# Homegrown Advertising

How small publishers want to build revenue streams that reflect their communities

Authored by Madison Karas and Lori Henson

tiny news collective

**REBUILD LOCAL NEWS** 

## **About Tiny News Collective**



Tiny News Collective connects and supports startup and hyperlocal news organizations with the goal of diversifying news ownership, filling information gaps in communities that have been harmed or neglected by conventional media and making news entrepreneurship more accessible to founders with a range of professional, education, socioeconomic and lived experiences. It provides the tools, resources and community of learning to help people build sustainable news organizations that reflect and serve their communities.

www.tinynewsco.org



## **About Rebuild Local News**

Rebuild Local News is the leading nonpartisan, nonprofit coalition developing and advancing effective public policies designed to strengthen community news and information. Our broad-based organization brings together the largest alliance of local publishers and labor unions, civic organizations and newsrooms representing both rural and urban communities.

www.rebuildlocalnews.org

## **Table of Contents**

## **Executive Summary**

## Part One: Training, technology and talent

Introduction

Early-stage publisher needs and opportunities Growing an organization and advertising revenue Other pathways for advertising revenue

Opportunities & recommendations

## **Part Two: Resources for publishers**

Starting advertising sales: Tips & ideas for publishers

Software directory

Checklist for launching an advertising program

Resources

Glossary

Acknowledgments



## **Executive Summary**

Early-stage news entrepreneurs interviewed want advertising or sponsorship programs that reflect the style and values of the news organizations they've built.

The media entrepreneurs remaking the future of local news see advertising and sponsorships as a key revenue opportunity, but a lack of time, training and talent have them feeling like they're leaving money on the table.

New research by the Tiny News Collective and Rebuild Local News shows that small, independent publishers — those with fewer than five team members and fewer than \$500,000 in annual revenue — need sales skills more than technology solutions as they build advertising programs that are as culturally relevant and community-centered as their journalism. Well-supported ad programs also would prepare these newsrooms to benefit from public policy initiatives intended to direct advertising revenue their way.

The William and Flora Hewlett Foundation funded this research to better document and understand the hurdles faced by small publishers in building advertising and sponsorship revenue. Tiny News Collective and Rebuild Local News partnered to conduct research through qualitative interviews, focus groups and surveys with publishers who are part of both organizations' networks, as well as qualitative interviews with industry professionals in technology, academia and publishing.

Key findings from this report:

#### Organizational readiness is a hurdle:

89 % of news entrepreneurs cited a lack of staff and capacity that precludes them from being ready to accept even in-bound leads. They may lack advertising policies, pricing guides, and systems for fulfilling and reporting on campaigns. Early-stage founders were most likely to indicate this hurdle.

#### Articulating a unique value proposition is key:

Publishers who have successfully managed advertising sales say they don't try to compete with Google or Meta on targeting and performance marketing. Instead, they lean into what makes their publication special: a trusted relationship with a desirable audience.

#### Indie pubs seek right-sized advertising solutions:

Early-stage news entrepreneurs interviewed want advertising or sponsorship programs that reflect the style and values of the news organizations they've built from the ground up. Many newly launched entrepreneurs want to sell newsletter and digital sponsorships, as well as direct-sold digital ads, but have concerns about intrusive advertising, poor user experience or editorial independence.

#### Technology can be a stumbling block:

Tiny News Collective and Rebuild Local News went into this research hypothesizing that the biggest sales problems would be technical. Tech tools are not the biggest challenge to sales, but adtech remains a confusing landscape and compatibility among various technical solutions is frustrating. Publishers lack time to learn and master platforms and thus default to low-tech, manual systems, survey responses indicated. They need simple and experimental solutions to maximize their unique value proposition and eliminate perceived and real barriers to entry.

## Founder-led sales are both a challenge and an opportunity:

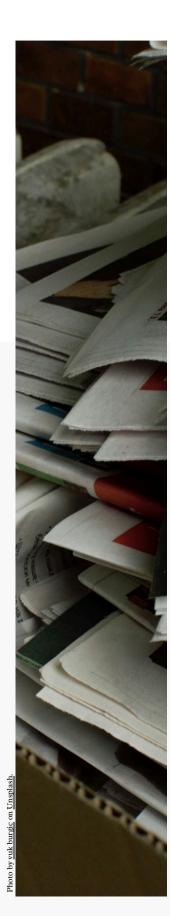
In tiny news organizations, the publisher may also be the editor, the chief fundraiser and the ad sales leader, which creates a capacity issue. But experts interviewed for this report say founders believe in the publications and can do the best job telling its story to marketers, especially in the organization's early days and with its biggest accounts.

## Public policy ad efforts won't reach small publishers without support:

Lobbying efforts under way in a growing number of states and municipalities would direct government ad spending toward local news. Without targeted support that addresses the challenges outlined here, small publishers won't be able to capture those dollars.

Part One of the full report shares findings from research with early-stage and mature small, independent local news publishers across the United States. These findings shed light on the opportunities and struggles small publishers face, as well as their attitudes toward sales, training and adtech, and a description of the public policy advertising landscape. The insights in Part One will be useful to a broad range of audiences — including publishers, funders, technology providers, marketers and journalism support professionals.

Part Two of the report is intended to be actionable advice, resources and information for news publishers, including a checklist for starting an advertising program and a software vendor directory.



## Introduction

Publishers who manage to strike a balance between local interest and organizational capacity offer a unique value proposition: a premium audience connection.

No two small publisher advertising operations are the same. Each of these operations is so special that at first it seems impossible to compare one to another. It is easy to dismiss their struggles as irrelevant in the overall picture of advertising operations when compared to international juggernauts with massive budgets. Yet, when viewed together, clear patterns in their revenue streams emerge. Local newsrooms cannot compete on scale with Google and Facebook for digital advertising, leaving their businesses with less-than-perfect toolboxes in not-easily affordable tech stacks to sell web, newsletter and social media ad slots. For publishers with print products, their efforts are lopsided, with the majority of sales coming from print. That is because advertisers (and, in many cases, the publishers themselves) struggle to understand the value calculation and the audience reach behind digital ad sales.

Those who turn away from programmatic advertising — whether due to a lack of potential return on investment or for aesthetic reasons — are left with a Catch-22 of not having enough time to dedicate to relationship-building in direct ad sales and not having enough money to hire someone who has the time. Publishers who manage to strike a balance between local interest and organizational capacity offer a unique value proposition: a premium audience connection. At <a href="https://doi.org/10.1081/jtms.42">The Haitian Times</a>, a U.S.-based news organization serving the Haitian diaspora, publisher Vania André believes that advertisers understand quality over quantity, and that publishers shouldn't sell

themselves short. "There is this tendency to think I can't charge a premium rate because I don't have millions of people coming to my site daily or monthly," André says. "The type of audience that I find that community publications have matches no other."

The Haitian Times' advertising program is currently composed of a variety of different sources: direct ad sales from local businesses and government advertising clients, direct-sold national ads from the <u>URL Media</u> ad network, corporate sponsorships, and a small number of ad buys. Programmatic advertising through <u>Google AdSense</u> fills out any excess ad inventory. This mix has allowed the publication to earn 55% of its revenue through advertising. André credits strong community and client relationships for the success of the Times' advertising program, but she notes that despite being in operation since 1999, the paper does not generate enough revenue to support a full-time editorial and business staff. "This is the result of 25 years," André states. "We still consider ourselves a start-up."

Small, independent news publishers across the United States and Canada, especially those just getting started in communities underserved by other local news, are trying to find a mix similar to that of The Haitian Times: connections with local advertisers, desirable advertising spaces in their products, and easy-to-use technology to support them through the sales, fulfillment and reporting process. Some news outlets, like the West Virginia-based Tucker County Observer, are literally driving from mountaintop to mountaintop to deliver rate cards and in-person sales pitches to prospective clients. Others, like media outlets a part of <u>Pattison Media</u> in western Canada, are investing in full-site redesigns to offer digitally responsive ad slots to local clients.

As they create their operations, publishers navigate and counter challenges to the advertising space by way of local legislation, emerging technologies and data privacy practices. Policies allocating more government agency ad dollars to community and ethnic news are taking root from New York City to San Francisco, with state-level legislation being introduced in multiple legislatures. Ad networks run by press associations from West Virginia to Indiana to Texas are connecting advertisers to local audiences through their members. The smallest news organizations are innovating like never before with some promising results, yet still struggling under the weight of minimal resources and continuing economic pressures.

#### **Methods**

Throughout 2024, Rebuild Local News and the Tiny News Collective researched the problems, opportunities, processes and technology employed by small, local, independent news publishers across the United States and Canada to start and sustain advertising programs. When we began this work, we viewed the problem primarily as a technology one, and our goal was to surface technology solutions for these publishers to optimize advertising revenue. Yet quickly, as we had more granular conversations with publishers, we shifted our focus to a more elemental problem: the challenges of sales infrastructure, talent and training small teams. We studied publications with less than \$500,000 in annual revenue, fewer than 5 full-time staff members, and those that primarily served audiences defined by a local geography.

Our research tools included: surveys and focus group protocol used with 48 newsrooms with existing advertising programs, some of which were found through the Rebuild Local News coalition; surveys and interviews with 11 startup publications that are part of the Tiny News Collective who aspire to create advertising programs or recently launched one; and interviews with five "medium-sized" publishers

with large and established advertising programs. Since our goal was to identify common themes in building advertising revenue, we interviewed to researchers, consultants and technology providers in the journalism and advertising technology space about patterns and frictions they notice in the industry.

