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.
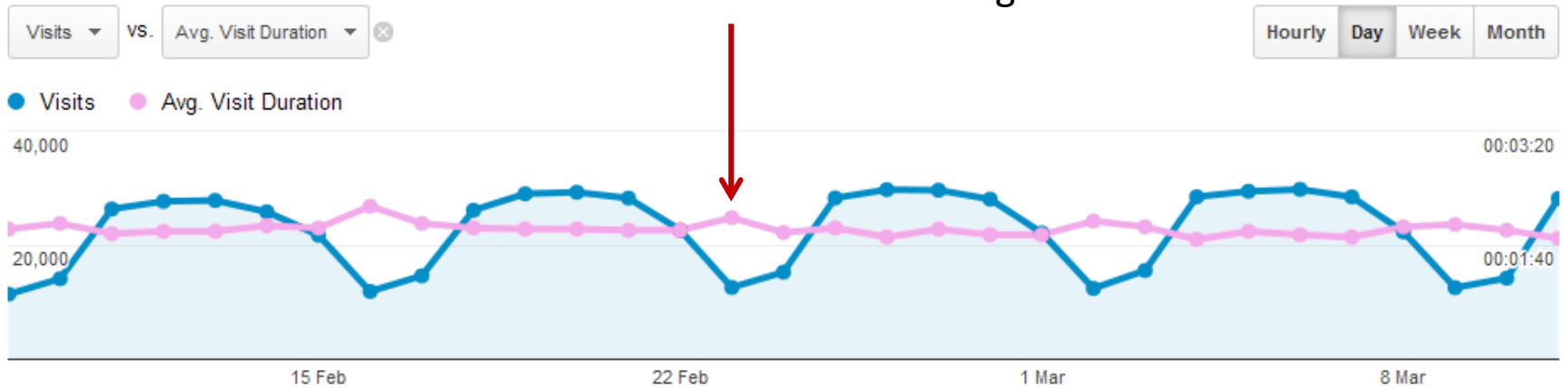
Patterns of use: traffic
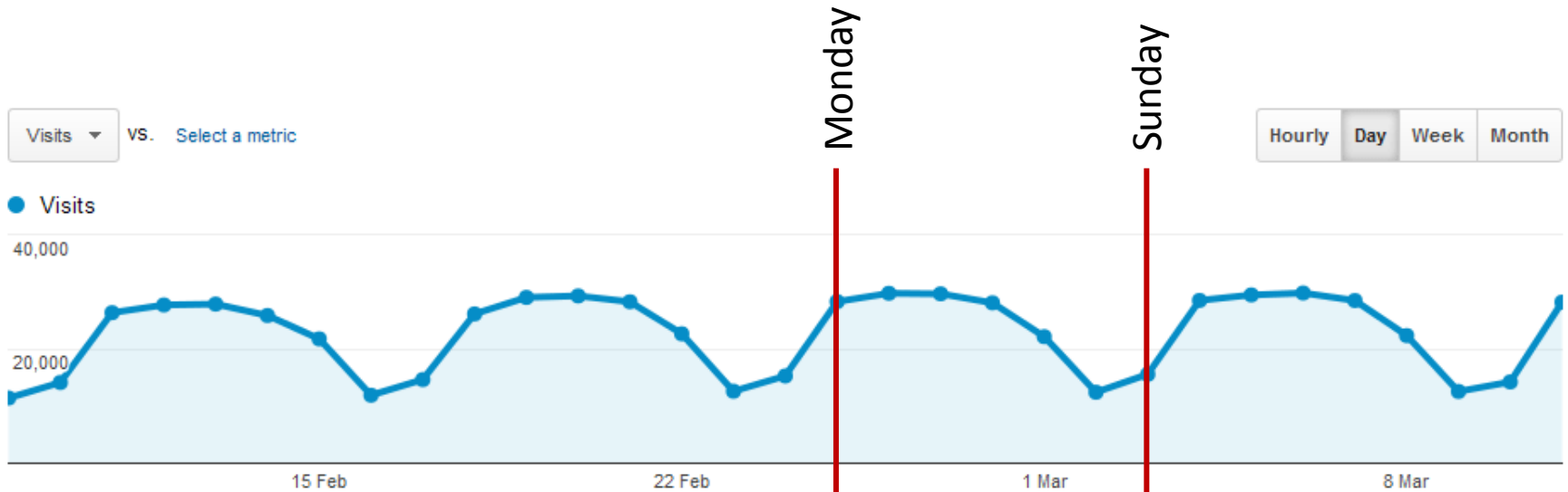
Number of visits per day

