

# DDM/US perspective on Google and Local Media Consortium model

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# Deseret Digital Media

*Trusted voices of light and truth reaching hundreds of millions of people worldwide*



#1 local broadcast media site (350 million PVs) in United States; classifieds that beat Craigslist



Top 20 newspaper site  
Deseretnews.com, now with national edition



*4 to 26 million unique visitors in 4 years*

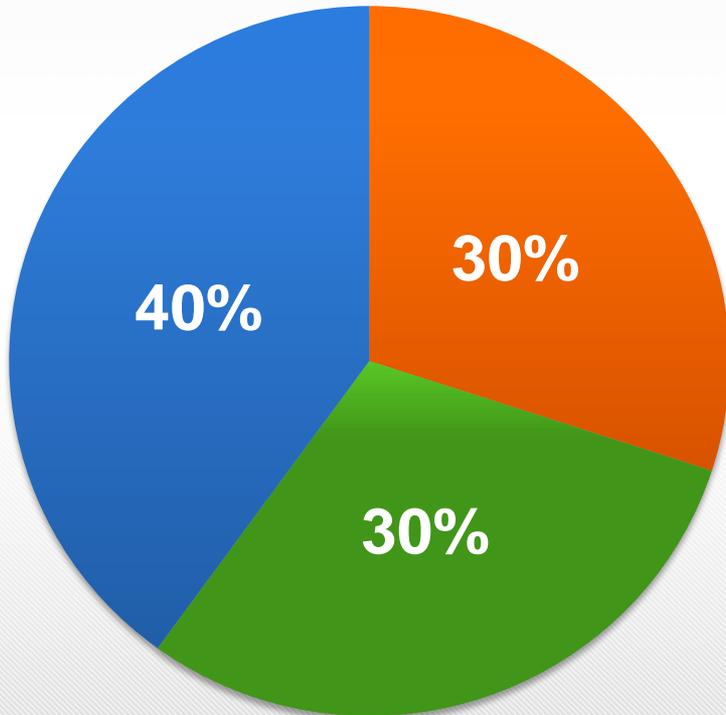
Travel and tourism information and booking site



