The Media Consortium
Ad Barter System

November 10, 2006
Overview

A year ago six members of the Media Consortium participated in the Ad Barter Beta-Project. Through cross-promotion, the organizations gained visibility with new audiences and increased their impact with current ones. The beta-project helped assess the feasibility of creating longer-term trade arrangements.

We interviewed participants from the project and gathered requirements for establishing a viable exchange model and an online system to support the program.

*Without the exchange, we would have contacted some of the other media organizations to promote [our project], but not all of them—and it would've taken longer to arrange the deal….We'll definitely be in for the next round.*

Peter Rothberg, Associate Publisher, The Nation

*The biggest success of the project was that we connected with other organizations. People wanted to be giving and we made it happen. This project is what it's all about.*

Ben Fuller, Strategic and Planning Director, Link TV
AD BARTER PROCESS

1 Set Up Shop
Define governance model, trade model, & business rules
Set the exchange rate
Create success metrics
Participants agree on the terms of the ad barter exchange
Participants enter organizational info and specs into ABS

2 Make the Deal
Offer ad space
Receive ad space
Participants determine amount of ad space they can offer
ABS input: exchange rate, business rules, ads offered;
ABS output: ad pairings*

3 Trade Goods
View the schedule
Deliver & receive assets
Participants trade digital assets via email, post, etc.
ABS has online calendar capabilities with deadlines & publication dates

4 Publish
Run the ads
Evaluate metrics

* Exchange rate calculation and workflow may not be added until future phases. Phase 1 will focus on online scheduling.
MODEL 1: All for All
All participants contribute the same amount of ad space and receive ads in each of the other participating media outlets. Six participants in the Ad Barter Beta-Project traded ads for six months using this model.

IMPLICATIONS
- Exposure with all participating media outlets
- High volume of trades
- Requirement to donate substantial amount of ad space

MODEL 2: Mix & Match
Participants put ads “into the pot” and are assigned an equal value of ad space in return, in some participating media outlets. Value is set by the exchange rate agreed upon by the Media Consortium.

IMPLICATIONS
- Exposure in varied publications
- Lower volume of trades
- Lower ad donation requirements

MODEL 3: Marketplace Auction
Participants put ads “on the market.” All ads are auctioned off to the highest bidder within a set trade period. Instead of using cash, bidders use their own ad space as collateral within the marketplace.

IMPLICATIONS
- Exposure in varied publications
- Market demand determines ad value
- Some organizations may need to opt out if their ad space hasn’t been auctioned by a set date
expontial growth of barter system

30 participants in one trade circle

scaled growth

Several small trade circles

Notes:
Six organizations participated in the initial Ad Barter Beta Project.
Determine Group Structure:
- Size of trade circle (consider 6-10 organization in each group)
- Duration of trade (consider year commitment with possible rearrangement of groups at 6 months)

5 groups of 6 participants each

3 groups of 10 participants each
Encourage cross-pollination within each trade circle.

Trade circles include participants focused on different delivery methods.
- Print
  - Magazine (monthly/bimonthly/quarterly)
  - Newspaper (daily/weekly)
  - Book
- Multimedia
  - Web
  - Video/Film/TV
  - Radio

Trade circles include media organizations targeting different demographics.
- Geography
- Race
- Class
- Gender
- Age
- Sexual preference
- Interests (politics, arts, etc.)