Strong weekly cycle of traffic, typical of professional use.
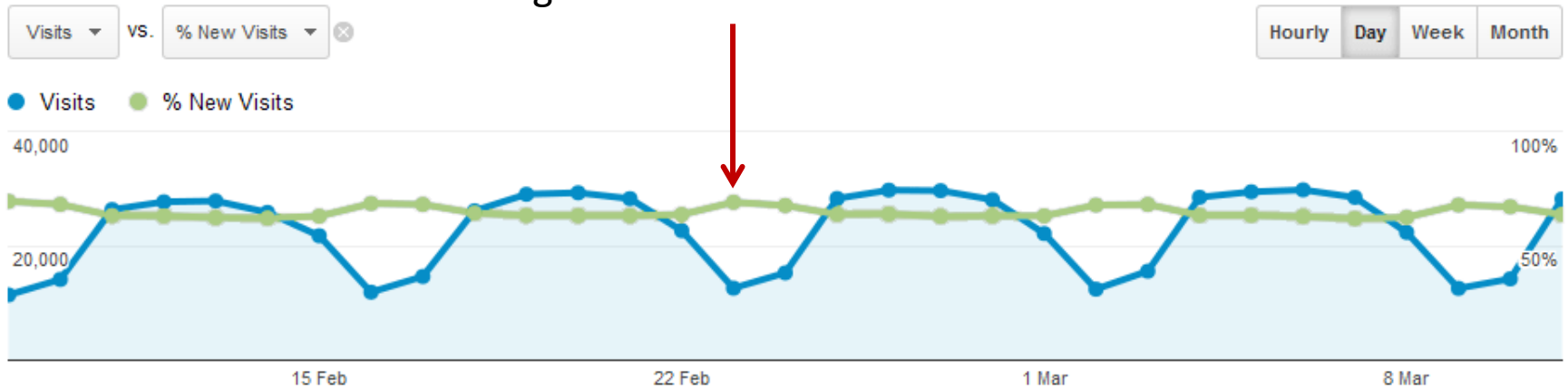
Patterns of use: visit duration

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.

