



**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.

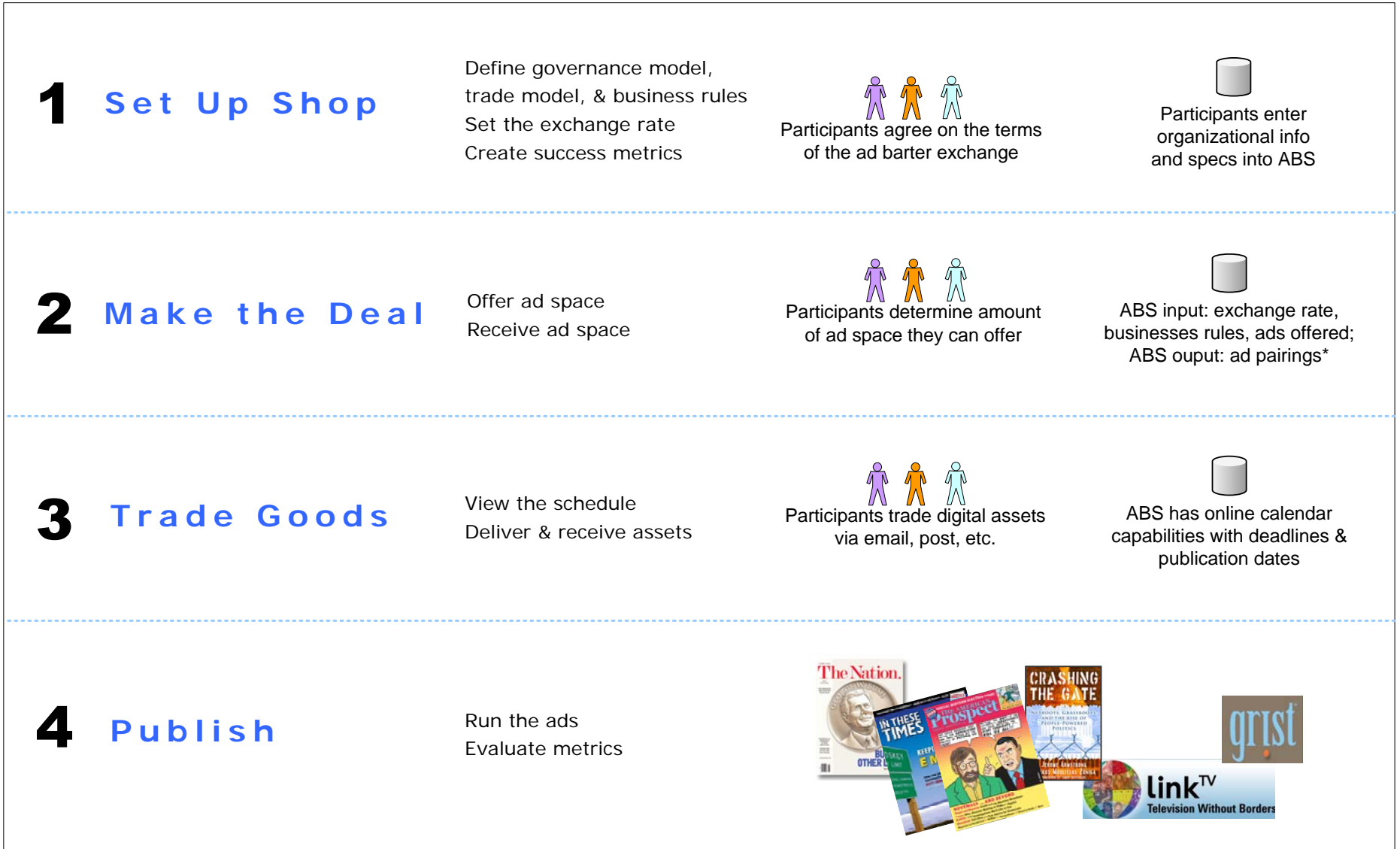
We interviewed participants from the project and gathered requirements for establishing a viable exchange model and an online system to support the program.

*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



\* Exchange rate calculation and workflow may not be added until future phases. Phase 1 will focus on online scheduling.

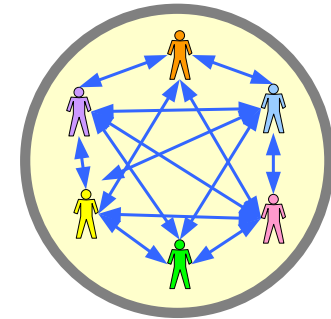
## TRADE CIRCLES: THREE OPTIONS FOR AD EXCHANGES

### 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

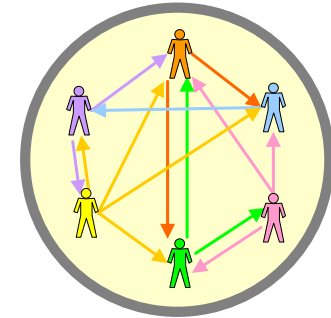


### MODEL 2: Mix & Match

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

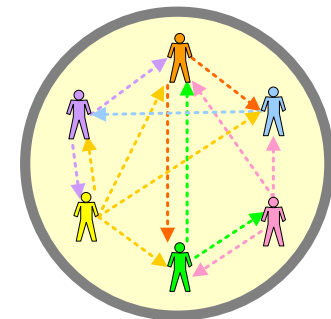


### MODEL 3: Marketplace Auction

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.