#### Research conducted includes:

- A survey the Tiny News Collective & Rebuild Local News ran between July and August 2024 about advertising for tiny news publishers. This survey was lengthy, optional and did not provide incentive to respond. It asked about revenue, processes, and technology that publishers were experiencing. It received 48 responses.
- Follow-up focus groups the Tiny News Collective & Rebuild Local News hosted with respondents from the survey. These focus groups were hosted in August and September 2024 and were optional to attend.
- A Tiny News Collective member survey of seven publishers who were aspiring to launch an advertising program at some point for their organization in July 2024.
- Tiny News Collective advertising research conducted by Ángel González in June 2023, which included focus groups and one-on-one conversations with members about their advertising and ambitions.





## Early-stage publisher needs and opportunities

Historically, advertising was a dominating revenue stream for traditional media: The last major national <u>study of news outlets'</u> <u>advertising reliance by Pew Research</u> in 2014 found that more than two-thirds of news organization revenue came from advertising; legacy newspapers and their websites earned 58% of ad dollars at that time, with for-profit digital native publishers receiving less than 1% of that ad spend. But so much has changed since then, and in today's media climate new local news entrepreneurs across the United States need to balance their community commitment with viable and diverse revenue streams if their efforts are to be sustained.

The early-stage news entrepreneurs who Tiny News Collective and Rebuild Local News spoke to expressed general interest in trying advertising as a part of their sustainability strategy. Even entrepreneurs who had no background on the business side of journalism or publishing felt open to advertising as a sustainability strategy for the organization. The entrepreneurs see advertising and sponsorship sales as an opportunity to supplement their reader and philanthropic revenue streams. In large part, the news entrepreneurs aspire to build an advertising revenue stream that reflects the same community connection as the rest of their publication.

"It has to be something the community recognizes, something they can actually see, feel and touch," said Tiny News Collective member Delonte Harrod of <u>The Intersection Magazine</u>, a digital narrative-style, solutions and movement journalism magazine reporting on Black and people of color in Prince George's County, Maryland. Harrod has yet to launch an advertising program.

## IO

Harrod is one of 16 early-stage Tiny News Collective members who shared their plans and hopes for building an advertising program. Nearly all 16 publishers said they intend to pursue direct-sales advertising via community connections, instead of more passive programmatic advertising. They also planned to design advertising programs as a supplemental revenue stream. Publishers were able to articulate how they wanted their advertising program to look and function, but they were less clear about how to get there.

#### **Direct sales opportunities**

Harrod wants The Intersection's digital publication to include advertisements from local businesses such as Black-owned farms, medical marijuana dispensaries, and local food organizations that would be educational, informative and personal to his audience. He plans to launch his publication's advertising program in the next year or so. "If I'm going to be in that ecosystem, I need to be a part of that ecosystem," Harrod said, expanding on how he sees The Intersection Magazine's approach to finding potential advertisers.

Finding potential advertisers through their networks is a no-brainer for early-stage news entrepreneurs who are already well-connected and regarded in their communities as local journalists and publishers. The entrepreneurs' and organizations' preexisting, organic and "guerilla-style" connections often feel sufficient enough to act as a Rolodex of potential clients, and can help safeguard uneasiness around trust and value match between advertiser and organization. That is especially important in small news media organizations. The problem lies in readiness and infrastructure to take on the first client. A lack of either readiness or infrastructure can lead to missed opportunities.

A handful of the early-stage news entrepreneurs who were yet to launch an ads program had already received inbound sales leads, meaning they had been approached by prospective clients in their communities seeking to purchase an ad. Without a process, tech infrastructure or sales team to accept these solicitations, they were forced to decline the opportunity. These entrepreneurs shared:

- "It's been a long time coming, but I feel like I've started late in the game and left a lot of money on the table, because there has been interest and people approaching me. That money has been lost, I wasn't expecting my community to be ready for it before I had the infrastructure."
- "I have actually been contacted by people who wanted to place direct ads, and so I've said to them, 'Hey, we're not launching yet because we don't have our direct ad management system in place yet.' And so in effect, without being nasty, we are leaving a little bit of money on the table because we do have people who want to buy but we have no vehicle with which to sell."
- "I've had opportunities to advertise with different organizations statewide organizations, local businesses and I just don't have the option right now. So, I feel like I'm losing money."

That begs the question of what the bare minimum infrastructure is for a publisher to say "yes" to their first local, direct sales client. (Note: We've compiled a list at the end of this report titled, "Checklist for launching an ad program" based on what we learned.) A publisher's minimum infrastructure can be quite simple and experimental depending on their goals, audience and potential clientele. According to Ted Williams, founder & editor-in-chief at <u>Tiny Money</u>, advertising doesn't have to be tied to impressions or include in-house creative work in the beginning, so long as the publication has an audience that's valuable

## II

o the advertiser. "You need an audience that's big enough to make money from and then an advertiser that'll buy something," Williams said. "You can be around a one-person newsletter that goes out to a couple of thousand people, and then you can go to a local business, or some type of business, and try to sell it an ad spot, and you can have them come up with the creative for it. I think it can be pretty unfancy and straightforward and doesn't need to be very big."

#### The 'right' technology

One piece of infrastructure that can give early-stage publishers cold feet when planning an advertising program is choosing a technology platform to manage digital advertising that is compatible with their existing content management system or newsletter platform. Williams says that for beginners, the process can be similar to the processes they're already following for publishing. "You're just creating (the ad) in a similar way to the way you're currently creating stuff."

A publisher could choose to start with systems specially designed for digital advertising or use features for advertising from their own publishing system, or they could start with creating text and image spaces on their newsletter or website to support the ad creative. The important thing is that they find an easy and feasible place to start to make the sale happen. Williams recommends figuring out how to support the sale with what you've got before diving into the vendor search process, and then iterating as you sell. "Let the market guide you. Do the hardest thing first, which is execute sales, and then you figure out how to invest in refining stuff later," he said.

Sometimes when independent publishers come from backgrounds with little tech exposure, such as a predominantly editorial background, they have an incomplete understanding of their own technical needs, which makes searching for a technical solution challenging. That leads them either to focus on finding the "perfect" platform or avoiding the search entirely — both prolonging the time it takes to get to ad sales.

Another hurdle with advertising technology platforms can be the costs of the technology — committing to an extra one or few hundred dollars a month can feel daunting for those who have never sold an ad before, or have limited business experience, even if, theoretically, the costs could be covered with a single advertisement sold each month. Moreover, the costs of taking time to understand, learn and get a new technology platform up and running can also cause setbacks for publishers completely new to ad sales.

#### **Desired features**

Tiny News Collective members emphasized ease of use and specific features when asked via survey to describe their ideal advertising technology platform, stating:

- "Banner-type ads/sponsor acknowledgments."
- "Simple. I believe one or more platforms already offer this, but since many advertisers are used to building out their own ads on Facebook, Google, etc., it'd be ideal if advertisers could upload or build their own ads, which are improved by someone on our team before they go live."
- "I'm not sure right now, but I think that social media marketing and marketing on specific articles would be part of it."

## **T2**

In a focus group, members struggled to visualize and express the specific features of their ideal ad technology, as only one of the members interviewed had experience with digital ad management tools from a previous role. However, they came to an agreement on some desired functions:

- "Content-first" ad platform
- Pre-defined templates with text and images for different uses clearly defined and standardized method to label and track sponsored content
- · Standardized ad sizes
- Ability to be found on major ad platforms
- A tool that is easy to train on and facilitates delegation of the ad work
- Forms and workflows to communicate effectively throughout the ad sales process:
  - Initial approach
  - Content upload
  - Editing flows
  - Email for tracking schedule and approval to go live
  - Follow-up and renewal communication

#### Organizational readiness

After identifying direct sales opportunities and technology processes, early-stage publishers must also build administrative infrastructure around the sales process, including their publication's policies and personnel to support advertising and sales development.

"The stage I'm at now is the checklist of, 'Here's what you need in place' — media kit, rate card, policies, legalese behind it. I could've started in a really loosey-goosey way. That would've been easy to do that, but that made me nervous not to have contracts," said Tiny News Collective member Nancy Flores, editor and publisher of <u>Austin Vida</u>, a publication serving the Latinidad community of Austin, Texas, a few months before launching her publication's advertising program.

Advertising content, like editorial content, is legally protected by the First Amendment. Like editorial content, the publisher bears the responsibility for an advertisement's content, including screening for deceptive advertising, copyright infringement or defamation. Publishers can familiarize themselves with federal and state legislation about data privacy; unfair or deceptive acts or practices, advertising claims; and any special prohibitions regarding gambling, cannabis, alcohol or firearm ads. They can also consult an accountant or tax attorney about the tax requirements for reporting advertising revenue.

Publishers are not required to create any policies before launching an advertising program, however, there are best practices for protective policies to implement before making a first sale. At a minimum, before accepting a first sale, a publisher should have a sense of what types of advertising and clientele they will accept. It is recommended that policies stating these be published publicly, to be referenced by prospective clients. Additionally, publishers should ensure that their website's privacy policy is compatible with their advertising terms and conditions.

Some journalism support organizations, as well as accelerator programs or advertising technology platforms, offer guidance on parts of these processes or can give publishers recommendations through

connections with legal support, but it's usually a piecemeal process for publishers to assemble various policies they should post on their site to protect themselves. Publishers can consult organizations like <u>Lawyers for Reporters</u> for legal advice, recommendations and templates for policies to protect their publication and use in ad sales.

#### Placement on Mat-Su Sentinel

Mat-Su Sentinel sponsorships are acknowledged in 900x225 ad-type placements within news stories or in Mat-Su Sentinel weekly newsletters. To show our gratitude for your support and as a matter of transparency sponsors are also listed alphabetically on our donors page.

