rates that are driven by market demand.

Atlas AdMarket, specifically designed for the largest publishers who have lots of discretionary inventory to sell, facilitates the large-scale direct auction of impressions to advertisers and agencies by enabling publishers to create and manage their own advertising marketplace.

DRIVEpm: DRIVEpm is a high performance media network that buys inventory from top publishers, adds unique targeting value and repackages those impressions so advertisers and agencies can pinpoint their audiences across multiple publishers. DRIVEpm's integration with Atlas Publisher means it can make smart media purchases from AdManager publishers: often paying premium CPM's for AdManager publisher discretionary inventory.

Atlas Advertiser Suite: Atlas Advertiser Suite provides display, search, rich media and video capabilities to advertisers and agencies that go beyond ad serving. The Atlas Advertiser Suite offers advanced campaign control and insights that enables its users to optimize campaigns as they run.