107 million Facebook follows

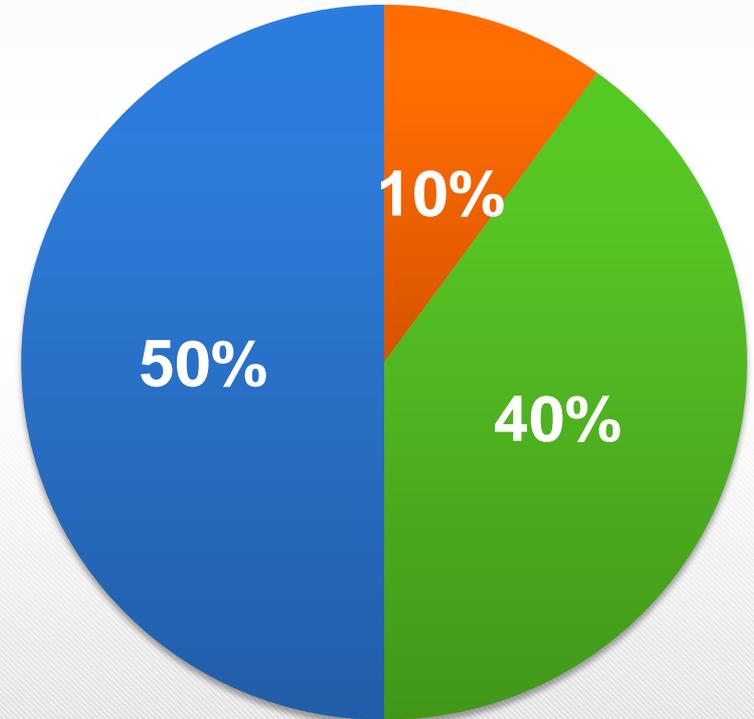
# Estudio de Caso: Deseret Digital

## Ventas



■ Impreso ■ TV ■ Digital

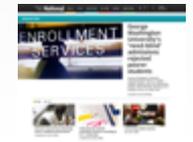
## Beneficios



■ Impreso ■ TV ■ Digital

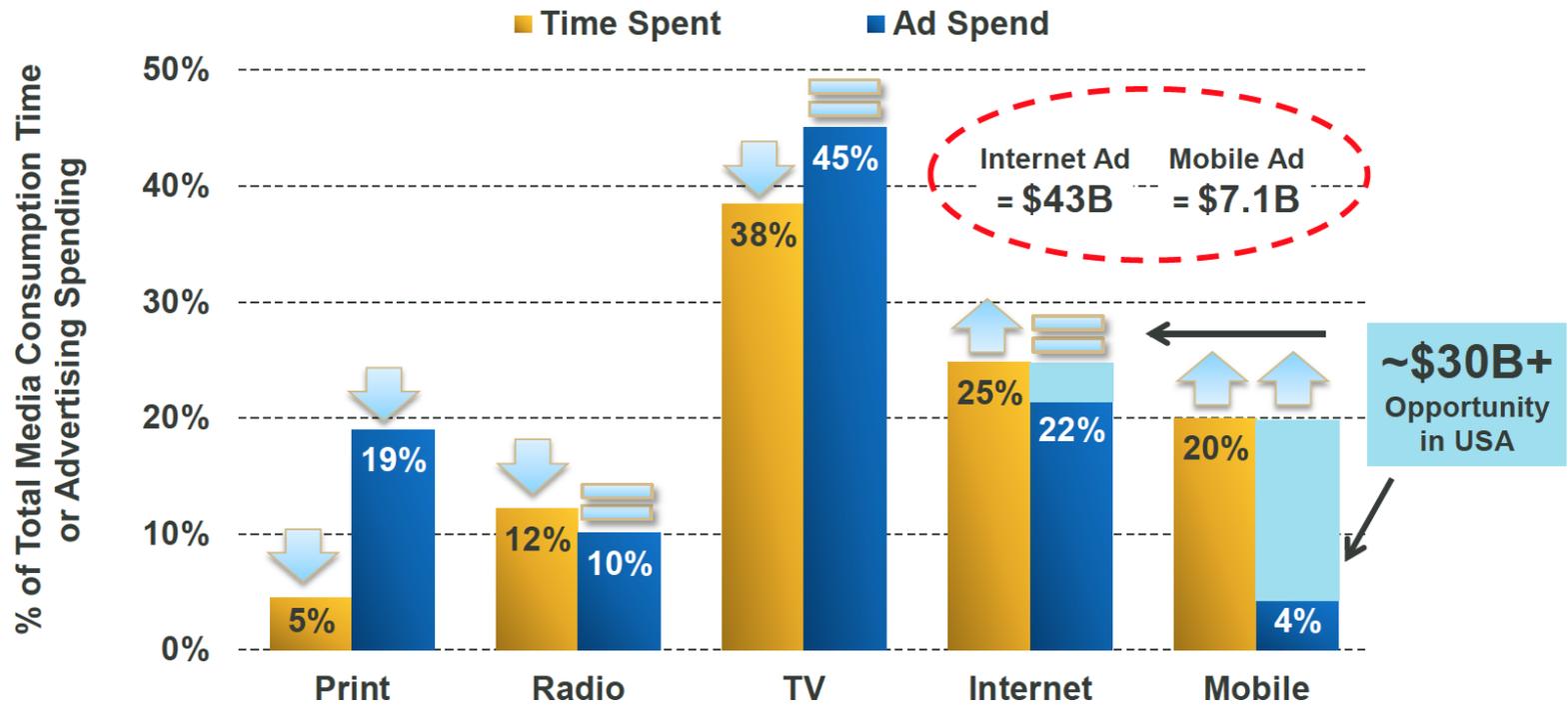
Markets always find a way  
*Mercados siempre  
encuentran la senda*

# Cadena de valor de participación activa de audiencia



# Our Fear

## % of Time Spent in Media vs. % of Advertising Spending, USA 2013



@KPCB

Source: Advertising spend based on IAB data for full year 2013. Print includes newspaper and magazine. \$30B+ opportunity calculated assuming Internet and Mobile ad spend share equal their respective time spent share. Time spent share data based on eMarketer 7/13 (adjusted to exclude outdoors / classified media spend). Arrows denote Y/Y shift in percent share.