Sponsorship banners include a logo and business information designed by you. If needed, Mat-Su Sentinel can assist with design.

Example - 900x225:



An excerpt from Mat-Su Sentinel's Sponsorship Guide for advertisers. Credit: Amy Bushatz

When launching <u>Mat-Su Sentinel</u>'s sponsorship program, founder and Tiny News Collective member Amy Bushatz outlined that she would not accept tobacco, alcohol, marijuana or political ads due to local politics and operating as a nonprofit. Because the audience she serves in the Mat-Su Borough of Alaska includes a large hunting community, however, she did decide that she would run ads for firearms. She also created a sponsorships policy stating that she could decline for any reason to include a sponsor's logo in a story where the sponsor is quoted, featured or included, or where she feels there is a conflict of interest. As a solo entrepreneur who is the reporter and sponsorship salesperson, that protects her and allows for her discretion.

"In one breath, I'm pitching a sponsorship to the subject of the press conference, and then in another breath, I'm covering it," she said. "...I am the be-all, end-all."

#### **Concern about outside influences**

In focus group conversations with Tiny News Collective publishers, editorial freedom came up as a concern. Some members explained that it is not realistic for a small, one-person publication to be fully isolated against influence from advertisers and sponsors, especially when the publication's coverage overlaps with the sponsor's business interests. Member shared their thoughts on editorial freedom:

- "The business model when you are a small organization impacts your journalism; the separation or wall is not what it once was."
- "With niche publications, their advertisements overlap with the companies they cover."
- "What I am going to cover can be controversial, and being subject to ad revenue can be a problem."
- "With my approach to sponsorships, I want to be sure to work with entities I am just not going to cover."

## **I4**

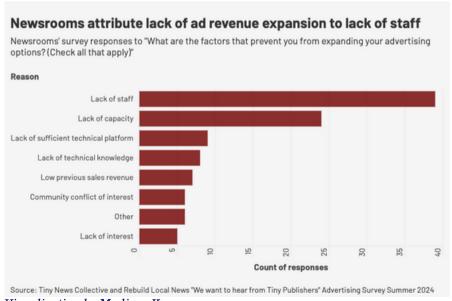
Another concern was the reputation of potential advertisers, and particularly how their practices affect the community. One example a member noted is how newspapers that operate in places where many people are undocumented feature a large number of ads from lawyers offering expensive services that often end up not being useful. This member also has concerns about advertising clients that are cozy with local leaders who have not always acted in the best interests of their communities, which can undermine readers' trust in the publication. These concerns have guided their choice to prioritize service-oriented local nonprofits, such as local hospitals, as potential sponsors.

A similar concern was raised by a member who publishes an arts-oriented publication about master of fine arts programs being a predominant advertiser on arts and culture-focused sites: "It feels weird to put an ad for an MFA program because a lot of artists say that they are in serious debt and say they have not gotten much from it."

The concern of outside influence from advertisers is similar to concern shared by nonprofit newsrooms worried about influence from major donors or foundations. In these cases, newsrooms manage expectations around editorial independence through written policies and in their grant agreements. Similarly, clear advertising and sponsorship policies can help a publication navigate the client relationship. Organizations like <u>The Daily Tar Heel, Austin Vida</u> and <u>The Haitian Times</u> have examples of policies listed on their site.

#### Staffing and sales experience

In a survey of Tiny News Collective publishers about their hopes for launching an advertising program, "lack of capacity," followed by "lack of technical knowledge" and "lack of staff," were the top answers when asked, "What are factors that prevent you from starting an advertising program for your publication sooner?" More often than not, it's only the solo entrepreneur who can take on the tasks of the new revenue endeavor.



<u>Visualization</u> by Madison Karas

## **I5**

Yet, despite already having an overflowing plate of responsibilities, publishers are likely the best people to launch their publication's advertising program, said Kenny Katzgrau, publisher of <u>redbankgreen</u> in Red Bank, New Jersey, and CEO of <u>Broadstreet Ads</u>.

"If you believe in it, and you believe in the value in it, you're probably going to be really good at selling it," he said. "And so much of being an entrepreneur and being a small player and surviving is like, leaning on your strengths, and so I think it's totally fair. And I think if there's somebody who doesn't feel strongly that advertising can be really valuable or, like, that's not what they like doing, a lot of them shy away from selling. That's totally valid."

Katzgrau is a former software developer-turned-CEO, journalist and publisher who offers free webinar introductions to advertising sales, techniques, and training for small publishers through Broadstreet Ads. He emphasizes to publishers that sales is about having conversations to learn the marketing goals of a potential client and explaining how different advertising offerings may support those goals.

"The most successful news organizations I've seen are the ones where the journalist will at least make an effort to sell the first bunch of ads like they are the first salesperson, even if they're not a great one, and really trying to get, like, good. It doesn't mean they have to sustain the business yet, right? But like, just get to the point where you're selling a little bit and that you can improve at it," Katzgrau said. "They need to get good enough and realize that, and most salespeople hit this point in the revolution where they realize that, like, it's not selling, right? You're just trying to see if you can help a small business, right? Because those journalists are doing a wonderful job, and they are getting a lot of readers or a lot of people paying attention, and they have a very effective medium for influencing locals."

"If you believe in it, and you believe in the value in it, you're probably going to be really good at selling it."

KENNY KATZGRAU

BROADSTREET ADS / REDBANKGREEN

Publishers should gain experience with ad sales, Katzgrau added, because it will help them hire better sales staff and manage them better down the line.

After launching her sponsorship program at Mat-Su Sentinel, and beginning sales to clients like a local electric utility, credit union, bookshop and internet company, Bushatz said she sees doing ad sales as part of the many hats she wears — taking off the news reporting hat and putting on the "keeping your doors open hat."

"Selling your thing is not a bad thing, but that there is a muscle for that that you have to develop, and it is part of being your own best advocate, right?" Bushatz said.

Thomas Yocum launched the Tucker County Observer as a monthly newspaper that's entirely advertising supported in Tucker County, West Virginia, in 2023. Every month, he hand-delivers 10,000 copies of a 28-page tabloid across the mountainous county of around 6,600 residents, which sees an influx of 1.5 million tourists a year. For him, developing the selling muscle involved creating a physical media kit that represents the six different ad slots — and driving to potential advertisers' businesses to show and explain his offerings. The tabloid acted as a menu for potential clients to pick from when he was launching his paper, and allows for people to easily see how the ads look and pick between color or black and white.

"I literally went and took about three or four days and went from one end of the county to the other, and knocked on every business door I could. If they weren't there, I went back and I didn't just stick this under the door. I sat down and explained it to them and the reason.... The only way I can get halfway in the door with some of these folks is by sitting down and having this [mock-up] and talking to them face to face," Yocum said.

Within the first two or three months of his publication, Yocum had a rolodex of 20 different advertisers that he sold to. By the end of 2024, that number grew to 35 advertisers, averaging about 20 ads per issue.

"I guess I've been a good ad salesman because I believe in the project," he said. "But also the county is hungry for it. The reason I was a good ad salesman is I didn't assume anything, you know. I go to people and explain it to them."



#### **Tucker County Observer Advertising Rates**

Choose from one of six different ad sizes to promote your business or event to thousands of readers each month.
Ads are available in both black and white and full color. Make sure your ad has the correct dimensions,
resolution and color. And that you review and send it on time.



Standard ormats are

Image Quality Image resolution is 300 dpi.

Color Choice Standard color space is CMYK.

Payment
All ads must
be paid for in
advance. All
prices are for
cash or check.
There is a small
extra charge for
bank cards.

Review Final versions of ads must be approved by the client prior to publication.

Deadline Ads must be received by the 15th of each month.



#### 5 THINGS TO KNOW ABOUT THE TUCKER COUNTY OBSERVER

#### Free monthly newspaper covering all of Tucker County

The Tucker County Observer covers the county from St. George to Dry Fork and Leadmine to Laneville, providing news, information about county resources, events and activities, with contributions from a growing list of talented local writers. The Observer provides regular updates on the work of the county commission and other important groups. It follows key issues like Corridor H. And the Observer highlights important work that's being done to address things like food insecurity, powerly, solation and domestic abuse, helping connect people and families to programs that can help them.

#### Neutral, nonpartisan and nonprofit

The Observer doesn't try to tell people what to think, how to think or how to vote. It doesn't favor Democrat or Republican. It doesn't take sides on local issues. It doesn't practice "gotcha" journalism or chase "scoops." What it does do is give people a sense of what's going on so they're better informed to make up their own minds.

#### 10,000 print copies each month

The Observer is supported entirely by advertising from local and area businesses. In return, the paper prints 10,000 copies the first weekend of each month that are distributed at key points across the county, putting it in the hands of residents and the 1 million-plus visitors to Tucker each year. With information about places, events and activities around the county for each month, the Observer works to increase the "churn" of visitors and floodfall to county businesses.

#### 100% of proceeds go to Tucker County charities

Observer staff are paid for their time and mileage, but once that and the other bills are taken care of, all proceeds are directed back into the county. The Observer's five-member board decides how best to spend the money based on current needs, such as the food bank or animal shelter. The Observer board is composed of two members from 'on the mountain' and two members from 'off the mountain.' The fifth member is a representative from the Blackwater Ministerial Association, the group that leads on many local social support initiatives.

#### Making a difference, not a profit

The Observer uses a different approach to news publishing, breaking with conventional models that are designed primarily to make money, satisfy shareholders and bolster balance sheets. Instead, by focusing on service not profit, and by working directly with people, groups, and organizations across the county, the Observer provides local news and information to people when they need it and how they want it. By keeping costs low and directing the proceeds generated by the paper to the county, the Tucker County Observer can continue to grow and develop alongside the rest of the county and region.