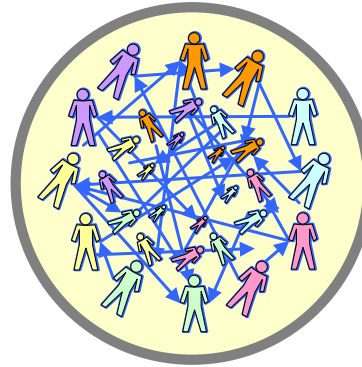
#### IMPLICATIONS

- 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



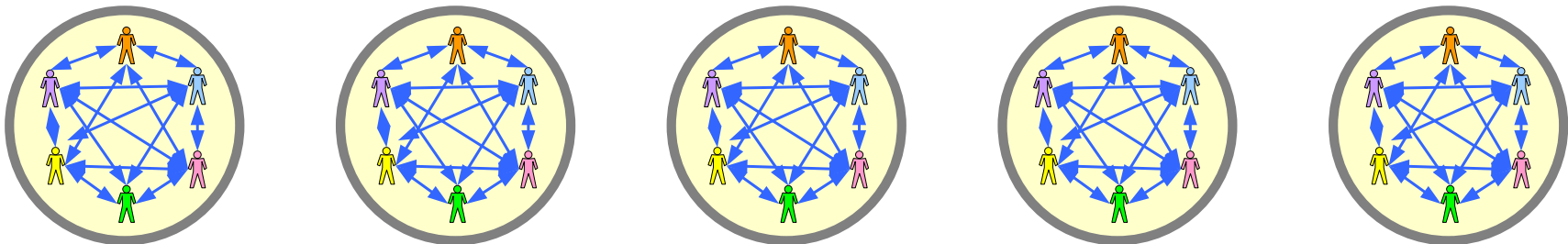
# GROUP SIZE: ONE TRADE CIRCLE OR MULTIPLE

## exponential growth of barter system



30 participants in one trade circle

## scaled growth



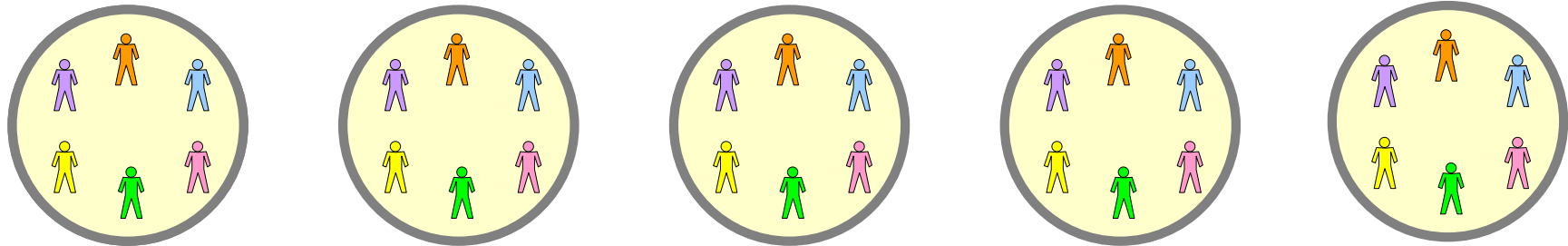
Several small trade circles

**Notes:**

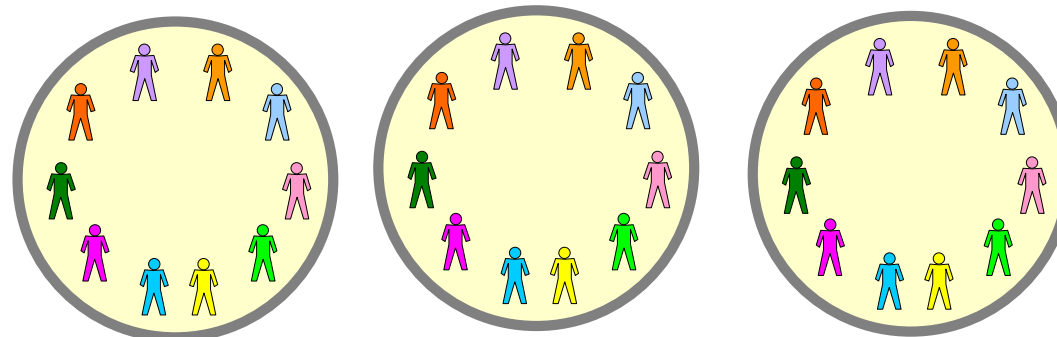
Six organizations participated in the initial Ad Barter Beta Project.

### 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.)

