

## Social Media Monetization

Rochelle Grayson  
Show Me the Money!  
What People Pay For  
October 2011

rochelle@rochelle.ca  
(604) 612-9850

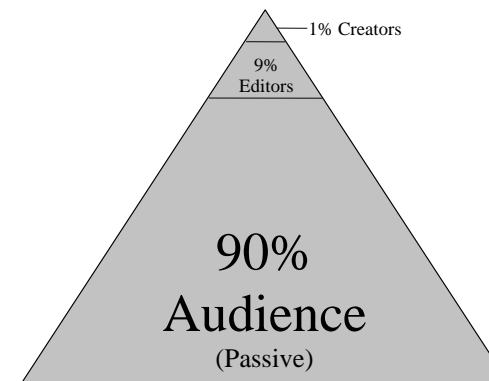
### Currency

- Donations
- Volunteers
- Downloads
- Email Addresses
- Number of Visitors
- Quality or Quantity of Comments
- Attention
- Sales

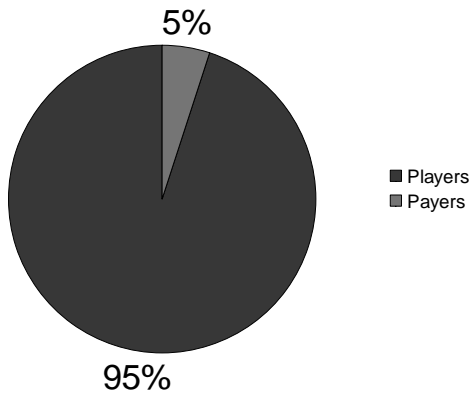
## Introductions

- Name
- Organization
- What you expect to learn
- Questions you would like answered

## Participation Pyramid



## 95-5 Community Rule



## Monetization Building Blocks

- Time
  - Convenience
  - Efficiency
  - Immediacy (Now)
- Rule of thumb, stick with the simple single multiplier:
  - charge a single multiple of the current price, that is directly proportional to how much time you save the customer.

## Monetization Building Blocks

- Comfort
  - User Experience
- Discomfort
  - Ads

## Monetization Building Blocks

- Self Esteem
  - Self-Image
  - Desirability
  - Ego
  - Vanity

## Monetization Building Blocks

- Relationships
- Belonging
- *Note: A trend we may be able to infer from this is that there is some correlation between price and the probability of intimacy.*

## Monetization Building Blocks

- Scarcity
- *Note: Something does not automatically acquire value by being unique or scarce. There must also be an element of demand.*

## Monetization Building Blocks

- Survival
  - Health
  - Safety
  - Well-being
- *Note: There appears to be correlation between the effectiveness/impact of a product/service and its price*

## Monetization Building Blocks

- Financial Security
  - Wealth
  - Success
  - Career
  - Status
- *Note: The higher the probability and control over the outcome, the more we are willing to pay/invest*

## Monetization Building Blocks

- Entertainment
  - Emotion
  - Experiences
- *Note: Entertainment Price vs. Duration average out at about \$5 per hour*

## Monetization Building Blocks

- Intellectual Stimulation
  - Creativity
  - Learning
  - (Self) Expression
- *Note: Many online resources are free, yet people may pay to experiment and express their creativity*

## Questions to Ask

- Can people:
  - Do something more quickly
  - Get something more quickly
  - Access something scarce
- Do we provide something sought-after to a select number of people?

## Questions to Ask

- Would people still use us if we purposefully added occasional annoyances?
- Do we offer a superior “user experience”?

## Questions to Ask

- Do we make people feel better about themselves or their image?
  - Can people form or retain meaningful relationships with others?
- 

## Questions to Ask

- Do we improve people's career prospects?
  - Do we provide a service that people need to perform their job?  
Or, perform their job better?
- 

## Questions to Ask

- Do we improve the health or physical safety of people?
  - Do we give people the opportunity to make or save money?
- 

## Questions to Ask

- Do we improve people's perceived status?
  - Do we provide valuable entertainment?, i.e. do we allow people to experience something emotional?
-

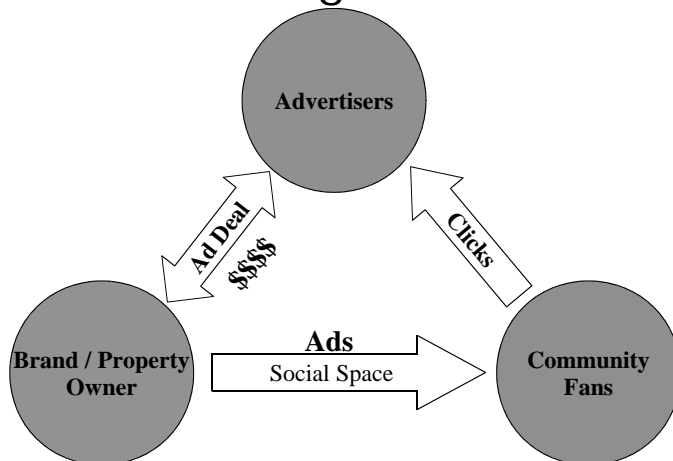
## Questions to Ask

- Do we allow people to express their creativity?
- Do we provide people with relevant knowledge or information?