**I7** 

## Growing an organization and advertising revenue

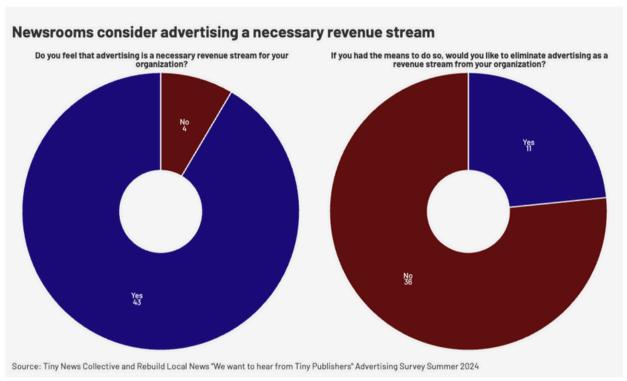
Advertising is clearly an important part of these news organizations' mission and business strategy.

#### **National survey results**

Although the news organizations surveyed are tiny — with fewer than 5 people on staff — their audience sizes vary widely, from fewer than 5,000 to more than 450,000 people across print, online, social, audio and newsletter products. The survey responses also revealed that advertising constitutes a wide range of news organizations' revenue, from none at all to 100%, with the median falling around 35% of revenue. That tells us that tools and solutions must be adaptable and customizable for the smallest publishers.

Publishers' responses to the survey questions were varied, but a few trends emerged. The first was the common view that advertising is a critical source of revenue for these publishers, with 90% considering ads "necessary" to their business model and three-quarters saying they would not eliminate advertising if they had the means to do so. Advertising is clearly an important part of these news organizations' mission and business strategy.

The importance of advertising leads publishers to demonstrate innovation by advertising products, offering a wide range of advertising packages, creating pricing plans, and providing opportunities for advertisers. In fact, in several cases, publishers are offering more advertising vehicles than advertisers are seeking. Half of publishers said they would like to grow their website advertising, which was the most common product targeted for growth, with newsletter ads and sponsorships the second most-commonly identified target for growth.



Visualization by Madison Karas

#### Revenue

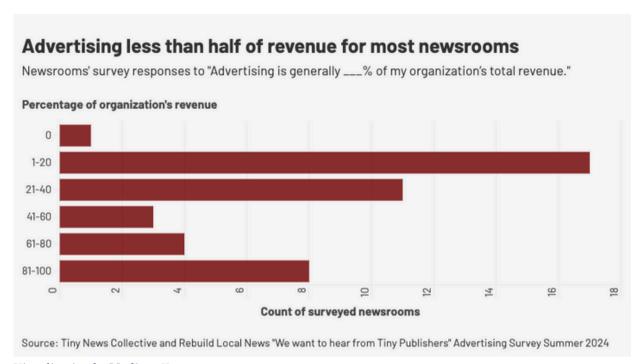
We noted the lack of social media advertising across publishers, with most publishers taking in no social media ad revenue, and only two reporting that social media constituted more than 10% of their ad revenue. Based on publisher responses, social media is not an area targeted for growth.

With only a couple of exceptions, these publishers are not relying on revenue from programmatic or other advertising content network services offered by Google and other platforms. The majority of publishers responded that they don't use any such ads. Similarly, classified ads are not a large source of revenue for these news outlets.

Newsletters and sponsorships, including sponsored content and underwriting-style advertising, provide the largest share of advertising revenue among these tiny news outlets. Two publishers noted in focus groups that the popularity of sponsored content among advertisers makes cost-effective options for outsourcing the related creative work on that content an attractive option for publishers and their clients.

#### Forgoing programmatic options

Programmatic advertising's low quality and minimal revenue generation made it a less common piece of publishers' advertising revenue picture. Less than 15% of survey respondents used programmatic ads on their sites at all, and only two publishers out of nearly 50 surveyed said programmatic ads accounted for a substantial portion of their revenue.



#### Visualization by Madison Karas

#### Print as a primary source

Despite two decades of free-fall in the revenue generated by print ads at the national level, the smallest publishers and their advertisers still find significant value in print advertising. The deep familiarity and perceived value of a print ad made it a popular option for both advertisers and publishers, although nearly a quarter of publishers said advertisers most often request more digital advertising options.

#### Sponsorships

Sponsored content accounted for more than 10% of revenue among nearly half of the publishers surveyed. An important part of the appeal of sponsored content is the labor done by the advertiser to create the advertising, and the perceived added value to topic-specific content, such as real estate or restaurant guides. A plurality of publishers reported that advertisers requested more content-specific or campaign-specific ad placement. About one-quarter of publishers cited sponsorships as a popular option among their advertisers.

#### **Technology**

Every publisher we followed up with in focus groups agreed that finding and (in some cases) upgrading cost-effective technologies for creative work and to assist with the sales process (generating and sorting sales leads, invoicing, and renewals) were a priority. Penda Howell, publisher of NJ Urban News, called the publication's existing tech stack "a Frankenstein of programs" that often do not work well with each other. Nearly half of publishers said they are able to provide "basic analytics" such as click-through rates to ad clients, but one-quarter said they offer no performance metrics at all. Where they do provide metrics, Google and Broadstreet Ads analytics tools stand out as the most useful.

Finding the right solution to daily tech glitches and inefficiencies will require not only optimized and more integrated software and platforms, but also time for publishers to train and/or funds to hire staff who can implement these solutions. Only 7 of the 48 publishers employed a full-time ad staff member, with almost half responding that advertising was a shared responsibility among staff members or outsourced to a contractor.

One resource for streamlining technology that all small publishers seem to agree on is the importance of networking and collaboration among publishers. The focus group participants noted the benefits of conversations around technology and advertising challenges, as well as promoting best practices. One publisher, Ryan Belmore of What's Up Newp in Newport, Rhode Island, credited the collaboration between his publication and a local broadcast station, in which each is featured in the other's media kits and promoted on each other's platforms, increasing the perceived value of each outlet's reach among clients.

#### The tech provider-client matching process

Technology software providers play a pivotal role by offering the capability to facilitate ad sales processes between small independent publishers with advertisers. As digital sales trends change and emerge, in addition to providing software, these providers play a role in helping guide, facilitate and train publishers in using their technology to meet revenue goals. As a part of our research, we asked publishers what they were using, and went and talked to folks behind the software as well. Largely, we heard the most challenging part of providing this technology support is figuring out how to deliver in ways that are achievable, accessible and affordable for small publishers — and doing so through the ups-and-downs of launching a new revenue stream.

"We know it's hard," said Katie Rethman, head of product at Automattic's <u>Newspack</u>, a popular CMS solution for mid- and larger size newsrooms, which also serves some smaller shops. Newspack offers direct ad sales and programmatic solutions as a part of its full-stack content management system for publishers.

Technology in a publisher's tech stack varies. Some are full-service software, coaching and troubleshooting firms built specifically for publishing, or self-service systems that integrate as publishers need. With independent publishers as clients, technology providers also find themselves at the frontlines when publishers learn how to fill technology needs for their own business processes.

"They're not used to talking about their product or their publication as a product. So we do have to spend a lot of time teaching them to look at their publication as something that's valuable to advertisers, and then we teach them how to communicate that value to prospects, because, yeah, they've never done it before," said Allison Mcllmoyl, product manager for IndieAds at <u>Indiegraf</u>, a technology platform serving 100+ small news publications. "They're very new to it, and a lot of them are just not quite sure where and how to get started. So we really focus on, yes, we have the technology, but we really focus on offering services to support the building of that foundation, so that they have something that they can launch ad sales from."

Acquiring basic business and technical knowledge can be a fundamental step in the success of a

## **2I**

publishers' use of a technology provider to support their advertising program. If independent publishers lack a technical background and they are not equipped or prepared to spend sufficient time learning how components of a platform can support their program's growth, publishers can encounter a domino effect of difficulties trying to make it work.

"For publishers without technical resources on staff, simply knowing where to start with advertising can be a challenge," said Alex Kisielewski, VP of Strategic Partnerships at Ghost, an open-source publishing and newsletter platform, which partners with Tiny News Collective. "Questions arise about the type of ad format to run, whether to sell directly or via a third-party platform, and whether to sell on a CPM, CPC, or CPV pricing model. In my view, advertising should provide equal value to you, the advertiser and your audience. For smaller sites with limited web traffic, advertising may not always be the most viable model, given the investment required."

Many of these requirements and the decision-making involved at each point of the process, from launch to maintenance, can cause independent publishers to avoid seeking tech platforms altogether. "Particularly for smaller publishers, the further along the conversation you go, the clearer it becomes that perhaps this might be not quite right," Kisielewski said.

That is the reason some technology providers offering more sophisticated programmatic advertising opportunities to digital media entities, require certain thresholds like page view minimums for publishers to use their platform. Without a certain size of audience as the foundation, the numbers just don't add up to mutual benefit.

"In my view, advertising should provide equal value to you, the advertiser and your audience. For smaller sites with limited web traffic, advertising may not always be the most viable model, given the investment required."

#### ALEX KISIELEWSKI GHOST

Some custom small news platforms offer all-in-one solutions for solo news entrepreneurs to start and operate all aspects of a news website, including running revenue streams like advertising and subscriptions.

"That way the publisher only needs to focus on doing their local news reporting and developing their relationships with the local businesses," said Mike Shapiro, founder and CEO of <u>Hyperlocal News</u>

Network, a custom content management platform developed by its sister company TAPinto. The technology can be licensed to existing as well as new publishers, like the 90+ sites listed on its website, and offers wrap-around services such as a DIY marketing platform to connect advertisers and clients, an adsharing network, and ad content and analytics support.

