

Site analytics and revenue generation

Website Planning

Overview

- Know your visitors – analytics and demographics
- Content is valuable
 - Free content
 - Freemium
 - Subscription
- Advertising overview (as publisher)
 - Types of advertising
 - Pricing models
 - Advert sizes – Interactive Advertising Bureau (IAB)
- Advertising programmes
 - Google AdSense
 - Other networks
 - Specialist networks
- Ad management software
- Ethical advertising
- Affiliate schemes
- Other revenue generation ideas



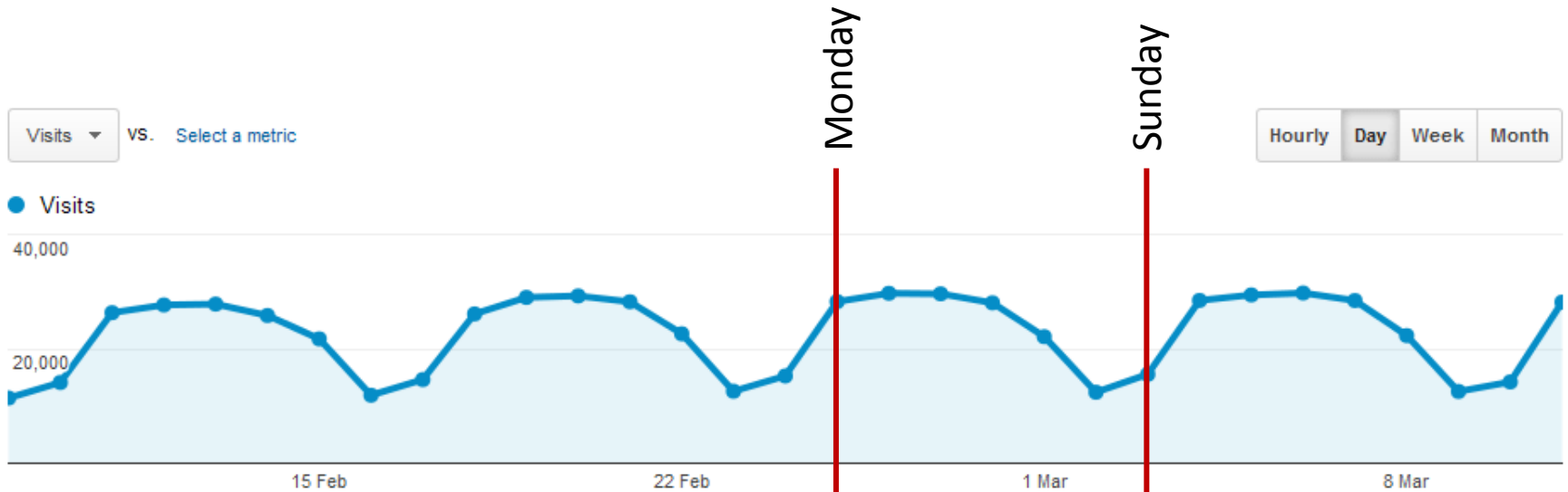
Know your visitors

- Before developing a revenue generation strategy, you must develop a good understanding of who your site visitors are and how they are using the site.
- Study the site analytics and look for patterns of use.
- Collect demographic data to find out who they are.
- This information will help you optimise your strategy and attract interest from 3rd parties (advertisers).
- Advertisers will want to know that their marketing is being accurately targeted.
- The Web offers a better potential match between advertisers and their target audience than other media, particularly for niche content.

Analytics

- [Google Analytics](#) is probably the most widely used web analytics service.
- It is free to use and delivers directly-measured statistics about the use of your site.
- It can be used to see when people are visiting, how long they stay and how many pages they look at and their geographic location.
- It can also be used to see how people navigate through your site and which pages are most popular.