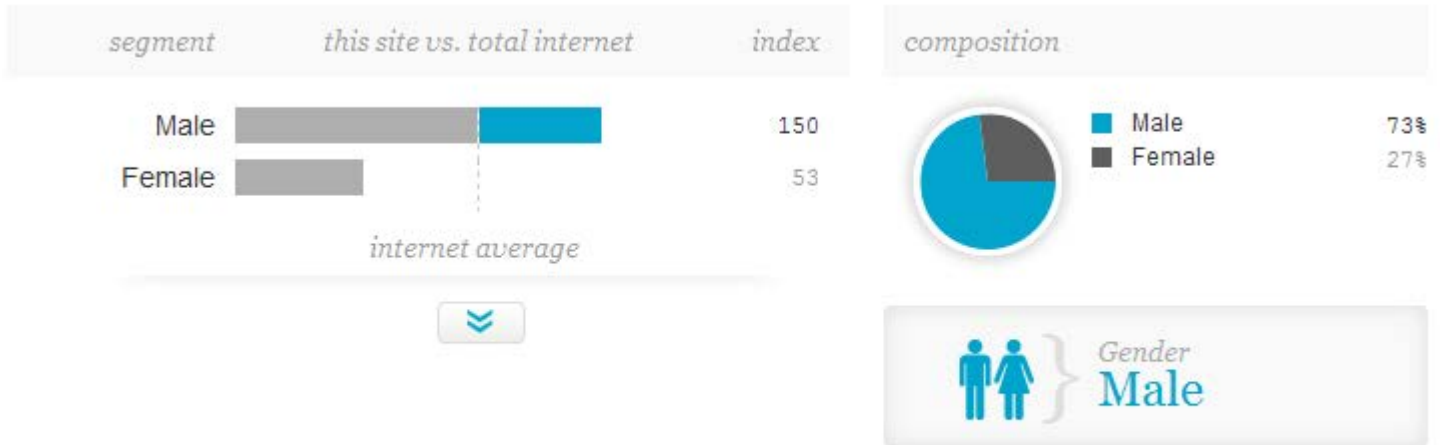Number of visits per day + % new visits

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.
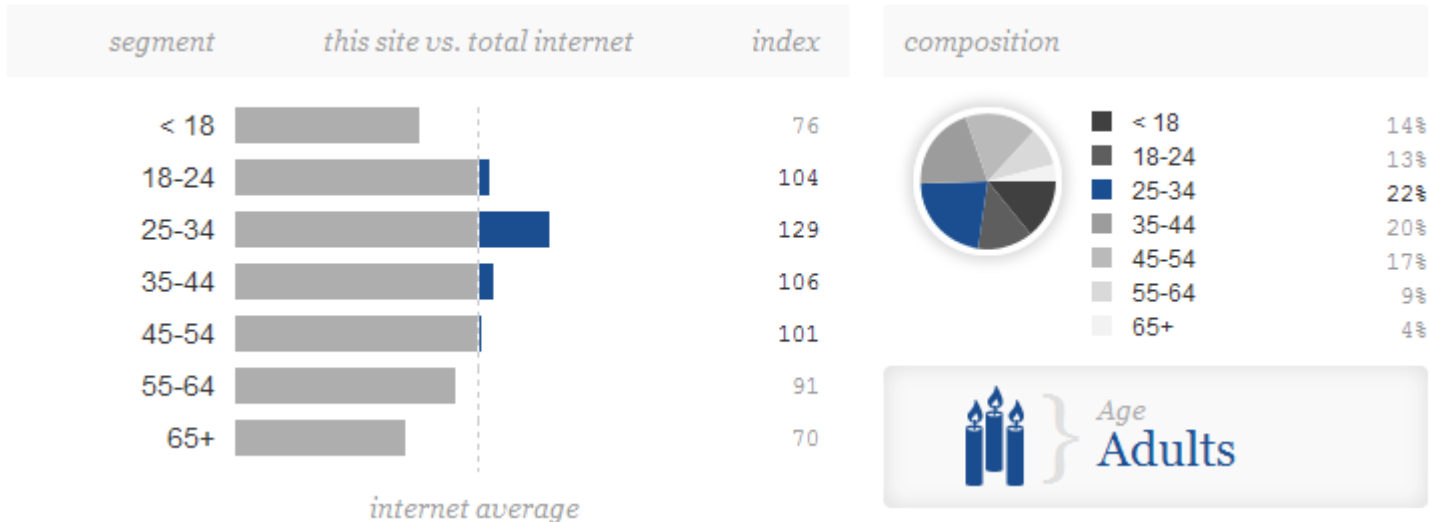
The Guardian: [Quantserve (Quantcast): What is it and what does it do?](#)