**LatinoAmerica**

## Digital Ad Spending in Latin America, by Country, 2010-2016

billions

	2010	2011	2012	2013	2014	2015	2016
Brazil	\$1.12	\$1.46	\$2.05	\$2.45	\$3.14	\$3.61	\$4.13
Mexico*	\$0.28	\$0.40	\$0.53	\$0.70	\$0.92	\$1.13	\$1.34
Argentina	\$0.22	\$0.34	\$0.47	\$0.59	\$0.77	\$0.94	\$1.11
Other	\$0.41	\$0.48	\$0.57	\$0.68	\$0.84	\$1.01	\$1.10
<b>Latin America</b>	<b>\$2.03</b>	<b>\$2.67</b>	<b>\$3.62</b>	<b>\$4.43</b>	<b>\$5.67</b>	<b>\$6.69</b>	<b>\$7.68</b>

*Note: includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; numbers may not add up to total due to rounding; \*eMarketer benchmarks its Mexico online ad spending projections against the IAB México/PwC data for which the last full year measured was 2011*

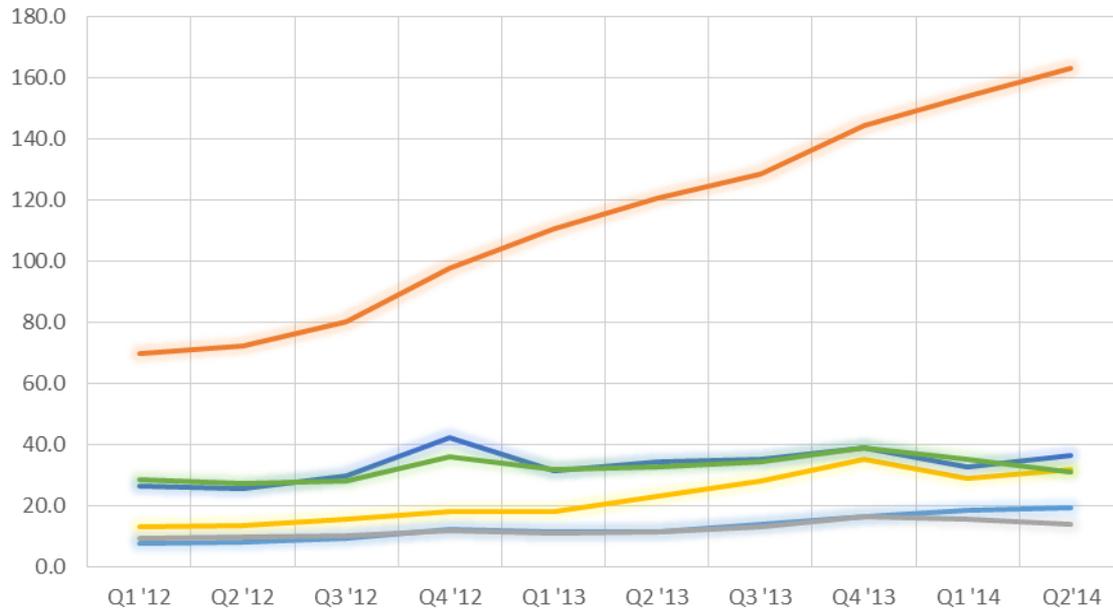
*Source: eMarketer, Sep 2012*

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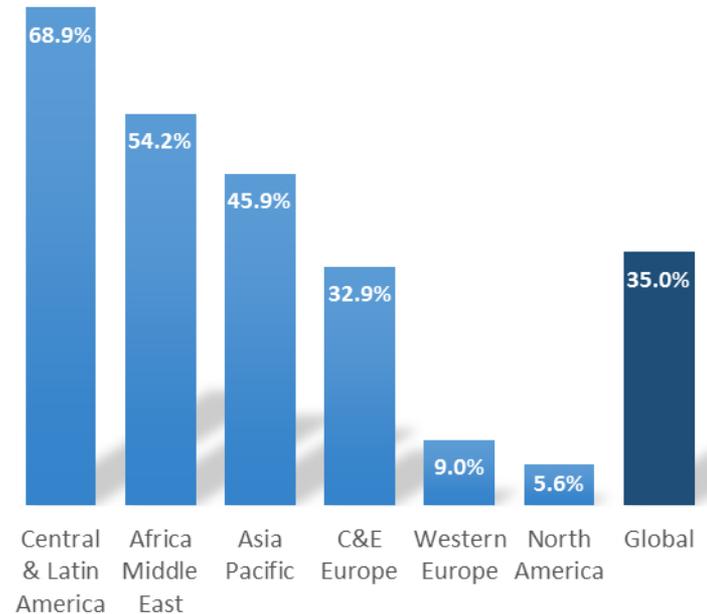
[www.eMarketer.com](http://www.eMarketer.com)

## REGIONAL SMARTPHONE SHIPMENTS (MILLIONS)

— Africa Middle East     — Asia Pacific     — Central & Eastern Europe  
— Central & Latin America     — North America     — Western Europe



## YOY GROWTH (AVERAGED)



## GLOBAL SMARTPHONE SHIPMENTS (MILLIONS)



ANDROID AUTHORITY

# Aggregation models

# Sources of Google Revenue



Source: <http://bgr.com/2014/02/06/apple-google-microsoft-revenue-sources/>

# Google is diversifying away from search

- Display ad and adwords business shrinking due to mobile format
- YouTube threatened by Facebook
- Search shifting from search to personalized aggregation in social media like FB, Twitter, etc.
- Expanding to longer-form content like Google Play and entertainment
- Working with content owners to develop ad network on partner sites
- 58% of revenue comes from international markets

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TN.com.ar

Cobertura tiempo real