Patterns of use: traffic

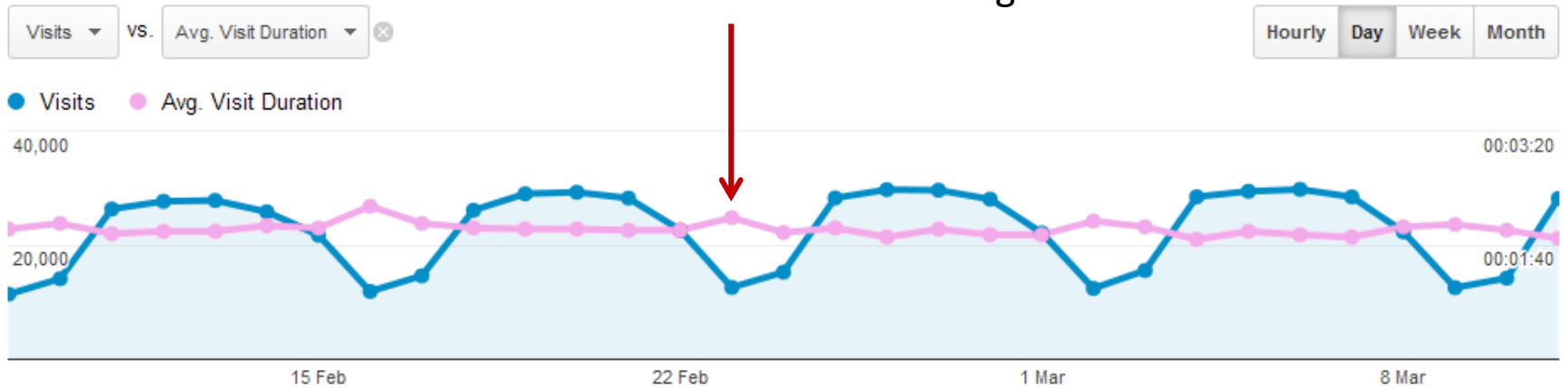


Number of visits per day

Strong weekly cycle of traffic, typical of professional use.

Patterns of use: visit duration

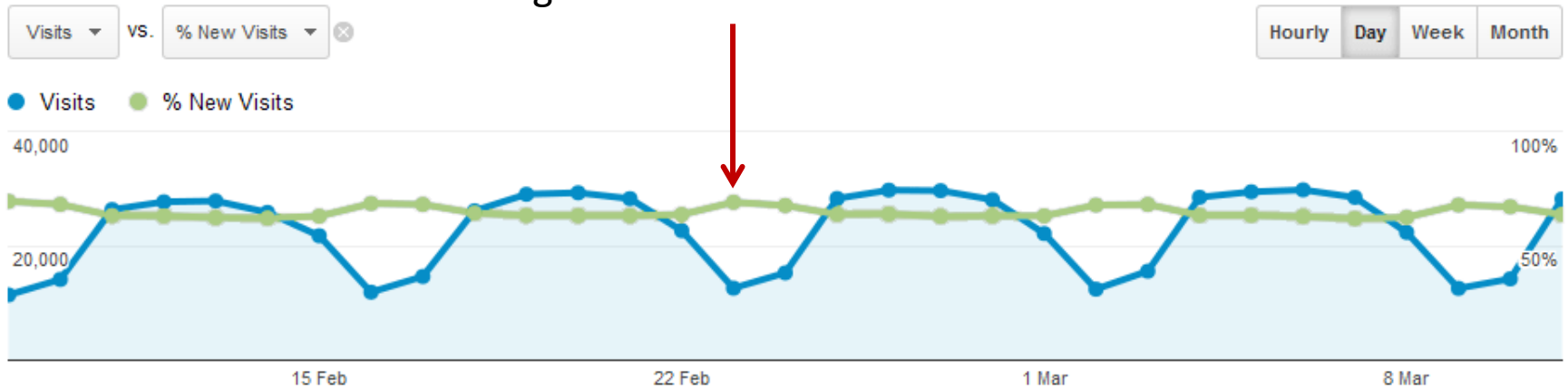
Number of visits is lower at the weekend but time on site is greater.



Number of visits per day + Average visit duration

Patterns of use: new visits

The percentage of new visitors is higher at the weekend.



Number of visits per day + % new visits

Visitor flow

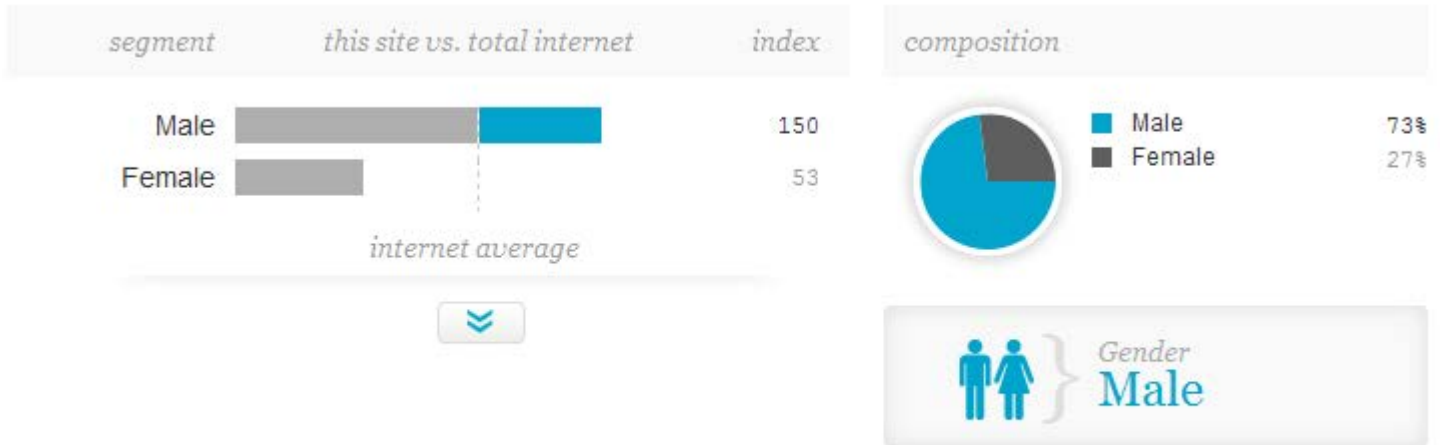


Visitor flow illustrates where visitors join your site and where they move to subsequently.