Demographics: Gender

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

Demographics: Age

segment	this site vs. total internet	index
< 18		76
18-24		104
25-34		129
35-44		106
45-54		101
55-64		91
65+		70

internet average

composition	
< 18	14%
18-24	13%
25-34	22%
35-44	20%
45-54	17%
55-64	9%
65+	4%

Age
Adults

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

Demographics: Education

segment	this site vs. total internet	index
No College		80
College		115
Grad School		121

internet average

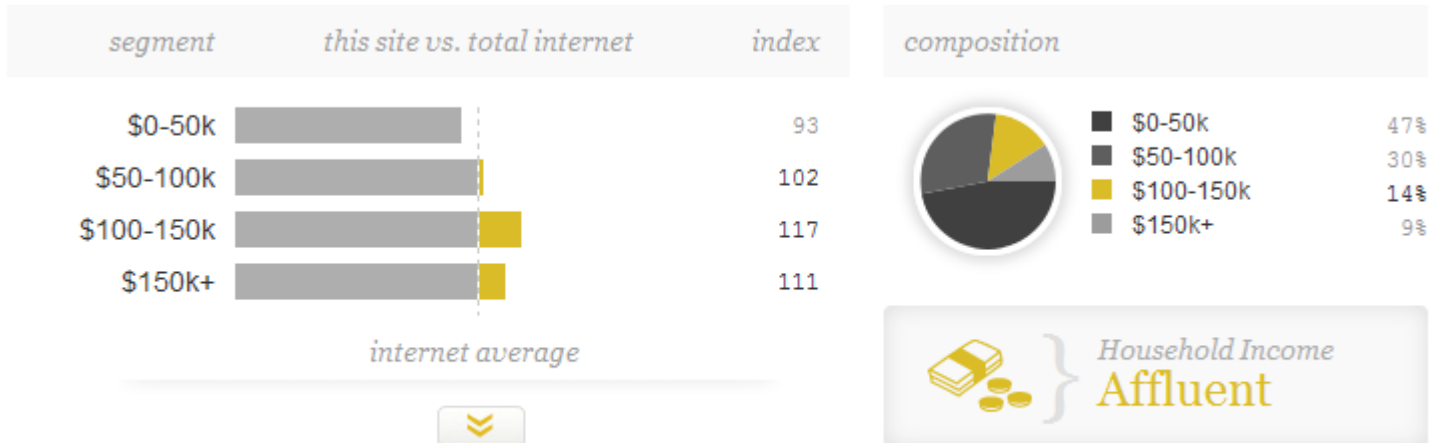| composition		
■ No College		36%
■ College		47%
■ Grad School		17%

Education Level
Graduate And Post Graduates
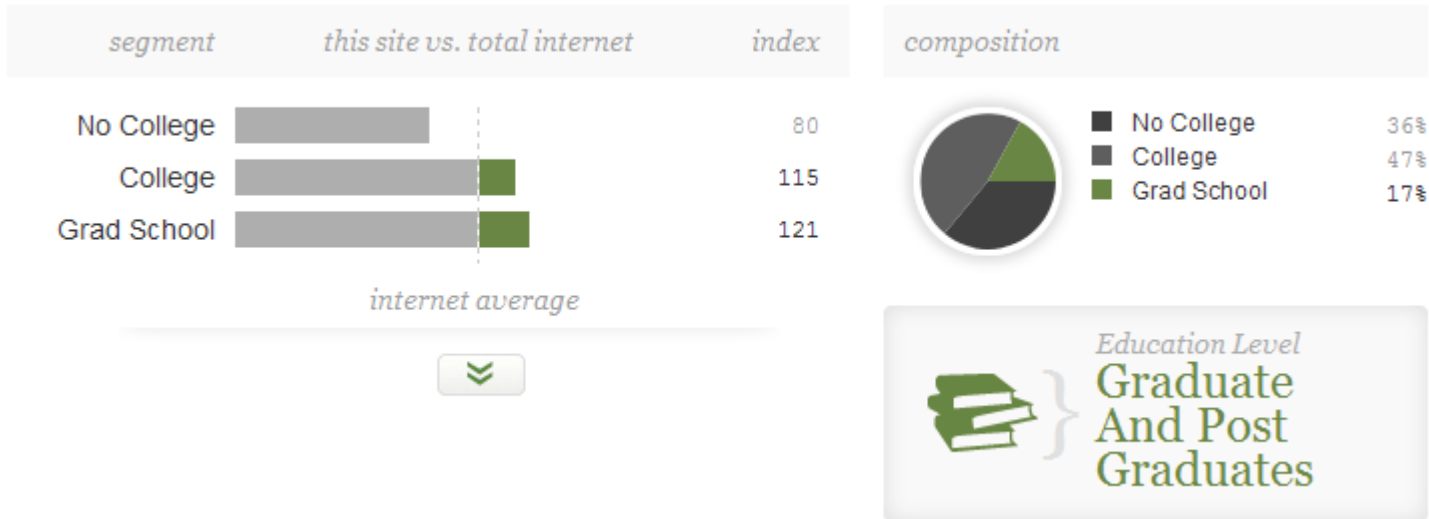
Education
This website has a higher proportion of visitors with graduate education than the internet average.

