

I'm a big believer that you find your core business and become the very best you possibly can at it. If you can't excel at your core competency as a company, you won't be around very long to find an alternative.

The best example of this was when I bought the [Dallas Mavericks](#)

. When I bought the team the conventional wisdom was that we were in the basketball business. That our customers were entertained by the beauty of the game. In reality our real business was "creating sore throats from screaming and sore hands from clapping". Sporting events are pretty much the only place where a CEO will scream and yell while sitting or standing right next to a 16 year old with a Mohawk and pierced everything and then hi five him/her when something good happens for their team.

Google realized early on that they are in the traffic monetization business. They started off in the search business, but quickly realized that while continuously improving search was important, continuously improving search and page view monetization was more important. This small step for Googlekind meant that "the not searched for here" syndrome was quickly eliminated and Google search was put everywhere and anywhere that could create incremental content. That Adsense was a no brainer extension and that great monetization algorithms clearly matched the goals of advertisers. Click Fraud excepted, if a user clicked on an ad because it was of value to them, all the financial participants benefited.

I think their ability to excel at monetization dramatically above and beyond their competition has put them in a unique position to arbitrage the financial expectations they have for a page view vs the expectations of everyone else on the net. Myspace, AOL and many others are on a list of partnerships that appear to be made on a simple principle of "We can pay you more for your traffic than you can earn for yourself". Thats a powerful position to be in, and Google certainly and rightfully has used that power to their and shareholder's advantage.

Which leads us to Newspapers/Local Media companies. Whether you are a standalone newspaper, or a local media conglomerate with Paper, TV and more, the one thing you have without question is a salesforce. A salesforce that goes out into the business community and sells them on the benefits of advertising on your properties. The job of each salesrep, when done well, is to create a return to the customer that exceeds their investment. Of course its not always easy to define that return, but the salesrep hopefully has a close enough connection to the customer that they can evolve the strategy to fit their needs.

The "touch" methods of selling for local media, as opposed to the "self service purchase" of Google Adwords and its competition have been viewed by some in the Web2.0 world as a disadvantage. I think it creates an amazing opportunity to pull one from the Google Playbook.

There are couple certainties in the advertising world today.

1. Google isn't going to send a salesrep to visit, or have an inside salesrep call on the local 5 store pizza, dress, toy, laser surgery, dentist, whatever chain of stores. You are.
2. Some percentage of those small to large localized businesses you call on will have a website and of those, the vast majority of them will have no idea how to properly use web services like AdWords or AdSense to either generate foot or phone traffic (the 2 Fs of brick and mortar) for their businesses or make some money from advertising.
3. Local traffic is worth more per click through than national traffic is.

Which creates a phenomenal opportunity for your company. Just as Google arbitrated its selling ability between its ability to monetize traffic and AOL and Myspace, why not use your sales force to arbitrage the ability of your salesforce to sell locally and all the Google Adsense/Yahoo/MSN networks to sell locally ?

You are already selling display and classified ads for the paper, or commercials for your TV station, why not expand that effort to include Search Engine Marketing ? Why not hook up with a local SEM expert and make that a service that you offer to your customers ? There is very little chance the local Pizza chain or Body Repair shop knows how to use SEM correctly and those that try more often than not waste a ton of money trying to figure it out. Why not offer it up as a service, even if they don't buy ads for your newspaper or TV station ? In otherwords, you put yourself in the position to become the dominant force for local advertising in your markets, NO MATTER WHAT PLATFORM those ads appear on.

Why not buy a media planner that specializes in your market ? Or put together the resources to compete with them ? Selling locally is a core competency. Optimizing advertising in a comprehensive campaign is a skillset that all local businesses need and many don't know how to find.

I did a small test. I used my Adwords account and set up an ad to sell Mavs tickets within a 10 mile radius of the American Airlines Center. I chose the simple options that Adwords presented and picked sports and take all 100 options that were presented. Common sense suggests that since I had already specified that i only wanted clicks within 10 miles, I would get local websites. The first site listed ..123india.com. Now i realize that Google will try to limit where it presents my ad to only those IP addresses that it thinks are local to me, but to a small business person trying to figure this out, it would be more than a little daunting.