Demographics

- There are a few services available that help website owners discover what sort of people are visiting their site.
- One such service is Quantcast. It is free for site owners to sign-up and just requires a small script to be added to the page code, just like Google Analytics.
- Quantcast demographic data is not directly measured. Statistical modelling based on the analysis of visitor cookies is used to *infer* who your visitors are.
- Quantcast sells it's data to advertisers and helps them target receptive audiences.

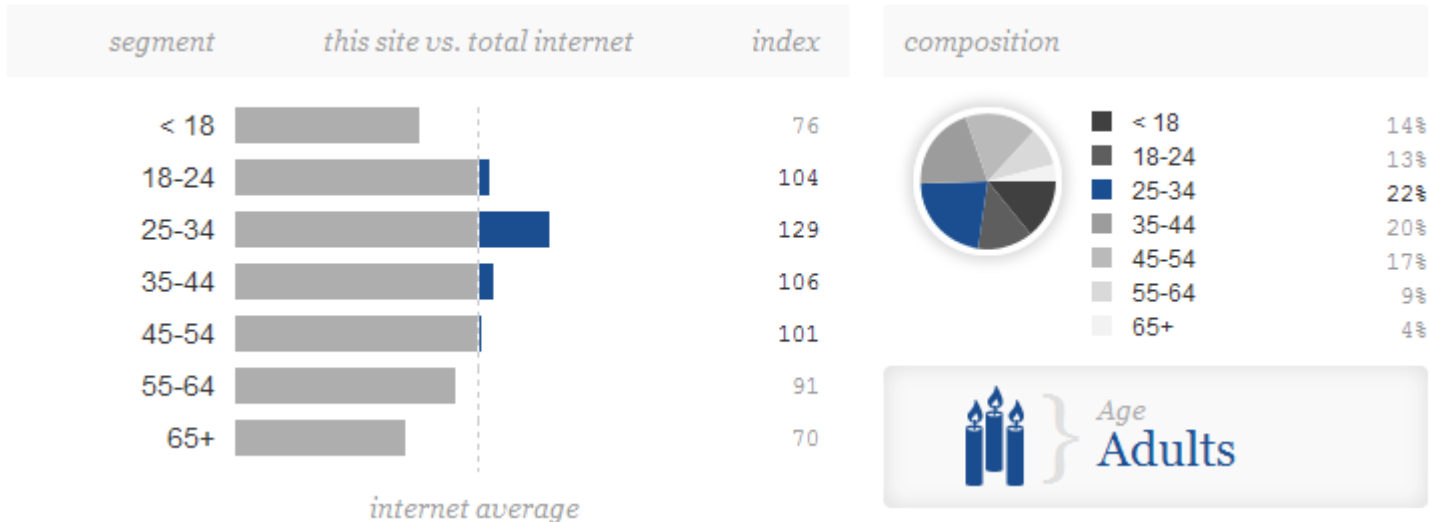
Demographics: Gender



Gender

This website has 50% more male visitors than the internet average.