<u>Patch Labs</u>' content management and technology platform was launched in 2020, modeled off lessons learned from <u>Patch.com</u> experiences with programmatic advertising in the 2010s. Patch Labs' platform aims to incorporate all the features needed to launch and run a news website, including options for sites to direct-sell display advertising and newsletters. Over time, that will help determine the "unit economics" of sustainable local news sites.

"We're working on it from both ends to make sure that we can get the mix right, for us and for anybody else," Abe Brewster, president and CTO of Patch Labs, which has <u>40+ member sites</u>. "We just know that without local news we have a country in crisis."

Other technology platforms popular with news entrepreneurs include <u>beehiiv</u>, a newsletter platform that focuses solely on providing the tools and services for email-based businesses. The platform, famously created by early Morning Brew employees, offers monetization tools like subscriptions and a non-programmatic ad network for publishers to sell into, and is working to offer more tools for publishers to manage inbound sales.

"As algorithmic distribution has become harder and harder for creators to tap into, like the algorithm changes all the time, it's hard to actually own that relationship to your audience," said Tony Varghese, senior marketing manager, Lifecycle and Product at beehiiv, which recently launched a <u>Media Collective</u> program for journalists. "We're seeing more and more creators coming onto the platform as a way to have that direct one-to-one relationship with their audience."

#### Look and feel in tech desires

One reason publishers often find themselves seeking an advertising technology platform is to have the capability to offer more sophisticated ad units than what they can do on their own. The "look and feel" of their advertising is an important consideration for early-stage news entrepreneurs who are trying to establish a brand of credibility, independence and premium journalism, while <u>balancing client desires and a reader's experience on their site</u>.

"They're always wondering, 'How do I make myself more attractive to advertisers?" said Joe Amditis of the <u>Center for Cooperative Media</u> at Montclair State University in New Jersey. Amditis says publishers frequently come to the center looking for support on increasing the legitimacy of design and cleanliness of their site. "They want to look like they have their \*\*\*\* together," he said.

In focus group conversations with Tiny News Collective members in 2023, publishers wanted ads to be clean and match the look of their sites as much as possible. Some members emphasized their visual brand and considered it to be a point of distinction that makes them attractive and trusted by their readers, leading them to strongly prefer ads that fit into their brand. Others expressed concern about the amount of effort required to ensure the credibility and accuracy of ad copy, ensure it is in line with the values of the organization and verify that an ad was published. Members expressed concerns that this verification and quality control were not the most efficient use of their time and also are not tasks that can be easily automated. They added that they wished someone could assist them with this function.

Members mentioned that fewer ads on a page can be helpful to manage their website aesthetics and

workload, as well as providing more share of voice per advertiser. Only one member mentioned they could provide design services to advertisers, but they preferred when advertisers provided the content. This member's experience also gives them a more pragmatic perspective on preserving the look and feel of the site. The member said, "(It) is not a child; this is a business." Another member expressed they one day wished to have a designer on their staff to assist with matching advertisement content designs to their website. Phrases used to describe desired ad content appearance:

- Aesthetically inoffensive
- I love sexy, plain stuff. Sleek.
- In terms of look, fewer [ads] is more valuable to the advertiser

#### **Unique Value Proposition**

One phenomena consistent across all sizes and ages of publishers' advertising programs we observed was the responsibility of the publisher to understand, take ownership of, and explain to advertisers their unique value proposition as an independent publisher with an intimate connection to and understanding of their audience. From launch of publication, to launch of their products and revenue streams, independent publishers grow and retain focused audience cohorts who rely on them as a trusted voice and expert on topics in their community.

These publishers can have the potential to solicit advertisers who wish to market to their audiences. In a <u>study of media ad buyers</u> last year, North Carolina advertisers expressed both feelings of "frustration with and obligation to spending on Meta and Facebook, but felt that local media's strength was "exclusive access to their audience."

Yet, it's often the burden of publishers to help potential clients who are used to spending marketing dollars with larger organizations with more general audiences to understand how their value might look different. Part of that is because advertisers, especially on the local level, are still adjusting to learning the value of spending on digital advertising, and what the return on investment looks like for them. With the print newspaper model of advertising, it's simple to understand the return on investment of placing an ad, but with digital advertising, the formula becomes more complicated.

"[The publishers] actually have to educate both their audience and their advertisers, and so they are really teaching their advertisers about the possibility for the publication," said Nick Mathews, an assistant professor in the School of Journalism at the University of Missouri.

The onus on publishers to explain their digital advertising value to advertisers becomes even more nuanced with constant changes to how discoverability, algorithms and content formats work online and on social media. Organizations like URL Media post <u>case studies</u> helping explain their impact of advertising campaigns on multichannel platforms and government contracts. Vania André, publisher of The Haitian Times, said sometimes part of her process working with advertisers includes coaching on what their ad should look like, because she knows best what will appeal to her audience.

That involves pairing their digital sales expertise with her relational knowledge of her audience.

"....Make sure that you give me a graphic with this type of design feel. If it's for social, make sure that you include a video. I think those types of very nuanced, cultural competency insights make a difference, and I would tell small publishers to play that up any chance that they get," André said. "A targeted message to a community of Pakistanis in Brooklyn can be worth more than spraying and praying to 100 million people."

Once publishers can master this sales pitch of communicating their unique value proposition via their premium audience connection, they can then capitalize on charging an equally premium rate. Publishers can consider factors such as how hard their audience is to reach and the quality of their audience list in determining how much to charge.

"The more niche and premium that audience is, the more you can charge, typically, depending on who the advertisers are, right?" said Alice Myerhoff, a consultant specializing in news media monetization and growing advertising revenue. "The thing to really start with is who wants to reach this audience that I have, who's your target advertiser, who wants to reach those people?"

#### **Advertiser relationships**

The need to communicate their unique value proposition to potential advertisers requires small, independent publishers to reframe how they approach and view relationship development with advertisers. Despite being able to identify potential clients easily, developing the relationship and engaging in sales conversation is sometimes a source of intimidation for publishers with little sales experience. Kenny Katzgrau, CEO of Broadstreet Ads and publisher of redbankgreen, encourages small publishers to view making ad sales as a way to help small businesses meet their customers.

"It's really an endeavor to see if you can help someone," Katzgrau said. "You're just seeing if you can help somebody, and it's really just this tiny little switch of a way of looking at it."

This shift of mindset aligns with how Adam Meyer, vice president and COO of Teton Media Works, which owns Buckrail news site in Jackson Hole, Wyoming, views his publication's advertising program as a "business solution provider" to connect local businesses with customers. Buckrail is 100% advertising-supported." The key for his publications' advertising success, he said, is "not a tech solution, it's a human solution."

Meyer said that publishers should focus on finding relationships in their community, meeting with customers to understand their needs, and aligning with them as partners. That can happen through being present and networking with other businesses in their community, like at a local Rotary Club, chamber of commerce or other membership organizations.

"There's not a tech button" to make sales happen, Meyer added.

Viewing advertisers as partners in business success means that independent publishers should consider these close-knit community relationships when they approach other editorial and business partnerships. If publishers can tighten their relationships with advertisers, perhaps they will be able to kick-start revenue opportunities in a fashion that feels more natural and comfortable to them.



## Other pathways for advertising revenue

Beyond traditional direct sales methods, more experiments and ways of getting advertising dollars to publishers emerge via new policy, networks and technology.

#### **Policy**

Journalism advocates have made strides in getting more advertising revenue to the smallest news organizations by leveraging the power of press association member networks and public policy. Press associations are increasingly pursuing revenue strategies for members beyond public notice advertising, managing ad networks that connect their members to interested advertisers and agencies. More than a dozen state press associations offer advertisers access to their publishers, which alleviates some of the staffing capacity pressures felt by the smallest of their members.

Another approach championed by Rebuild Local News and other local news advocates is a government advertising set-aside for local news, which directs a portion of a city's or state's existing agency advertising budget to community and ethnic news outlets. Since New York City adopted the first such program in 2019, Chicago, San Francisco, and the state of California have adopted similar measures. Over the first three years of the program, New York City's community and ethnic publishers saw revenue from the program grow from \$1 million during the 2020 Covid crisis to nearly \$17 million in 2023; Chicago's community and ethnic publishers estimated revenue from the set-aside will total \$300,000 in 2025, its first year of implementation. Because the policy uses existing funds, and does not rely on additional budget appropriations, Rebuild Local News argues that such an approach should appeal to conservative legislatures. Indeed, lawmakers and journalism advocates in more conservative states, including Kansas and Indiana, are now pursuing similar policy support for local news.

You remembered their books.

You remembered their forms.

You remembered their schedules.

#### Be sure to remember their vaccines.

Vaccines are required for children to stay in school and day care.

They're safe and reduce the risk of severe preventable illnesses, like measles, polio, and chickenpox. COVID-19 vaccines are now recommended for children 6 months and older. Talk to your child's health care provider or visit nyc.gov/health and search "student vaccines" or call 311 for information on immunization requirements.



An ad the City of New York placed in community and ethnic newspapers as part of the Advertising Boost Initiative, an advertising set-aside. The Center for Community Media at City University of New York trained newsrooms to prepare media kits for the program, launched in 2019. Credit: New York City Health

Tax credits or subsidies for small businesses that advertise with local news are two other innovative approaches. Tax credits for advertisers avoid the potential pitfalls of government agencies being directly involved in providing newsrooms financial incentives by tapping into the existing system of tax benefits already earmarked for certain small businesses, such as women-, minority- or veteran-owned businesses. Advertiser tax credit bills have been introduced at the <u>federal</u> level and in the states of <u>Wisconsin</u>, <u>Colorado</u> and <u>Maryland</u>.

