

Monetizing Social Media: BLNK Case Study

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“People can spend 30 minutes at a time online; that’s longer than a sitcom. We need to find how to use that value.”

*JAIME MACIAS, CO-FOUNDER OF
BLNK.COM*

An alternative, boutique social network for college age users has created a place where anyone can stand out: BLNK.com. Their mission statement describes the site as, *“the personal shopper of social networks... your new best friend, your crazy uncle, and your summer crush all rolled up (without the creepiness that would entail if that truly were one person). [It] looks like David, but acts like Goliath.”* These are the words of Jaime Macias and Masahji Stewart, co-founders of BLNK.com.

BLNK’s Objectives

As BLNK grew in size and popularity, their focus turned to the monetization of their growing social media traffic. The site’s objective was simple: find a partner to help them display search based and video advertisements. *“We were looking to show display, contextual, and pre-roll advertising. Now, with the help of Lotame, we are hoping to take it to a sponsorship model where we are able to guarantee mind-share for our advertisers and help them move the needle, as far as brand awareness and sales is concerned.”*

BLNK says they’ve taken advantage of Lotame’s unique capability to find and monetize every possible form of value within the social media platform. *“We have been working with Lotame to help us identify the value of the online community and be a strategic partner in bringing advertisers to the table to take advantage of this new found value proposition.”*

Additionally, BLNK is using Lotame’s technology to gain information on their users and, subsequently, help monetize their site. *“We are trying to gain insight into the segments of user population in order to provide the best experience on a per user basis. We are also trying to increase efficient monetization by identifying core user types.”*

Key Success Factors

New Methods of Internet Advertising

For as long as the Internet has existed, there have been advertisers trying to reach consumers in the most efficient and profitable way. In Web 1.0, this efficiency was measured through page views and click-through rate. However, with the advent of Web 2.0 and user generated content, these metrics have become outdated and ineffective. Engagement metrics, such as time spent on a site and user interactions on a page, are beginning to take shape as the industry standard. A recent OMD study showed that one engaged user is equivalent to eight regular users.¹ BLNK is aware of this shift and feels, *“that advertisers perceive social media as a gift and a curse. For the first time in a long time, they have found a place teeming with human activity. Real people can be reached at a point where they are susceptible to influence. However, because of the nature of the medium, the page view is a transitional experience. People are consuming many more pages than at a traditional news or editorial driven site. At BLNK, we recognize the value of this proposition and, with Lotame’s help, are identifying the true value of the online community in its current form and helping to*

¹ Online Digital Media, www.OMD.com

bring advertisers into this new space efficiently.”

In the large and complex world of social media, BLNK utilizes the services of both Lotame’s Crowd Control technology and Ad networks. However, BLNK sees a clear difference between the two. *“We find it extremely beneficial working with Lotame. They’re invested in the success of our business and it is clear in every communication and phone call. Lotame treats us like a partner, and that’s rare to find in ad networks.”* BLNK believes the level of service Lotame provides is far superior to that of any ad network. *“Ad Networks tend to treat publisher partners as a group of impressions and the amount of contact is driven by that. The only time I hear from an ad network is if something is wrong. In stark contrast, Lotame is constantly trying to help us improve our business for the benefit of both companies.”*

The Use of a New Technology: Crowd Control

Lotame’s flagship technology, “Crowd Control”, has benefited BLNK and other Lotame clients alike. The implementation and use of this technology proved to be a very quick and easy process according to BLNK’s CTO, Masahji Stewart. *“It took approximately an hour to implement the Lotame Tags.”* The process included a short introductory meeting followed by implementation materials that were, *“straightforward and thoroughly documented.”* Moreover, BLNK mentioned that, *“Mapping was [also] simple and straightforward.”*

Crowd Control is updated in almost real-time, allowing BLNK to monitor their inventory and data on a daily basis. *“We refer to the Lotame product daily in order to*

track progress and change through our user community.” In regard to the actual use of Crowd Control, a client can build audiences consisting of the demographic information, geographic information, interests, virtual interactions, etc. of its users. BLNK tells us that, *“It’s very simple to create audiences. We often go in and create an audience based upon anecdotal evidence to identify if a certain user is indicative of a larger whole. All in all, it takes a few minutes.”* In addition, BLNK has used this audience building tool to help increase their user satisfaction. *“We love audiences as it allows us to mix and match our users based upon interests, actions and behaviors. It also gives us an accurate but modular view of our community.”*

While using Crowd Control, BLNK found it allowed them to concentrate on specific areas of concern across their site. *“We can dig in deeper to certain users, instead of looking at the whole pie.”* Examples included the discovery of new ways to increase CPM’s and premium inventory. Through the utilization of Lotame’s Crowd Control technology, BLNK was *“able to identify an opportunity that we were missing, which has increased our overall CPM by 70% as well as increasing our premium inventory by 40%.”* BLNK also said Lotame’s technology will heavily influence site redesigns and layout in the future. This has already been demonstrated through Lotame’s discovery of BLNK’s messaging system as its most popular feature. This discovery led to more effective monetization of the messaging platform on BLNK. *“We have increased revenue dramatically through the discovery of ad opportunities based on popular actions.”*



A Successful Partnership

BLNK's co-founders believe the Lotame difference is two-fold: revolutionary technology and a passion for their Web 2.0 partners.

“Lotame has provided the highest level of service of any partner I have had in 4 years of online publishing. The level of service starts at the top with Andy Monfried and Scott Hoffman and goes all the way down to our day to- day contacts, like Jake Spain and Brian O'Connor.”

“After speaking with other companies, the choice was clear to us. We entered into a relationship with Lotame and we haven't looked back. It's hard to imagine a better partner in the space.”

Lotame's founder and President, Andy Monfried, returns only praise and the best wishes of success and good fortune to BLNK.

“BLNK is an amazing site that really has excelled at presenting themselves as an example of everything that social networking has the potential to be. The site is clean, easy to navigate, and, most importantly, the ‘connective tissue’ to what Web 3.0 will evolve into.”

“BLNK understands the issues facing User Generated Content media and have been ‘ahead of the curve’ in comprehending the challenges and hurdles as it pertains to monetization and targeting, in order to increase value.”

For Further Information

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