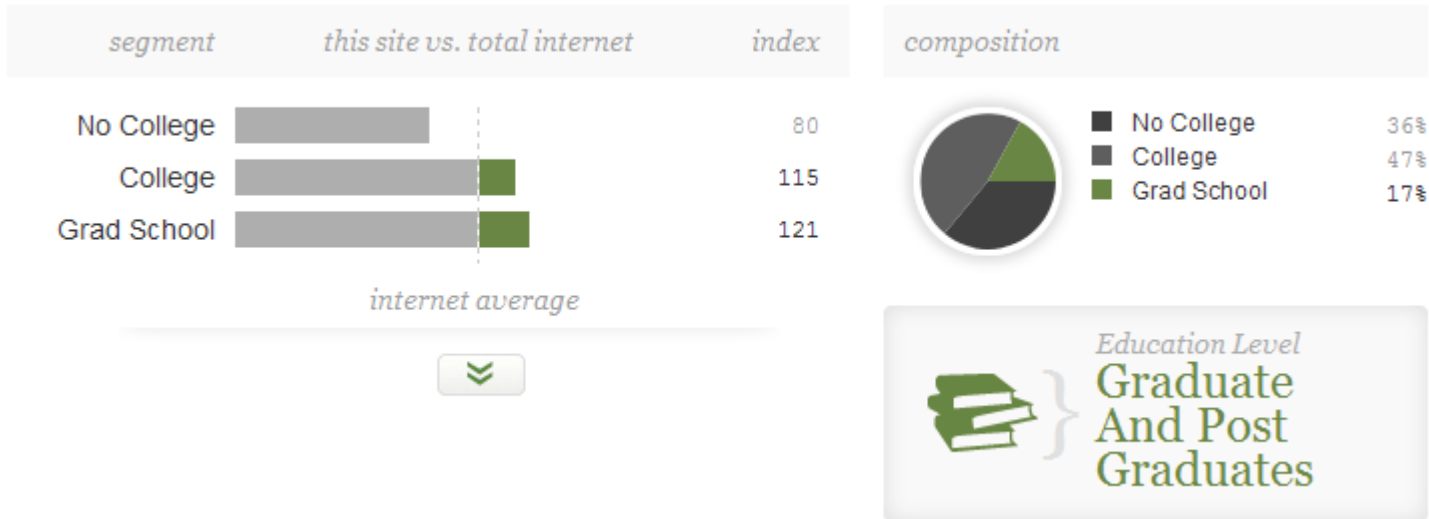
Demographics: Age



Age

This website has more adult visitors (of working age) than the internet average.

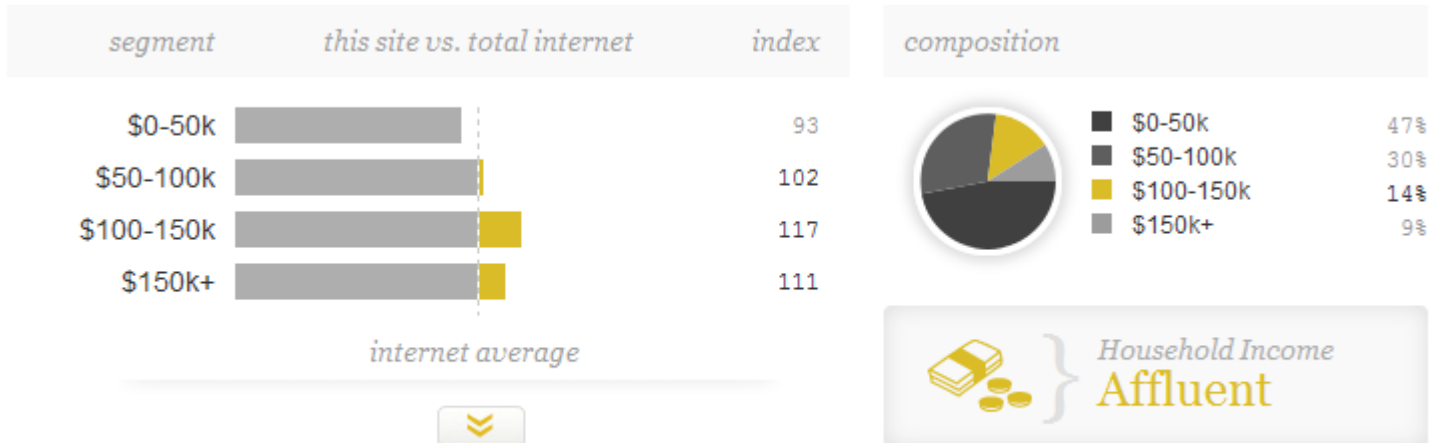
Demographics: Education



Education

This website has a higher proportion of visitors with graduate education than the internet average.

Demographics: Income



Income

This website has more “affluent” visitors than the internet average.

The inference we can make about visitors to this site is that they are mainly well educated, male professionals.

In advertising terms, they are “decision makers” – a valuable commodity.

User profile

- Using a combination of usage patterns, derived from traffic analytics and demographic data from services like Quantcast, you should be able to build up a picture of your site visitors.
- The approach you take to revenue generation will very much depend upon who your visitors are and whether they have money to spend or whether revenue needs to be generated indirectly (e.g. advertising).
- You also need to consider the (perceived) value of your content.



Create brilliant content

- People usually visit a website either because they want to use a service (retail etc.) or because they want to consume content (news and comment).
- Creating brilliant content or providing a brilliant service is one of the best ways to ensure people visit your site.
- But content and services take time and effort (and money!) to create. How do you ensure you get some return for your efforts? There are 3 typical models...

Web business models

Free

Some people believe that information should be free and websites should be funded by alternate means.