### "¿Quién extorsionaba, presionaba y dirigía a Nisman?", se preguntó ...

TN.com.ar - hace 3 horas

La plana mayor del partido expresó su apoyo "enfático" a la Presidenta, y pidió el "cese del uso de la mentira y la difamación" en referencia a la muerte del fiscal del caso AMIA. Críticas a los medios y a la Justicia. Jueves 22 de Enero de 2015 | 18:53 Play ...

El PJ denunció un complot de sectores de inteligencia, grupos ... lanacion.com (Argentina)  
 Exige Partido Justicialista argentina fin de la mentira Prensa Latina

Relacionados Partido Justicialista »



El Comercio

### Abdalá, el cauteloso monarca reformista de Arabia Saudí

El Comercio - hace 8 minutos

El rey saudí murió hoy a los 90 años de edad. Le sucede en el trono su medio hermano Salman bin Abdulaziz.  Compartir 0;  Twittear 0;  1 0;  Compartir 0;  Pinterest 0.  Abdalá, el cauteloso monarca reformista de Arabia Saudí. Aquejado de una ...



### La SI: una secretaría opaca con gastos incontrolables

lanacion.com (Argentina) - hace 2 horas

Como si fuera parte de una película de espías en plena Guerra Fría, la Secretaría de Inteligencia (SI, ex SIDE) está envuelta en una burbuja polarizada. No se conoce su planta de empleados. No se sabe qué tareas cumplen sus agentes. Su ...

### Destacado por los medios



Jorge Rial mostró en las redes el mensaje que Nisman le mandó a sus...  
 Diario UNO

Extraña e inesperada muerte del actor Darren Shahlavi  
 Diario UNO

Así terminó la carrera del padre de Alf: actor porno gay y consumidor de...  
 Diario UNO

Ingresó al banco con 226 kilos de monedas que ahorró durante 65 años  
 Diario UNO

El primer extravagante regalo que recibió Francesca Icardi  
 Diario UNO

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## The Atlantic



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**2** Nullification, Now Coming to the Supreme Court?