Demographics: Income

segment	this site vs. total internet	index
$0-50k		93
$50-100k		102
$100-150k		117
$150k+		111
	internet average	

composition	
$0-50k	47%
$50-100k	30%
$100-150k	14%
$150k+	9%

Household Income
Affluent

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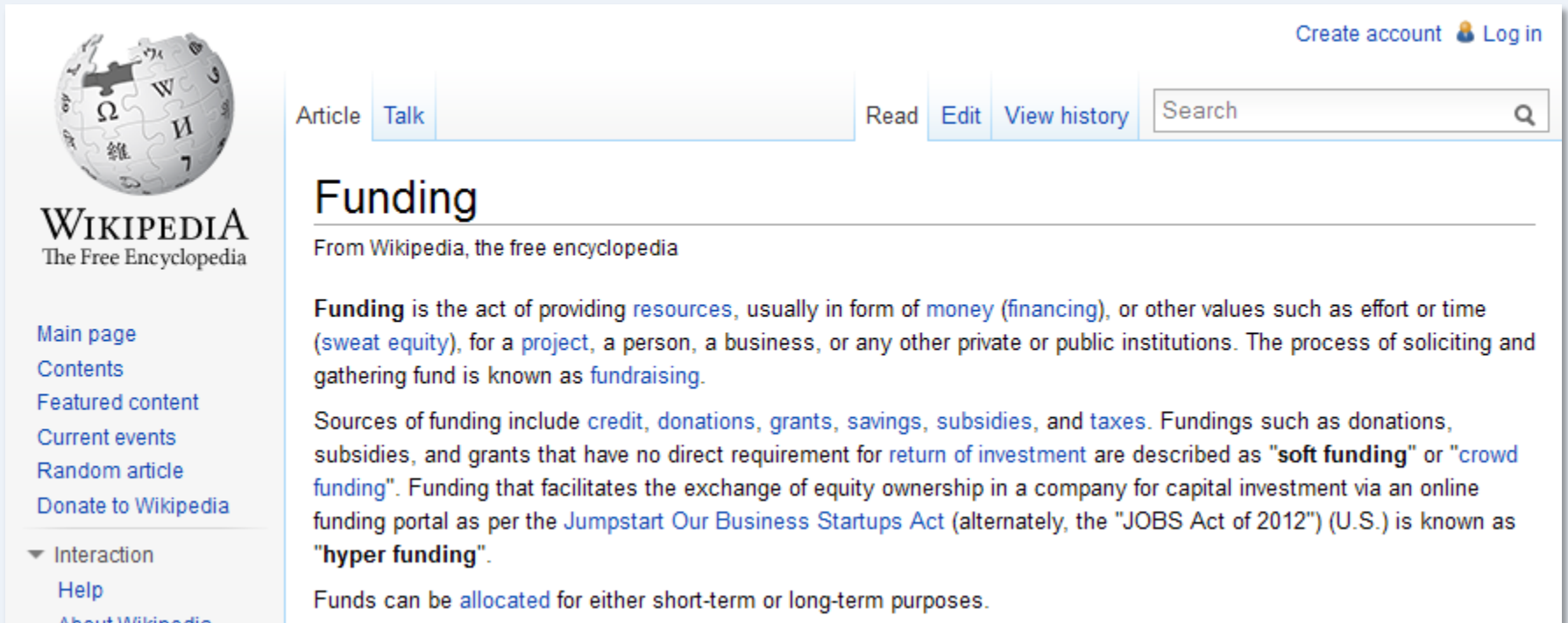
Others provide basic or core content/service for free but reserve *premium* content for subscribers.