Freemium

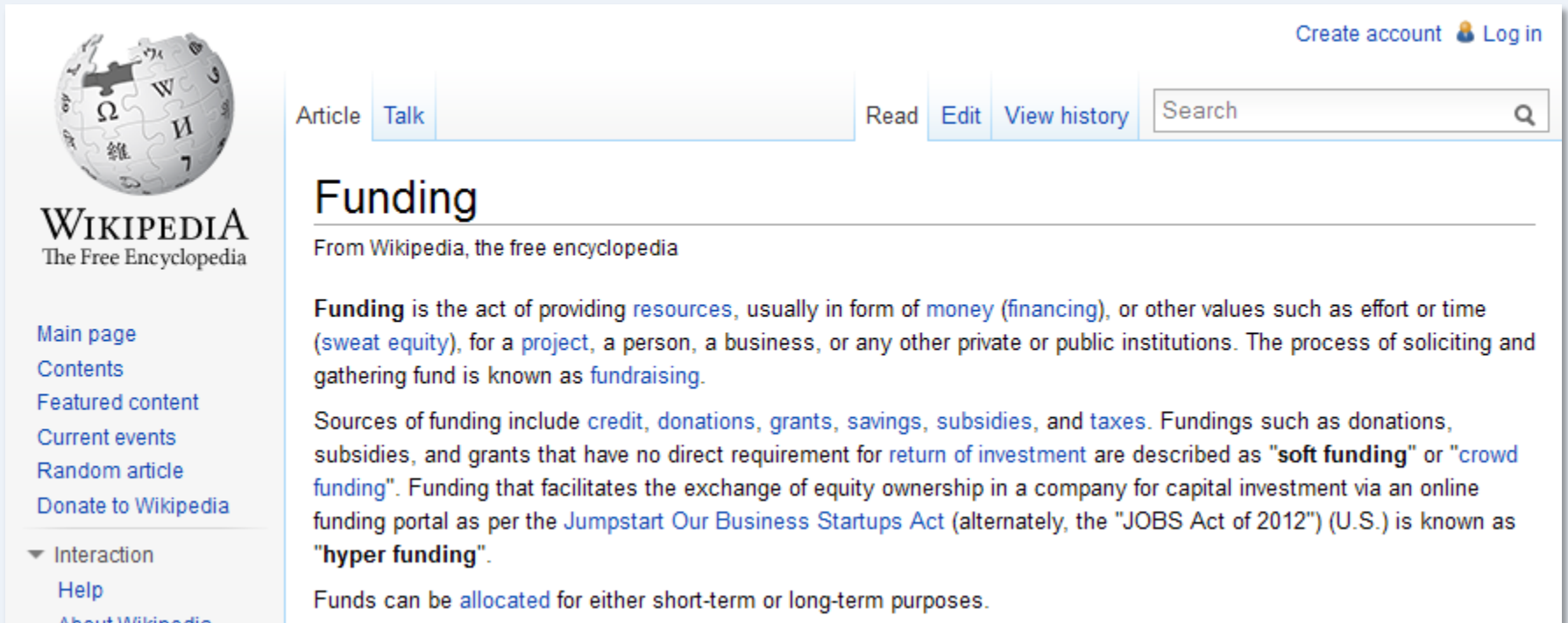
Others provide basic or core content/service for free but reserve *premium* content for subscribers.

Subscription

Some content/service providers place all of their content/services behind a paywall with maybe just a sample available for free.

Free model

- Key example: **Wikipedia**



The screenshot shows the Wikipedia article for "Funding". At the top right, there are links for "Create account" and "Log in". Below these are navigation tabs for "Article" and "Talk", and a search bar. The main content area starts with the title "Funding" and a sub-header "From Wikipedia, the free encyclopedia". The text defines funding as the act of providing resources, usually in the form of money (financing), or other values such as effort or time (sweat equity), for a project, a person, a business, or any other private or public institutions. It also mentions that the process of soliciting and gathering funds is known as fundraising. The text further explains that sources of funding include credit, donations, grants, savings, subsidies, and taxes. It notes that fundings such as donations, subsidies, and grants that have no direct requirement for return of investment are described as "soft funding" or "crowd funding". Funding that facilitates the exchange of equity ownership in a company for capital investment via an online funding portal is mentioned as per the Jumpstart Our Business Startups Act (alternately, the "JOBS Act of 2012") (U.S.) is known as "hyper funding". The text concludes that funds can be allocated for either short-term or long-term purposes.

WIKIPEDIA
The Free Encyclopedia

Main page
Contents
Featured content
Current events
Random article
Donate to Wikipedia

Interaction
Help
About Wikipedia

Create account Log in

Article Talk Read Edit View history Search

Funding

From Wikipedia, the free encyclopedia

Funding is the act of providing **resources**, usually in form of **money** (**financing**), or other values such as effort or time (**sweat equity**), for a **project**, a person, a business, or any other private or public institutions. The process of soliciting and gathering fund is known as **fundraising**.