State-level tax credit proposals are ambitious and important policy approaches, but promising programs are happening at the small city level as well. Advertising subsidy programs use nonprofit or economic development funds given to small business applicants to spend on ads with local news outlets.

In Virginia, the <u>Henrico Small Business Boost program launched</u> in July 2023 to award 20 small businesses a three-month advertising campaign across the Henrico Citizen's products. Half of each \$4,000 ad package was paid for by an economic development authority to the newspaper; the other half was donated in ad services by the Citizen. Awardees also got training from the Citizen on how to improve advertising quality and reach. The Citizen launched a second round of the program in 2024, doubling the grant funds to \$80,000 for 40 small businesses; the number of small business applicants also doubled.

Taos, New Mexico, and Meriden, Connecticut, also piloted similar advertising funding for small businesses with some success. In the case of Taos, the response was strong enough for the <u>Taos News</u> to add a staff photographer to the payroll during the Covid pandemic; in <u>Meriden</u>, a combination of federal Covid relief funds, city and Chamber of Commerce funds, created \$600,000 in advertising value for 150 small businesses and nonprofits, and netted the Record-Journal \$235,000.

#### **Networks**

Advertising networks also offer a way for a group of publishers to work together to share ad sales and distribute revenue among themselves. These networks are in a maturing, yet still experimental phase of development among the independent journalism landscape, as groups try to find the right mix of advertisers, publications and partnerships to make it work. There's no question that some publishers' networks have started to see potential, and in some cases, lucrative results.

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In 2021, the Center for Cooperative Media ran an AdLab experiment to build an ad network with 16 newsrooms in New Jersey, with the help of technology and facilitation from Kenny Katzgrau at Broadstreet Ads. The experiment brought in \$9,000 with an average of \$562,50 per site, and was a lesson in the level of infrastructure needed to facilitate a digital advertising network.

"It would have helped the network to have more than 16 publishers participate, and to expand the geographical coverage. In addition when a news organization makes a change to its website, it can affect the ad tags. We were also at a slight disadvantage selling only in Q4, as many regional advertising budgets are set at the start of the year. Having a website where the sales sheet could live would have helped, too," the experiment's retrospective read.

Katzgrau sees challenges in sustaining ad networks due to the level of standardization and scale needed to be competitive. Other emerging ad network models lean into regional, national and topical focuses of types of publishers and advertisers, and they are attempting to standardize some parts of the operations while embracing other aspects that make their network's participants unique.

In Wyoming, <u>Upslope Media</u> is experimenting with a beta ad network for statewide publishers using Broadstreet Ads technology. All publishers can sell into the network, and publishers pay fees and flat rates into the network to receive a quarterly commission. The idea is that everyone can earn supplemental revenue — not enough to replace their direct buys, but in addition to them.

CEO Shawn Houck of Upslope Media sees this ad network experiment as an attempt to support small publishers facing the problem of not being positioned to sell to big companies while allowing them to appeal to advertisers interested in finding statewide audiences.

"Apple is not knocking on our doors," Houck said.

URL Media, which launched in 2021, started its own ad network after identifying Black and Brown publishers experiencing this problem as a way for members of its network to sell to advertisers that might not otherwise be aware of or connected to their smaller entities. The network, currently 35 partners large, has placed millions of dollars in ad sales with companies including Nike, NHL, McKinsey, Hulu and Wells Fargo, as well as landing government contracts.

"We have been the first deal for many of these outlets," said S. Mitra Kalita, co-founder of URL Media. "What we love about that it gives the proof of concept (for publishers) to then go to market on their own and sell more."

#### **Technology**

Kalita emphasizes bringing together organizations on the internet to leverage their audiences, but acknowledges that execution can be a challenge. Running an advertising program can be onerous in and of itself because of the requirements to get started, and digital publishing advertising standards have not evolved to reflect changes to the internet and social media.

Currently, publishers that are a part of URL Media's ad network do not have to pay to participate in URL Media or their ad network, Kalita said. A publisher already bears costs when running an advertising program, she said.

"The reality of running ad campaigns for some small publishers is it raises questions of, 'Do I have Google Ad Manager? Do I have a webmaster? Do I have a creative director who could design content? Do I have a video producer? Do I have an anchor?" Kalita said. "The onus of fielding advertising has a lot of built-in costs, and there are assumptions we make when we think of advertising as a solution, that we would not be fully supportive of small and local publishers if we didn't account for those costs."

Positioning advertising networks not as a single-shot solution, but as a supplemental revenue generation method to add to publishers' already-existing advertising programs that assist with scale and reputation, may be the key.

"The onus of fielding advertising has a lot of built-in costs, and there are assumptions we make when we think of advertising as a solution, that we would not be fully supportive of small and local publishers if we didn't account for those costs."

#### S. MITRA KALITA URL MEDIA

<u>EmpowerLocal</u>, launched in 2020, took a lo-fi, high-impact approach to building an ad share network of national brands for local publishers, relying on a quick and simple implementation to add digital ad slots to publishers' CMS templates. Their network streamlines national brands with various types of standard, interactive and video ad slots on publishers' sites and has 1,000+ network partners so far, and several leading advertising partners with an emphasis on retail, CPG and direct-to-consumer brands.

Although it can require a baseline audience to make a publisher's monthly views work — typically around 100,000 monthly page views is the sweet spot — Ron Fields, director of publisher partnerships at EmpowerLocal, doesn't count any publication out, especially in small or rural communities.

"There is always audience for quality brands out there, and they are hungry for authentic, local community connections," he said.



## Opportunities & recommendations

Throughout our research, we sought feedback from news entrepreneurs via surveys, focus groups and interviews about opportunities they saw for organizations and technology providers to support publishers' advertising program development. Below are opportunities and recommendations that could help bolster available resources and solutions for small publishers looking to start advertising programs. See Part Two, *Resources for Publishers*.

#### Make more sales training resources available, everywhere

Publishers with little-to-no sales background often have to piece together resources from journalism and non-journalism organizations to help them get started with creating infrastructure, tactics and processes for their publication's sales development. They must figure out for themselves how these work for their type of organization or community.

In one conversation with a solopreneur publisher about to launch a sponsorships program, they mentioned that they heard conflicting advice about whether to meet potential clients in person or not from two different journalism institutions. But, they noted, all of the advice offered was helpful because hearing multiple views allowed them to determine whether in-person meetings were appropriate for their strategy.

Additionally, although some resources exist on revenue generation strategies, types of advertising units, etc., small publishers need clearer guidance on how to personalize their advertising strategy to fit their locality and audience. One area where guidance is needed is how publishers can set locally relevant pricing beyond just benchmarking other local media's prices. Without more publicly available resources like these, solopreneurs usually use boilerplate or default solutions made by their technology provider or they end up needing to employ more expensive consultants.

Finally, digital and independent small publishers need more open-sourced templates for various parts of the advertising sales process — such as formats for advertiser-client contracts, letters of agreement and invoices — that are tailored to their specific needs and audience sizes. These tools could help publishers starting advertising programs by saving them time and giving them right-sized choices.

#### **Experiment with more workflow integrations**

Whether just launched or in operation for many years, independent small news publishers will always have to piece together their systems to make them efficiently connect.

In our survey of 48 small publications with advertising programs across the United States when asked about the least efficient or effective part of their advertising technology, publishers wrote, "It's all manual," and "Nothing is automated."

The publishers we spoke to expressed a desire for readily available integrations for logistical components around the ad sales process, such as following up with leads and sending and managing invoices and tracking components. Other publishers suggested that organizations or technology providers supporting journalism should facilitate sharing workflows using tools such as Zapier and Airtable integrations that could be easily copied and pasted into the organization's tech stack.

#### Create easy ways to offer multiplatform packaging

Multiplatform ad sales packages consistently emerged as a lucrative technique for medium-sized publishers and ad networks to create larger and longer sales campaigns for clients, such as packages that can be offered or customized and sold across websites, newsletters, social channels and print products. For publishers with less experience in sales, pathways to get started in offering packages like these from both marketing/sales and technology perspectives could be beneficial.

Technology providers who offer multiplatform solutions for email and web publishers have an opportunity to create easier suggestions or features within their products to facilitate cross-platform ad promotion. Journalism support organizations can provide benchmarking techniques for media kits that include packages like this, as well as promoting sales training for omnichannel marketing.

#### Develop more lo-fi, digital alternative advertising formats

Publishers of all sizes and growth stages expressed an interest in experimenting with creating ad formats for traditionally print alternative advertising types. Those include classifieds, job boards, life event verticals — such as obituaries and wedding announcements — and games and puzzles.

Some digital blueprints are available for these types of units, and some independent publishers have hacked traditional publishing workflows to offer these types of ad formats in replicable ways. However, more development from technology providers and journalism support organizations is required to provide low-fi templates, inspiration and strategies for introducing digitized versions of these opportunities to their audiences.

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#### Broaden the visibility of business directories

Identifying potential advertisers in local, regional and national markets comes more easily to some publishers than others. Pooling resources to create, share and elevate aggregated listings of local businesses that advertise with independent media — including those that have regional and national presences, especially with local branches — could supplement recruiting efforts of smaller publishers. That could look like aggregating already-existing local business directories, or creating a site like <a href="https://www.whosponsorsstuff.com">www.whosponsorsstuff.com</a> for local independent media, or both.