That creates an opportunity to become the be all, end all media sales organization in your market and for your market. Why not go to Google, Yahoo, MSN and try to work out a deal to get a percentage of revenue for national placements ? You might get the agency 15pct, or possibly more. The 3 are so competitive, some would say Yahoo and MSN show signs of desperation, that they just might cut you a special deal to exclusively deliver the ads you sell.

For local ads, which would be a critical component of what you sell, why not expand what you currently use or partner with one of the big ad networks mentioned above to allow you to partner with local websites and blogs to sell ads for them ? When your salespeople call on them to see what their advertising needs are, they could also enroll them in your own localized "Google AdSense" program. Imagine the Dallas Morning News or Star Telegram network of Dallas Ft Worth based or relevant websites. It could actually become more relevant to your ad customers than your own newspaper website since the paper websites garner significant out of town readers while the local Pub featuring bands is going to be 99pct local.

Why not go to the local independent SportsPage or Free Weekly and become their sales organization ? In stead of beating your own head against the wall creating free morning dailies, why not co-opt their eyeballs ? They struggle with sales and hiring and retaining a salesforce, incorporate them into your product line. Its a much cheaper means of expanding eyeballs.

In this day and age, like Google, the advertising you sell doesnt have to be in one of your properties, it just has to be sold through you. Google doesn't care where the eyeballs are at, as long as they are selling and delivering the ads to those eyeballs. Why should you be any different ? Instead of spending a fortune , or driving yourself nuts trying to get back the 1.9pct circ you lost, go grab eyeballs elsewhere.

Which leads to leveraging your content. In a for profit business, great content is supposed to be a driver of eyeballs. Continuously great content is supposed to drive loyal readers or viewers. Unfortunately, in this day and age of so many choices, our loyalties are diluted and often change. So rather than taking a your media vs the rest of the world approach, why not take the Google approach and co-opt other peoples traffic. (OPT?). If great content, whether audio, video, text or pictures, is just a means of selling more advertising, does it really matter where the content appears, as long as you are selling the advertising around it or on the website that hosts it ?

Of course, we have seen this done with before in TV and Radio, but its always been on a limited basis, and for parties that are related or owned by a single entity. Why not remove all limitations ?

If the local weekly, free sports page or even local Band with a website agrees to let you sell their advertising, why wouldn't you give them the opportunity to use some of your content ? Its no different an arbitrage than what Google does, except that its content based. You have content that you decided wont pay for the paper it would be printed on. Let another paper cover the print cost, while you sell their eyeballs. Let another website host your perishable, unused content in exchange for selling their eyeballs. If it helps drive more eyeballs to them, its more money for you.

For the small websites, you can also pull a Google and set a very difficult to achieve check hurdle. With AdSense, until you earn \$100, you don't get paid. I can only imagine how much money Google has as an accrued liability for this category (do they accrue 100pct as a liability or capture some guesstimate as revenue that they adjust over time?), but i know its a lot. Your newly focused sales organization could do them one better by setting the hurdle at \$100 dollars, but possibly setting the first \$500 dollars as being an automatic advertising credit in your network rather than a cash payment.

This is a lot of hypotheticals, obviously. But in a nutshell, its about making owning the sale and delivery of advertising in your market the primary core competency of your business. Google, Yahoo and MSN think they can do to your local display advertising what they have done to your national advertising buys and Craigslist and the jobsites have done to classified. (the Newspaper Yahoo deal notwithstanding).

From the outside looking in, I think newspapers and any local media organizations have to make a stand and go where you are strong and that is in face to face selling and knowing your market better than anyone. You have a local salesforce, they wont. However, you can create self service publishing and ad buying comparable to theirs that is geared towards your market, and complements your face to face selling. You might not be as efficient in monetization as Google, but most of your customers will never know the difference. All they will know is that you have earned their trust as the company that handles all their advertising and website ad publishing needs so that they can focus on selling Pizzas, laser surgery and cars. That is huge for any small business.

Just like Google Search created the foundation of traffic that led to their algorithms and Ad Sense network, your newspaper or TV station can create the foundation that led to the creation of your marketwide salesforce.

Why not ?

Tell me what you think