Sources of funding include **credit**, **donations**, **grants**, **savings**, **subsidies**, and **taxes**. Fundings such as donations, subsidies, and grants that have no direct requirement for **return of investment** are described as "**soft funding**" or "**crowd funding**". Funding that facilitates the exchange of equity ownership in a company for capital investment via an online funding portal as per the **Jumpstart Our Business Startups Act** (alternately, the "JOBS Act of 2012") (U.S.) is known as "**hyper funding**".

Funds can be **allocated** for either short-term or long-term purposes.

The Register: [Wikipedia doesn't need your money](#)

Freemium model

- Key example: **Spotify**
- Spotify provides a free service, supported by advertising. Members can upgrade to a premium ad-free service at a cost.
- The freemium model has become very popular and is unlike any traditional business model – it has evolved with the Web.
- There are [many examples](#) of freemium such as Dropbox and MailChimp.

Freemium model: Spotify

The image displays three pricing tiers for Spotify, each in a white box with a grey border. The 'Free' tier includes an 'AD' icon on a laptop. The 'Unlimited' tier includes a laptop icon. The 'Premium' tier includes icons for a smartphone, tablet, laptop, and desktop monitor, and is highlighted with a green ribbon that says '30 Day Free Trial'. Each tier has a corresponding button at the bottom: 'Get Free', 'Get Unlimited', and 'Try Premium'.

Tier	Price	Key Features	Device Support	Ads	Commitment
Free	Completely free	Listen on your desktop & laptop Millions of songs — just hit play Made possible by ads	Desktop & Laptop	Yes	None
Unlimited	£4.99 per month	Listen on your desktop & laptop Millions of songs — just hit play No ads & no commitment	Desktop & Laptop	No	None
Premium	£9.99 per month	Listen on all your devices Download music & listen offline No ads & no commitment	Smartphone, Tablet, Laptop, Desktop	No	None

Different service levels at Spotify

Subscription model

- Key example: **Treehouse**

	Silver	Gold
Learn complete projects with access to 650+ videos	✓	✓
Practice in real time with our Code Challenge Engine™	✓	✓
Exclusive Treehouse Members Forum	✓	✓
☐ Treeviews™ - Get feedback on Member projects	✗	✓
☐ Exercise Your Creative™ - Fresh ideas to inspire you	✗	✓
☐ In-depth interviews with leading industry pros	✗	✓
☐ Cutting-edge workshops on the future of technology	✗	✓
Yearly Subscription	\$250	\$490
Monthly Subscription	\$25	\$49
Looking for a group membership? Email us at sales@teamtreehouse.com	Sign up	Sign up

[Treehouse](#) does not have a “free” service level although it does provide some free content as samples.

Does “free” really mean free?

- The answer to this question really depends upon your point of view.
- Of course, there are some altruistic exceptions, but keeping a website online costs money.
- The Free and Freemium models only exist because it is possible to fund the service in other ways, usually relationships with 3rd parties.
- The Subscription model is self-sustaining and does not require external funding.

Advertising revenue

- One of the easiest and therefore most attractive ways to generate a revenue from a website is to publish adverts.
- Web advertising is now a mature sector, (AdSense is 10 years old) and there are many online advertising partners (large and small) for web content publishers to team up with.
- In fact, the choice is so broad that it's important to understand all the options before developing a strategy.

Types of advertising

None

For some websites, advertising is not appropriate, ecommerce sites*, government.

Value added

Added revenue as a side-line. Contextual and discrete.

Main income source

Contextual but highly visible. Should not adversely affect site usability (probably the most common).

Aggressive

Pop-ups, pop-unders, overlays etc. Only works for short-term gain or where content is valuable (quid pro quo).

* Amazon has adverts

Advertising jargon

Advertiser

A business with a product to sell

Publisher

A website owner

Network

The middle-man between advertiser and publisher

Inventory

A publishers available advertising space (pages)

Zone

An advertising slot on a page (designed space) at a standard size*

Campaign

An agreed run of adverts usually limited by time or number of impressions

* [IAB standard ad sizes](#)

Pricing models

Cost per click (CPC)

Publisher is paid for every click on an advert (AdSense).

Cost per thousand impressions (CPM)

Publisher is paid for every 1,000 times the ad is displayed. Typical of specialist networks.

Cost per action (CPA)

Publisher is paid only if the click results in a sign-up or sale. This is a typical model used by affiliate schemes.

Tenancy

Publisher is paid for displaying the advert for an agreed period of time, irrespective of views, clicks etc.

Interactive advertising bureau

- The IAB is an organisation representing media companies and has developed a set of standards for online advertising.
- The IAB standard dimensions for adverts have been adopted across the web. This makes it easier for site designers to allocate ad space.
- Global networks such as Google AdSense use the IAB standard advert formats.

Advertising networks

- There are many advertising networks available to publishers.
- Some have very strict guidelines, usually a minimum monthly traffic of 0.25 or 0.5 million unique visitors.
- Others have no minimum requirement.
- Some networks are very general, some are contextual and others are specialist.
- Your choice of network is fundamental to developing a successful revenue stream – not all networks are the same!