**3** New SAT, New Problems



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The Huffington Post | Added: January 21, 2015

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Christianity Today | Added: January 21, 2015

New SAT, new problems

The Atlantic | Added: January 21, 2015

Christians celebrate Supreme Court approval of religious prison beards

Christianity Today | Added: January 21, 2015

How marriage makes people healthier

The Economist | Added: January 21, 2015

Baby limbo: Millennials struggle to find the right time for parenthood

OBSESSIONS

QUARTZ



NOW ON QUARTZ

# Bill and Melinda Gates want to fix another messy global problem: banking

**McDonald's profits are down and there's more bad news ahead.** Net income came in at \$1.1 billion, versus \$1.4 billion in the year-ago quarter, while revenue [fell farther than expected](#), from \$7.09 billion a year ago to \$6.57 billion in the fourth quarter. There's no relief in the near term—the fast-food chain expects January to be [a disappointing month](#).

**General Electric's earnings top Wall Street's expectations.** Net income was \$5.15 billion—[more than 60% higher](#) than in the same quarter a year ago. Revenue from the company's oil and gas products fell—no surprise given the collapse in oil prices—but the company's turbines unit saw sales jump 22%.

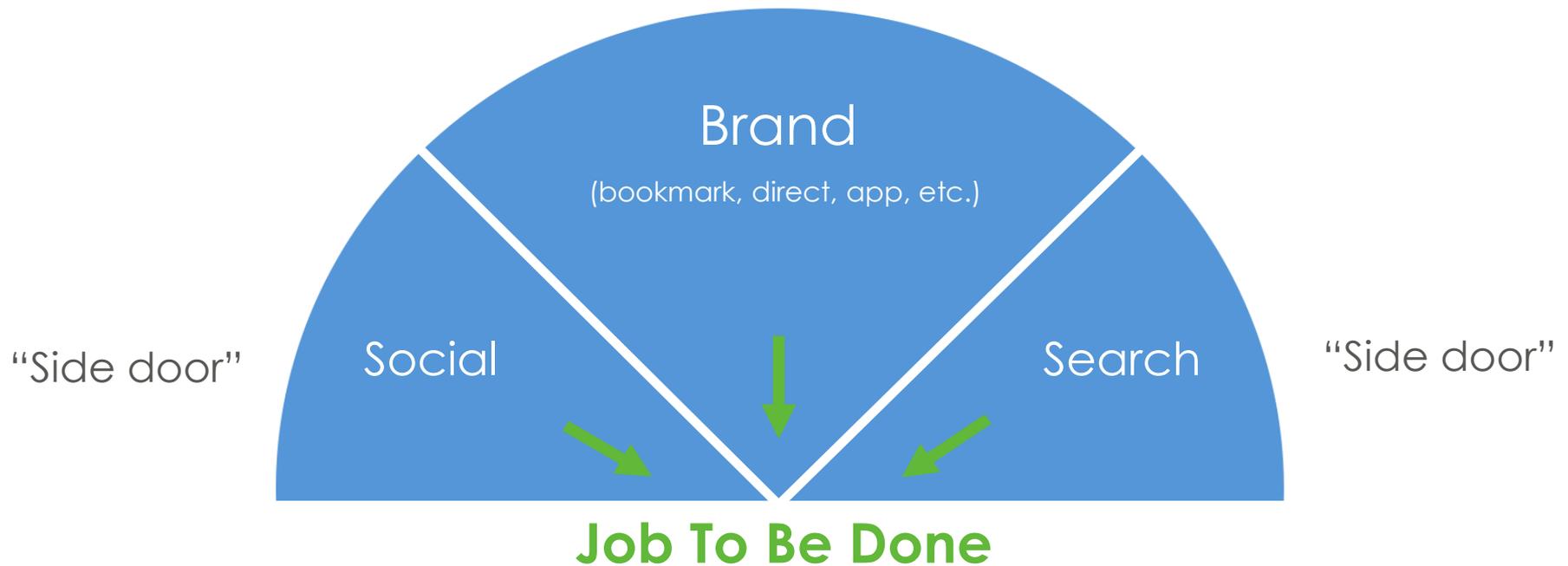
SPONSOR CONTENT BY BANK OF AMERICA

**Infographic: How nations have borrowed and lent over the past decade.** The World Bank's current account balance measurement tells a fascinating story about a country's credit or debt position. [This](#)