## Links of Interest

- Web App Business Models: User Needs & What People Pay For
- Slacker.com
- Wordpress.com
- Hootsuite.com
- PayWithATweet.com
- Flatr.com
- Humble Indie Bumble
- PatientsLikeMe.com
- Groupon, LivingSocial, OneSpout, etc.
- Runkeeper.com
- AirBnB.com
- Kickstarter.com
- Angry Birds Online
- Quirky.com

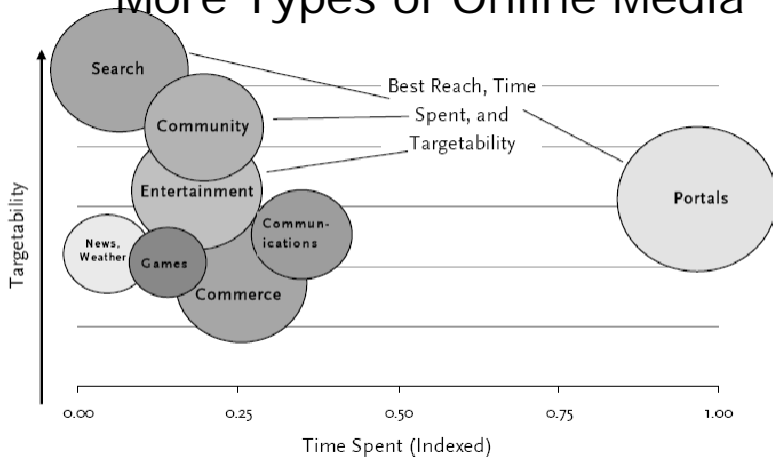
## Advertising Model



## Types of Online Advertising

It's just not one media. It's the Network and there are many options

## More Types of Online Media



How marketing and advertising have evolved

- Context Matters
- Useful Content
  - Content is the New Currency

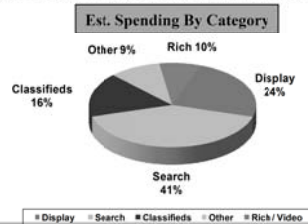
## Types of Online Advertising

### Types

Display  
 Email Marketing / Newsletters  
 Classifieds  
 SEM Search Engine Marketing \*  
 SEO Search Engine Optimization \*  
 Product Placement (Video)  
 AdverGames  
 InGame Advertising  
 Viral Marketing (Word of Mouth) \*  
 Email (Share This)  
 Facebook / Twitter  
 Affiliate Marketing \*  
 Desktop or Software  
 Landing Pages  
 Pop Ups or Pop Unders

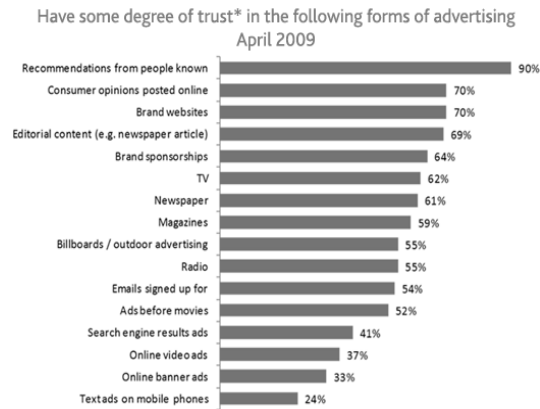
### Technologies

Behavior Targeting  
 Contextual Targeting  
 IP or Geo Targeting  
 Rich Media  
 Rich Internet Applications (AJAX)  
 Keyword Targeting / Adwords  
 Video Scanning  
 Social Media Targeting / Influencers



\* Not really sold by Publishers

## The current state of advertising



Source: The Nielsen Company  
 \*E.g. 90 percent of respondents trusted "completely" or "somewhat" recommendations from people they know

# STOP START

Interrupting  
Directing  
Shouting  
High-powered messages  
Reacting  
Return on investment  
Big promises  
Explaining

Engaging  
Connecting  
Enticing  
Engaging content  
Interacting  
Return on involvement  
Intimate gestures  
Revealing/Discovering

## Reference Links

- Brand Alphabets
  - <http://www.heidicody.com/images/art/alphabet/index.new.html#>
  - <http://www.flickr.com/photos/inthepicturedesign/2075885412/>
- Top 1000 Most Visited Sites
- Standard IAB Ad Unit Guidelines
- What is a Good Clickthrough Rate (CTR)?
- Google AdWords Video
- VideoClix.tv
- M&M'S - Flip the Mix
- Massive Inc. Case Studies
- FederatedMedia.net
- Facebook Ads Video
- Twitter's Promoted Tweets Video
- LinkedIn Direct Ads Video
- Ad.ly
- Criteo
- Causes.com
- Jeep Community
- Foursquare
- Yelp, Yelp Monocle on the iPhone
- Word Lens (iPhone)
- AdMob
- Facebook Privacy Guide
- 4 Ways to Improve Ad Performance on Facebook

## Summary

create **MARKETING SOLUTIONS** not ADS

Get beyond commercial messages. Solve something. Involve people. Enable them. Let them Participate.

don't forget the **BRAND**

Is the brand central to the idea? Are we allowing for experiences that will get people engaged and ultimately move product?