Google AdSense

- Google AdSense is the most popular ad network.
- It uses a CPC model. Typically, AdSense realises click-through rates of between 0.5 to 5.0%, depending on the type of site.
- Traffic to a site must be reasonably high in order to generate a significant revenue.
- The cost per click can vary enormously from just a few pence to a few pounds.
- AdSense has a very strict policy on usage. Publishers may use a maximum of 3 ad blocks per page.
- The location of ad blocks on a page is a crucial element in the success of AdSense and other ad networks.

Google AdSense: Metro Lyrics

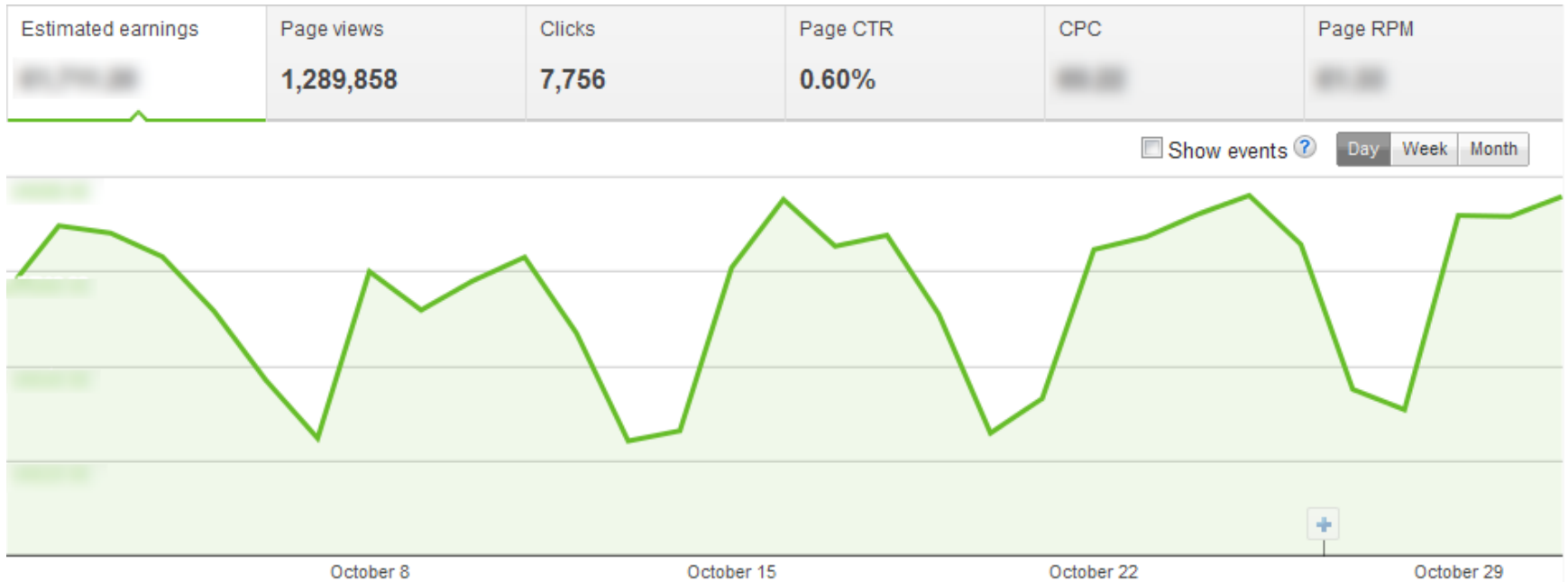
The screenshot displays the MetroLyrics website homepage with several key elements:

- Header:** Navigation menu (Lyrics, Artists, News, Soundtracks, Apps), search bar, and social media links (Facebook, Log In).
- Primary Ad:** A large red-bordered ad for Giffgaff, promoting "Enjoy Unlimited Internet for £12 per month" with a "Order a Free SIM" button.
- Secondary Ad:** A pink-bordered ad for Sky TV, offering "Sky TV for just £15 a month" for 6 months, then £21.50pm for 12 months, with a "Join online" button and a £25 M&S voucher.
- Content Column:** A large image of Mariah Carey with the text "Watch The Whimsical Video For Mariah Carey's 'Almost Home' From Oz The Great And Powerful". Below this are three news items: "Frank Ocean Sued Over 'channel ORANGE' Lyrics", "Justin Timberlake Changes 'Suit & Tie' Lyrics To Diss Kanye West", and "Rihanna Is Spotify's Most-Streamed Female Artist".
- Left Column:** A "Top Lyrics" section with a list: 3. A Thousand Years (Christina Perri), 4. Someone Like You (Adele), 5. Just Give Me A Reason (P!nk). Below this is a "Google Engage Programme" ad.
- Bottom Section:** A "METRO LYRICS LOVES" section with three featured articles: "Listen To She & Him's Fluttery New Song 'Never Wanted Your Love'", "Rihanna Is Spotify's Most-Streamed Female Artist", and "March 8th is International Women's Day: 8 Pop Songs To Celebrate Women". Below this are social media links for Facebook and Twitter, and a snippet of a tweet.