# DDM and Google

# DDM Audience Acquisition via FAN Model. Search is a Key Sector:





# Google as an Opportunity:

- Google News can be a valuable, *although relatively small*, source of inbound traffic especially for key areas of editorial focus and our specialty topics (BYU, LDS, Utah, etc.). Google News may be a great brand positioning resource with our “thought leader” and “influencer” audience.
- Google Search (general) is a *key source of traffic* and our sites are continually being adjusted to be search friendly. Search accounts for about **20%** of our referrers on KSL.com and DeseretNews.com. Google News is quite small.
- We look at search as a “long tail” opportunity, especially for our “evergreen” content.
- We have never really considered Google as a threat when it comes to users consuming our news content on Google News instead of coming to our sites. We believe they are more of a source of traffic.

# Google as a Challenge:

- As soon as you think you have it figured out, the logic changes! Google is always making changes to their algorithms.
- We are continually trying to figure out how Google News ranks competing news articles. Sometimes there is no obvious pattern.
- We are continually implementing best SEO practices for all search engines.
- The best approach is to write highly-compelling, very sharable content on a good SEO friendly structure, and then... not worry about it! Google does not want you to game it! So we don't!!

# Google as an Advertising Partner:

- DDM has had great experience with various Google ad platforms, including our current ad serving platform – DFP.
- DDM has placed various Google ad services on its sites as remnant and has had some monetary success over the course of time. It seems to be best for sites in their infancy, rather than our mature products. We have to monitor such services so that local direct buys don't skirt us and go indirect via Google.
- DDM has also advertised its own sites / products on Google with varying degrees of success.

# Consortium

# Yahoo! Consortium

- Initially formed as Yahoo! Consortium with 7+ year exclusive contract for ad services across publishing industry
- Services underperformed needs and expectations
- Parties to contract renegotiated contract and subsequently formed Local Media Consortium

# Local Media Consortium (2.0)

- Buying group to negotiate master services agreements with vendors
  - Executive director, Rusty Coats
  - Chair, Chris Hendricks, McClatchy
- 50 members, 1,000+ media properties, representing:
  - 4+ billion monthly page views
  - 470+ million (aggregated) monthly unique visitors
  - 156 billion yearly advertising impressions
  - *McClatchy, E.W. Scripps, Deseret Digital, Lee Enterprises, etc.*

# Local Media Consortium - Partners

The Google logo, featuring the word "Google" in its signature multi-colored font.The YAHOO! logo, with the word "YAHOO!" in a purple, sans-serif font.The MONSTER logo, with the word "MONSTER" in white, bold, sans-serif font inside a purple rectangular box.The Legacy.com logo, featuring the text "Legacy.com" in white on a dark blue background, with the tagline "Where life stories live on." below it.The HomeFinder.com logo, featuring a stylized orange and white house icon followed by the text "HomeFinder.com".The E|byline logo, featuring a large black "E" followed by a vertical line and the word "byline" in a teal, lowercase font.The Adpay Media Solutions logo, featuring the word "Adpay" in a blue, sans-serif font with a stylized "A", and "Media Solutions" in a smaller font below it.The TOUT logo, with the word "TOUT" in a bold, blue, sans-serif font.

# Impact of LMC

- Lower cost of service
- Leverage for feature development
- Standards and speed of implementation

# Recommendations

- DO NOT act to block Google, find new ways to mimic and leverage its traffic and innovation
- Need to modernize our businesses before trying to modernize legislation. Move quickly to transform.
- Create SIP subcommittee to investigate whether to partner with or duplicate LMC
  - Measure level of interest among SIP members to pursue buying/negotiating group
  - Assess inventory/reach made available by SIP member consortium involvement