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 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

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.

iab.

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.
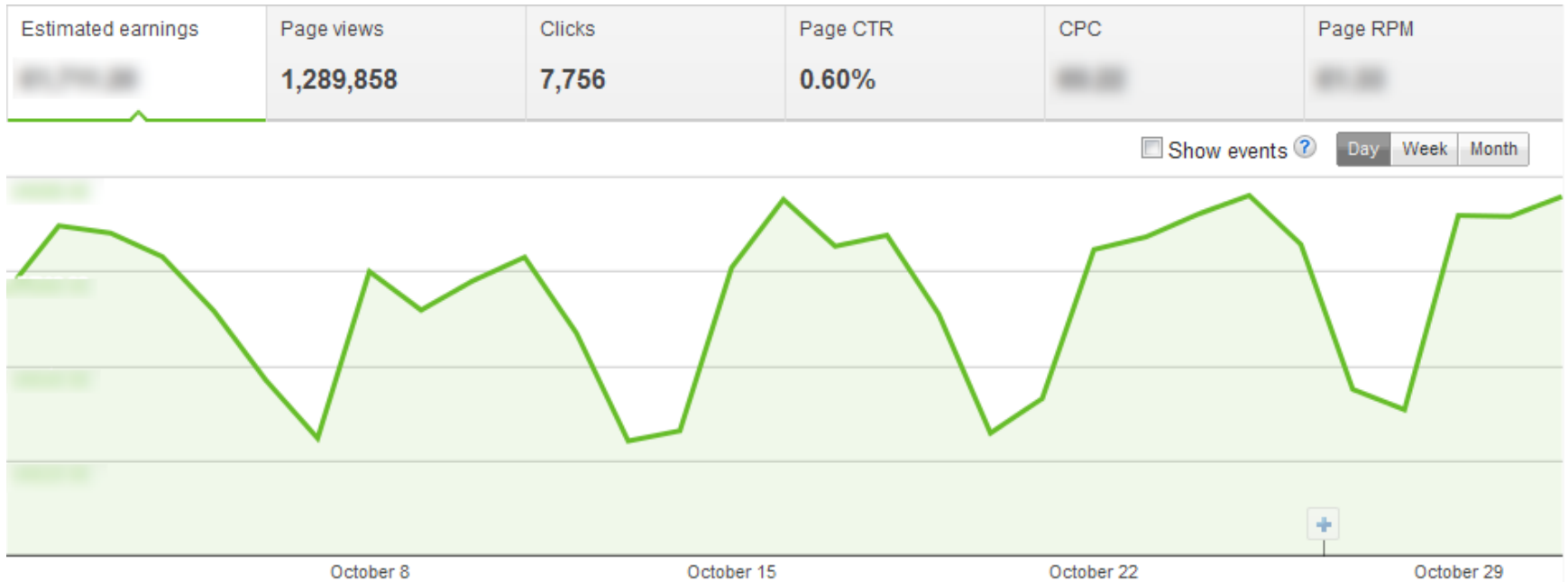
Google AdSense: Metro Lyrics

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

Estimated earnings	Page views	Clicks	Page CTR	CPC	Page RPM
	1,289,858	7,756	0.60%		

Show events Day | Week | Month

October 8   October 15   October 22   October 29

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.

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.

End