Metro Lyrics has a monthly traffic of around 25 million unique visitors. It is one of the top grossing AdSense sites.

It uses 3 ad blocks on the homepage in 2 different formats. A leaderboard below the header and two medium rectangles in the left column.

Revenue follows traffic



Google AdSense performance showing a weekly cycle of revenue, which echoes that of the site traffic.

Other ad networks

There are many other ad networks out there. Those below are some of the most popular.

Yahoo! Bing

Similar model to AdSense

AdBrite

AdBrite, one of the largest independent ad networks [closed down](#) in February 2013.

TribalFusion

[Tribal Fusion](#) requires a minimum site traffic of 500,000 unique visitors per month.

BuySellAds

[BuySellAds](#) has a lower threshold and is very popular. It is used by sites such as Six Revisions.

Specialist networks

- Most ad networks try to deliver contextual ads which match the content of your site because this results in better returns for the advertiser.
- However, there are many subject-specialist networks that understand niche subject areas and can deliver very targeted advertising.
- For example, the [TEAM network](#) specialises in the CAD sector and delivers CPM advertising from clients such as nVidia and Seimens.
- If the subject area of your site is well-defined and you have a clear demographic, specialist networks can provide a better return than generic networks.

Ad management software

- All ad networks take a percentage of your earnings (BuySellAds = 25%, AdSense = [32%](#)).
- If you want to keep all of the ad revenue, you need to deal directly with the advertiser and cut out the middle-man.
- To do this, you need some ad management software.
- Probably the most widely used software is [OpenX](#), which has an open source version, [OpenX Source](#) and can be self-hosted.
- Another self-hosted option is [Ad Senator](#) – not free but low-cost.
- If you don't want to self-host, Doubleclick For Publishers (DFP) is probably the best option. It's another Google product and as such it integrates with AdSense very well.

Ethical advertising

- It is very important that advertising is implemented with care.
- Be sure to read the terms and conditions of your advertising partner and abide strictly to any [programme policies](#).
- Ensure that ads are contextual to avoid alienating your visitors.
- Ensure your site remains usable – don't annoy your visitors.
- Do not trick users into clicking ads* or encourage them to click ads...
- ...but do [optimise](#) your ad design and placement.

* There may be a fine line between [blending](#) and trickery.

Affiliate schemes

- Affiliate schemes are those where a publisher is paid a percentage of a sale that was made via their website.
- There are many examples of this but the [Amazon Associates](#) programme is one of the best known.
- Publishers can earn up to 10% of all sales.
- However, more niche programmes can generate better earnings.
- [Infinite Skills](#) pays 50% on all training videos bought.

Already a member? Sign in to access your account.

Email address

Password

Stay Signed In

[Sign In](#) [Need help?](#)

Don't have an account?

[Join now for FREE!](#)

Promotions

Deals of the **Week**

Stay Connected

- [Weekly Deals](#)
- [Discussion Boards](#)

Customer Support

- [Help](#)
- [Performance Tips](#)
- [Glossary](#)
- [Operating Agreement](#)
- [Advertising Fees](#)

Special Programmes

- [Amazon Local for Associates](#)
- [Kindle for Associates](#)
- [Product Advertising API](#)

Other revenue generation ideas

Donations

[PayPal donate](#) buttons for fundraising ([confusion resolved](#)).

Job Boards

Sites like [JobThreads](#) pay for referrals.

In-text advertising

Programmes like [InfoLinks](#) can be used to place sponsored links within your content.

Sponsored content

Programmes such as [PayPerPost](#) will pay publishers for ad-related content.

Other programmes pay site owners to host content provided by the advertiser. This raises the profile of their brand/product on search engines.

Sponsored content at the [Washington Post](#).



It's in the mix

- No two websites are the same and therefore there are no hard and fast rules about revenue generation.
- It's good practice to aim for a mix of revenue streams so you don't end up relying on a single source – there are many sad stories from those who have not heeded this advice.
- You'll need to experiment with different schemes to find out which works best.
- The CADTutor website has 3 main partners who deliver a combination of CPC, CPM and CPA revenue.

Summary

- Revenue generation is an important part of managing websites – they cost money to keep online.
- Understanding your visitors and how they use your site is key.
- Niche is good because it means advertising can be accurately targeted to the audience.
- Be careful how you implement revenue generation schemes – don't forget that your visitors pay you.
- Consider using a mix of different revenue models and experiment to see what works best.

advertisement

Get found with Google advertising.

[Start Now](#)

With £75 credit



End