The Advertising Boost Initiative, developed by the Center for Community Media at City University of New York and New York city government, included training for small newsrooms to update their media kits and to provide advertising performance analytics. Credit: New York City Health

#### Prepare publishers to integrate support

Government agency set-asides are the most cost-effective public policy approach to steering revenue toward local newsrooms, as they require no additional appropriations in agency budgets; but they still require newsrooms to have the staff capacity to meet program eligibility barriers, including an up-to-date and detailed media kit, and publication capacity to absorb the advertising without resulting in government disproportionately dominating a news outlet's advertising roster. Enlisting an independent third party to assist publishers with such staff capacity concerns — helping develop media kits and upgrading web analytics software — is crucial.

Tax credits also require publishers to meet eligibility requirements and to add related documentation to their annual tax paperwork. Policies that benefit advertisers and publishers are crucial for long-term sustainability of community news, but smaller targeted funds from community and industry investors have an important role to play. Such start-up resources in the form of staff or technology could help publications accept advertising before they have an established process, tech infrastructure or sales staff.

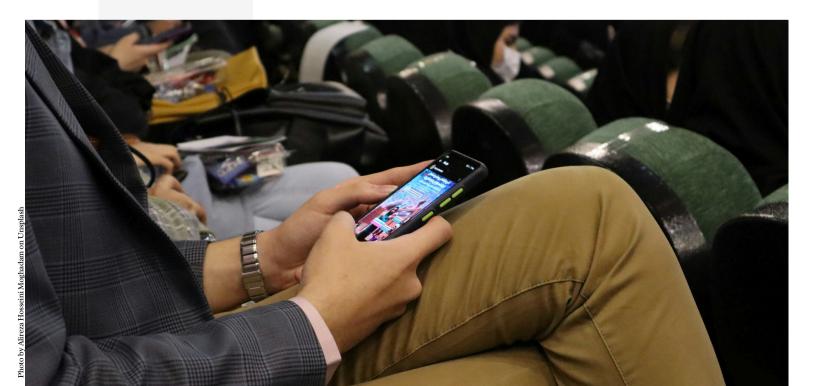
## Starting advertising sales: Tips & ideas for publishers

Throughout our research, we asked small and medium-sized publishers who've found success with advertising programs, as well as sales and technology experts, for tips on how small publishers can start their advertising program. Here's what we heard.

#### You can start with a small audience

Don't get caught up in a numbers game waiting to have a large newsletter audience or large number of members before trying to monetize it for ads. You can start with an audience of just 500 newsletter registrants, said Alex Kisielewski of Ghost, an open source publishing platform.

"You don't need to have a huge audience to start monetizing your newsletter with ads. In a local context, you can start with an audience of just 500 newsletter subscribers," said Alex Kisielewski of Ghost, an open-source publishing platform. "Most brands are eager to reach niche audiences beyond the likes of Facebook, and newsletters present a great opportunity for advertisers."



#### Don't overcomplicate it

You don't need to have multiple dynamic advertising spots on your website or newsletter to launch your advertising program. You could start with a single advertising spot — such as a leaderboard ad or just an image, link and text somewhere in your digital products — and experiment with selling it to influence how you build.

"It can be very literal. Some of that stuff doesn't require a ton of tech build-out. It just requires you to put a price on something and sell it," said Ted Williams, founder & editor-in-chief at Tiny Money.

#### Make it part of your routine

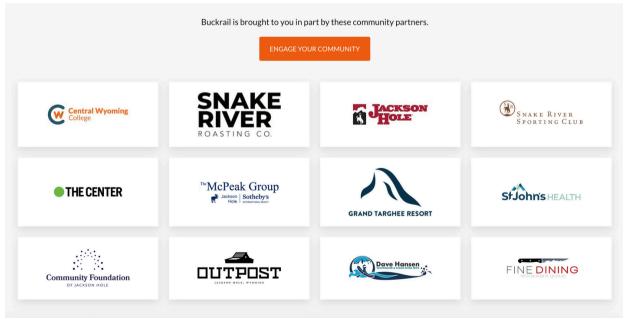
To maintain his 100% advertising-supported monthly print paper, The Tucker County Observer, Thomas Yocum devotes at least eight hours one day a week to ad sales, Yocum said.

Creating intentional time and routines in your publication's schedule to devote to ad sales development will help ensure your program stays prioritized.

#### Offer multipackage content

One of the most popular products at Buckrail in Jackson Hole, Wyoming, which earns 100% of its revenue through advertising, implements subscription packages that include traditional display banner advertising in tandem with sponsored branded content, and news topic-specific targeting.

"If people are willing to invest in long-term marketing solutions with Buckrail, it works really well," said Adam Meyer, vice president and chief operating officer of Teton Media Works, which owns the Buckrail news site in Jackson Hole, Wyoming.



An example of the "Community Partners" program on the bottom of a <u>sponsored post section front</u> on Buckrail. Credit: Buckrail

#### Find a local partner

Pattison Media in western Canada, which is entirely advertising supported, started off as a chain of radio stations in 1965 that later launched digital news sites in 2015. Today, the sites and radio stations work together to offer cross-platform ad sales packages that allow advertisers to reach multiple audiences. That works well, especially as the publication does not offer programmatic advertising, Andrew Snook, director of digital at Pattison Media, said.

"There's a lot of places you can buy impressions on the internet, but we don't sell those," he said. "Our focus is on meaningful, memorable impressions."

Smaller publications with only one or two channels through which to offer advertising could look to local radio stations or magazines to find a partner to offer multiplatform packaging, he added.

#### Create an interest form

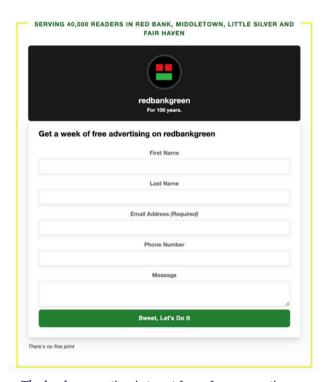
One way to streamline the lead-generation process for clients is to set up an interest form for advertisers to fill out with information about their potential advertisement, instead of just having an advertising contact email or page on your website.

Redbankgreen and TapInto websites both have examples of such a form, which can even allow for advertisers to submit potential creatives to use for the ad, reducing the back-and-forth between lead and sale.

#### Find your local version of national chains

Reaching out to local branches of national brands can be a good start for publishers to develop recurring or longer-term advertising or sponsorship campaigns, or for those who encounter tight ad spend budgets with other local businesses.

At Automattic's Newspack, Head of Product Katie Rethman says businesses such as local branches of hospitals or cannabis or medical marijuana branches can be a good place to start to suggest sponsorship articles. At redbankgreen in New Jersey, a local YMCA branch has been a top client, Kenny Katzgrau said.



The lead-generation interest form for prospective advertisers on redbankgreen's website

Credit: redbankgreen

#### **Experiment with industry exclusivity**

Using and guaranteeing advertisers industry exclusivity over your publication's digital products or specific ad spaces can be a technique to upsell ad packages. Publications like redbankgreen, The Taos News and Jackson Hole News & Guide use this strategy to guarantee an advertiser that they will not sell ad space to other clients in their same industry, which allows the advertisers' share of voice on their digital products to stand out.

#### Create a Best of or Readers' Choice awards

Another alternative advertising format where small publishers can find success in their local communities is creating competitions for Best of or Readers' Choice contests. These competitions recognize local community members or businesses and are popular for generating large sponsorships or advertising packages. These are commonly paired with events to offer awards and can also be an opportunity to grow audience and newsletter sign-ups.

Tiny News Collective Member <u>Planeta Venus</u> held its first Latino Award Dinner in 2024 and had five sponsors, four of which were direct payments and one of which provided a venue in-kind. The event gathered 150 guests across Kansas to honor 16 Latinos in categories like Community Service, A Healthier Kansas, Business Development and a Legacy Award. It also included food, a music performance, DJ and dance floor, and a photo booth for attendees. Editor-in-Chief Claudia Amaro planned the high-impact event in two months. She plans to host it again in 2025.



An award and program from Planeta Venus' 2024 Latino Award Dinner. Credit: Claudia Amaro



Performer Daysi Sosa "La Wapa" and Planeta Venus Editor-in-Chief Claudia Amaro at the publication's 2024 Latino Award Dinner.

Credit: Claudia Amaro

## **Software directory**

In the world of small independent news publishing, a growing niche of technology companies are popular with publications for a mix of tailored features and adaptable platforms. In our research, we asked publishers about what they were using, and certain vendor names reappeared. This list is not exhaustive, but we compiled a list of common providers we heard about over the course of our research for publishers who may be starting a vendor-search process.

If you have a recommendation for another platform to add for future materials we produce from this research, <u>reach out to us</u>.