The Idea

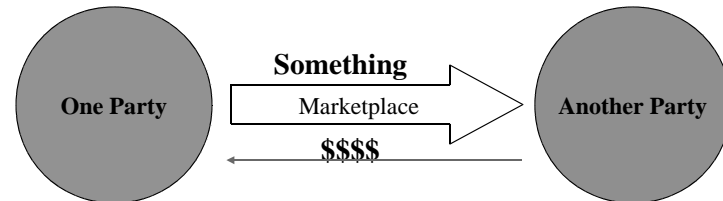
create **USEFUL CONTENT**

Content & tools that make life better in some way.

think **CONTEXT**

Think of all of the places, the touch points, where people could engage with our content. What are they seeking there. The way they use media and technology will influence our content.

## Transaction Monetization Model





## Marketplace Structures

- Primary
- Secondary
- Tertiary

## Marketplace Attributes

- Scarcity
- Persistence
- Interactions & Interconnectivity
- Player Expression

## Currency

- Primary
  - Real World Equivalent & Conversion
- Secondary
  - Experience / Activity / Achievement Points

## Currency

- Implicit vs. Explicit Exchange Rate
- Inflationary Issues

## Virtual Goods

- Behavioral – (Gifts)
- Decorative – Self Expression
- Functional – Purpose

## Virtual Goods Pricing

- Sources
- Sinks

## Customers Pay Content Owners

- Freemium & Subscriptions
- Joining Fee and/or Pay As You Go
- Purchases
- Expansions, Upgrades, Collectibles
- Donations
- Access

## Peer to Peer Models

- Auctions
- Trading

## Customers AND Content Owners Get Paid – Revenue Share

- User Generated Virtual Items
- Community Management

## Links

- Monetizing your Web App: Business Model Options
- Farmville.com (or on Facebook)
- Designbyme.Lego.com
- MyMMs.com/customprint
- Burger King Tender 8 Facebook App
- Care2.com/rewards
- Flattr.com
- Serve.com
- IMVU.com
- Secondlife.com
- Xbox.com/live

## Changing Mobile Ecosystem

- Declining Voice Average Revenue per User (ARPU)
- Increasing Data ARPU
- Smartphones
- Mobile Internet Devices
- App Stores

## Mobile Challenges

- Lack of Standards
- Gatekeepers
- Discovery Mechanisms
- Mobile User Experience

## Mobile Content

- Maps
- Photos
- TV
- Videos
- Mobisodes / Movels
- User Generated Content (UGC)

## Mobile Advertising

- Text Ads (SMS)
- Voice Ads
- Coupons
- QR Codes

## Mobile Payments

- Premium Text Messages
- Pay per Phone

## Future of Mobile

- Mobile Social Networks
- Social Mobile Games
- Location-Based Games
- UGC Apps
- Integration with web and other digital channels

## Additional Business Models

- Real and Virtual Merchandise
- Online & Real Events
- Affiliate & Loyalty Programs
- Market Research Reports

## Access & Licensing

- 3<sup>rd</sup> Party Virtual Items
- 3<sup>rd</sup> Party Merchandising
- 3<sup>rd</sup> Party Integration & Access
- Licensing

## Links

- Top 150 "Must Read" Quick Response (QR) code stories of 2010
- Top 14 Things Marketers Need to Know About QR Codes
- QR Code Generators Online
- [www.Mobiold.com](http://www.Mobiold.com)
- [www.SquareUp.com](http://www.SquareUp.com)
- [www.AirG.com](http://www.AirG.com)
- [www.PocketPixels.com/ColorSplash.html](http://www.PocketPixels.com/ColorSplash.html)
- Color Mobile App
- [www.Mobify.me](http://www.Mobify.me)
- [www.Webkinz.com](http://www.Webkinz.com)
- [www.InComm.com](http://www.InComm.com) (Branded In-store Gift Cards)
- Paper.li
- Vancouver Mobile Developer / Designers / Business Directory
- Monetizing Social Networks: The Four Dominant Business Models

## Monetizing Building Blocks

- Time (Convenience, Immediacy, Efficiency)
- Scarcity
- Comfort
- Self-Esteem (Ego, Vanity, Self-Image, Desirability)
- Belonging / Relationships
- Health / Well-Being / Safety (Survival)
- Wealth / Success / Career (Financial Security)
- Entertainment (Emotion, Experiences)
- Intellectual Stimulation (Creativity, Self-Expression, Learning)