#### Platforms that help with ad templates, formats and creatives

- · ResponsiveAds, www.responsiveads.com, Responsive ad creation and management for publishers
- Broadstreet Ads, broadstreetads.com, Ad creation and management for publishers' direct ad sales
- · Canva, www.canva.com, Graphic design tool for publishers who want to DIY their own ad formats

#### Ad servers

- AdButler, www.adbutler.com, Ad serving and management platform for various digital ad channels
- · Google Ads Manager, Ad serving and management platform for digital ad inventory
- AdPlugg, www.adplugg.com, Ad serving and management platform for digital ad inventory for publishers using sites built on platforms like WordPress, Wix or Squarespace

#### Publishing platforms that also do ads

- *Indie Ads Manager and Indiegraf Experts*, <a href="https://indiegraf.com">https://indiegraf.com</a>, Ads manager and building for multiple channels, additional a la carte support and product services for publishers using Indiegraf
- *Newspack*, <a href="https://newspack.com/">https://newspack.com/</a>, Ads manager and building for multiple channels with some advanced programmatic capabilities and custom tooling, for publishers using Newspack
- Patch Labs, https://labs.patch.com/, Ad building and revenue tools for publishers using Patch Labs
- *TAPInto*, <a href="https://www.tapinto.net/">https://www.tapinto.net/</a>, Ads manager and building and DIY marketing platform, for TAPInto licensee and franchisee publishers

#### **Ad Networks**

- *EmpowerLocal*, <a href="https://empowerlocal.com/">https://empowerlocal.com/</a>, Digital advertising network technology that supports and slots national advertisers on news organizations' sites
- *URLMedia*, <a href="https://url-media.com/advertise/">https://url-media.com/advertise/</a>, Community ad sales, management and technology network to connect large brands with ethnic and community media, for Black and Brown publishers who are part of URL Media Network

#### Newsletter platforms and email tools for ads

- Beehiiv, <a href="https://www.beehiiv.com/">https://www.beehiiv.com/</a>, Newsletter platform with monetization tools and ad network for email-based publishers
- Letterhead, <a href="https://www.tryletterhead.com/">https://www.tryletterhead.com/</a>, Newsletter platform with campaign management tools to support various ad formats
- ConstantContact, <a href="https://www.constantcontact.com/">https://www.constantcontact.com/</a>, Email marketing platform with content creation features

#### **Workflow tools for ad management**

- Google Sheets, <a href="https://workspace.google.com/products/sheets/">https://workspace.google.com/products/sheets/</a>, Online spreadsheet tool that can be used for organizing, tracking advertising inventory, sales and client relationships
- *Airtable*, <a href="https://airtable.com/">https://airtable.com/</a>, Database tool that can be used for organizing, tracking advertising inventory, sales and client relationships
- Excel, <a href="https://www.microsoft.com/en-us/microsoft-365/excel">https://www.microsoft.com/en-us/microsoft-365/excel</a>, Online spreadsheet tool that can be used for organizing, tracking advertising inventory, sales and client relationships
- *Bill.com*, <a href="https://www.bill.com/">https://www.bill.com/</a>, Finance and operations platform popularly used for managing client relationships and invoices
- *Quickbooks*, <a href="https://quickbooks.intuit.com/">https://quickbooks.intuit.com/</a>, Accounting software used for charting revenue and managing invoices

#### Other popular tools

- *WhoSponsorsStuff*, <a href="https://www.whosponsorsstuff.com/">https://www.whosponsorsstuff.com/</a>, Newsletter directory website listing sponsors, newsletter, and a newsletter ad rate calculator
- Apollo.io, https://www.apollo.io/, AI marketing assistant platform used for managing sales practices
- *Contezo*, <a href="https://www.contezo.com/">https://www.contezo.com/</a>, Audience engagement platform used to publish interactive contests
- SecondStreet, <a href="https://uplandsoftware.com/secondstreet/">https://uplandsoftware.com/secondstreet/</a>, Marketing software used for hosting interactive games and contests

#### Newsletter Ad Calculator

How to set your email newsletter's sponsorship price

2500	
Select the best description of your	audience
<ul> <li>General interest audience (e.g., dai</li> </ul>	ily news roundup)
Targeted interest audience (e.g., tra	avelers, tech enthusiasts, pet lovers)
Targeted professional audience (e.	g., coders, stock traders, marketers)
B2B audience (e.g., C-Suite, entrep	reneurs, founders)
Open rate (%)	Ad click rate (%)
40	10
	Rate card price for main sponsorship (\$)

 $\label{lem:angle} \textit{An example of Who Sponsors Stuff's newsletter ad rate calculator.}$ 

Credit: whosponsorstuffs.com

#### Resources

Local Independent Online News Publishers (LION) – For publishers who are LION members, the <u>News Entrepreneur Academy</u> offers some courses on strategies for growing advertising and sponsorship revenue.

Google News Initiative (GNI) – GNI offers <u>case studies</u> on using Google Ad Manager and other digital advertising strategies, as well as <u>resources and training</u> on growing digital revenue. You can also watch videos from their GNI <u>Digital Growth Program</u> archives.

*Broadstreet Ads* – Broadstreet offers free <u>webinars</u>, <u>templates and guides</u> about advertising sales strategies and terminology specifically for small, independent publishers.

*Lenfest Institute* – The <u>Beyond Print toolkit</u> offers resources for publications scaling down print operations and growing digital revenue streams to manage advertising programs and advertiser relationships.

Interactive Advertising Bureau (IAB) – The IAB offers research and insights and develops industry standards for modern digital advertising. Their <u>Standards</u>, <u>Guidelines & Best Practices</u> can be helpful for learning measurement techniques for various type of digital advertising and primers on adopting new ad formats.

*Lawyers for Reporters* – <u>Lawyers for Reporters</u> at the Cyrus D. Vance Center for International Justice provides pro bono legal services to journalism organizations.

Blue Engine Collaborative - Blue Engine Collaborative shares case studies on their LinkedIn and newsletter about successful advertising campaigns and experiments with their clients.

*URL Media* – URL Media has published c<u>ase studies</u> on their site about advertising and government contract campaigns.

*Indiegraf* – Indiegraf has published several case studies and resources on audience, ad creative, sponsorships and revenue on <u>its blog</u>.

## Checklist for launching an advertising program

Do you already have potential advertisers reaching out, but are unsure what you need to get started with ad sales? Are you wondering what minimum requirements your publication needs in place to make your first ad sale? Here's what publishers, ad sales and journalism technology professionals feel you need.

Organizational
A policy of what types of advertisers your publication will and won't sell to, and what types of
advertising or sponsorships you will and won't accept (See our section on Organizational Readiness in Part
One for more about creating a policy and examples)
□ Knowledge of how you will report advertising income for tax purposes
□ An understanding of any requirements, local regulations or prohibitions on special cases like native
advertising, endorsements or advertisements for gambling, cannabis, alcohol or firearms
□ A plan for who on your team will manage the ad sales process and production and how often
□ A willingness to start experimenting with ad sales and lead generation techniques and methods within your physical and digital communities
□ Knowledge about the size of potential audiences that an advertiser could reach by doing business with you (your email newsletter list size, your social media audiences or print circulation) (See an example of that on QCity Metro)
Technology and workflow
□ A plan of action for how you will offer ad spots in your product, whether it's an image and text spot in
your newsletter, a spot on your website or in a print product
□ A process (could be a spreadsheet, Airtable or Excel file) or a CRM (customer relationship
management) system to keep track of advertising opportunities and sales
□ An ad schedule to manage inventory and placements, creatives (that could be combined with your ad sales tracker when starting out — basically a system for seeing what ad spaces you have available and when)
☐ A media kit to showcase advertising opportunities to potential clients, if you have multiple ad spots (See examples of that on <u>Taos News</u> , <u>Chicago Reader</u> , and <u>Illinois Eagle</u> .)
□ An advertising inquiry contact method or page to make it easy for advertisers to reach out
□ An understanding of what analytics, performance or impact metrics you may be able to offer your
advertiser on their campaign (click-through metrics, pickup rates, etc.)
Financial
□ A contract template/insertion order for advertising agreements
□ A billing system to process advertisers' payments
☐ Benchmarking knowledge of competitive ad pricing for advertising units in your local jurisdiction

- (whether from other media, commerce chambers, etc.)

### **Glossary**

Ad server: A web server that saves online ads and delivers them to website visitors.

*Direct marketing*: The process used to send advertising messaging directly to customers or potential customers; commonly used in email campaigns.

Display advertising: A visual form of online advertising where an advertiser's message is shown on a destination web page, generally set off in a box at the top or bottom or to one side of the content page.

*Inline ad*: An online ad located anywhere on the page that consists of a few lines of copy and/or an image together with a link or email address for action.

Lead generation: Fees advertisers pay to internet advertising companies that refer qualified purchase inquiries (e.g., auto dealers that pay a fee in exchange for receiving a qualified purchase inquiry online) or provide consumer information (demographic, contact and behavioral) where the consumer opts into being contacted by a marketer (email, postal, telephone, fax). These processes are priced on a performance basis (e.g., cost-per-action, -lead or -inquiry), and can include user applications (e.g., for a credit card), surveys, contests (e.g., sweepstakes) or registrations.

Lead time: Gap between the initiation and the actual execution of a given process. For example, the lead time between the placement of an insertion order and the actual placement of the ad itself includes the time it takes the creative team to prepare the ad. Lead time needs to be built into the timeline.

*Programmatic:* Media or ad buying that uses technology and user data to automate and optimize the ad buying process in real time. On the back end, algorithms filter ad impressions derived from consumer behavioral data, which allows advertisers to define budget, goal and attribution.

Sponsor: A sponsor is (i) an advertiser who has sponsored an ad and, by doing so, has also helped sponsor or sustain the website itself or (2) an advertiser that has a special relationship with the website and supports a specific feature of a web site, such as a writer's column or a collection of articles on a particular subject.

*Sponsored content:* Sponsored content is paid text, video or images created to promote a brand or product, presented alongside similar media that isn't promotional. For example, a blog entry that discusses the benefits of a specific product that was paid for by a product advertiser is sponsored content.

Sponsorship: An association with a website that gives an advertiser some particular visibility and advantage above that of standard digital website advertising. When associated with specific content, sponsorship can provide a more targeted audience than ad buys. Some sponsorship is available as value-added opportunities for advertisers who buy a certain minimum amount of advertising. Sponsorship represents custom content and/or experiences created for an advertiser, which may or may not include ad units (i.e., display advertising, brand logos, advertorial and pre-roll video). Sponsorship agreements typically have less emphasis on digital performance metrics and can sometimes come about from mission-aligned clients. They can take various formats, such as incorporating an advertiser's brand and housing a collection of content, sponsored or branded site experiences, or sweepstakes and contests.

## **4I**

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