How *Daily Maverick* made digital display ads work

By Styli Charalambous   12 Sep 2012

The digital publishing industry in South Africa commands less than 3% of the total ad spend, which means we sorely lag other developed markets. In contrast, digital ad spend in South Africa will not overtake print spend this year, a prediction being touted by publishers abroad.

But a case study we developed for the *Daily Maverick* has shown our display advertising platform has outperformed global and local benchmarks by a massive multiple. It is now amongst the most effective digital display advertising platforms globally, a fact that flies in the face of the belief that static display ads aren't effective.

Daily Maverick is currently achieving click-through rates more than three times that of the South African average and five times that of the global average. Since launching in November 2009, our premium 300x600 banner ad has achieved an average of 0.75% for the last 12-month period and 1.02% for the last three years. This is a startling outperformance in an industry where 0,22% is considered a solid achievement locally and 0.13% internationally, according to a Mediamind Benchmark report sourced from the Digital Media and Marketing Association (DMMA).

How did we do it? Firstly, by throwing out what was traditional thinking about ads on websites. As far as we were concerned, that model was broken. Our main issue was that many of the successful principles of print publishing had not been transferred to the web probably because in the early days of the internet, digital publishing was an afterthought, its fate left in the hands of software technicians and not editors and designers.

This led to a number of serious design flaws that would mislay the foundations of digital publishing and set us on a course that the industry would pay dearly for in subsequent years through a flawed business and advertising model. With the lack of a sustainable business model, many publishers hesitated to create quality digital platforms that would best serve readers and advertisers.

SA lagging

According to Nielsen's research for the period ending June 2012, online display advertising in South Africa commanded a paltry 2.6% of the total ad spend market. In more developed regions like the USA and UK, this number is up to 10 times more as total online advertising has surpassed the amount spent in print.

In our opinion, the reason for this poor market share has been two-fold. The poor internet penetration of the country and the lack of quality digital publications available as traditional publishers try hang onto print revenues as long as possible. This point leads to a self-inflicting circular rot for digital. By attempting to hang on to print revenues, not enough investment

goes into creating premium digital platforms and as result ad space gets devalued, forcing publishers to try cram as many ads on one page which in turn causes poor performance and prevents the market share from increasing.

Feedback from a series of focus groups showed that online advertising was often considered irritating, with several ads blinking and screaming for the attention of the reader. Research showed that some websites would display up to 12 different adverts on a single page, as publishers struggled to make the most of each page impression. The percentage share of voice for each advert was fraction of what other advertising mediums were offering brands. In designing a more effective advertising platform, three key areas had to be addressed:

1. Share of voice

At launch, the *Daily Maverick* took the decision to allow only one advertiser per page, something that was only available on homepage or site-takeovers on other sites. Every single page on *Daily Maverick* would adhere to this policy to maximise exposure to the reader. The current policy is to never allow more than two adverts at any given time.

2. Size of advert

Each page was divided into two parts. Editorial content was given 2/3rd of the page with the advert assigned 1/3rd of the available space, using the 300x600 format, the largest of any digital display units.

3. Duration of advert

And to make the platform even more successful, the space dedicated to the advertiser was fixed, so that even as the reader scrolled down, reading a 1000-word feature, the advert remained in the full view of the reader for the entire duration of the visit, 3min 26secs.

A recent study found half of all online adverts failed to get "in-view" of readers for at least one second. This effectively renders 50% of all online advertising a complete waste, further tarnishing the medium as a viable marketing channel. The same study also found the 160x600 unit to be the most effective when compared to 300x250 or 728x90, further enforcing how effective the *Daily Maverick* has been.

Of course, it was no good providing advertisers with this platform if readers weren't going to embrace the content of the *Daily Maverick*. And that's the key: the *Daily Maverick* (and our iPad weekly, iMaverick, published on Fridays) deliver content to our readers that they want to read, and will spend time reading.

The common theme that runs through the major digital publishers in South Africa is that the majority of their content is republished newswire copy or press releases dressed up as editorial. This often results in the headline articles on these sites running the exact same copy from the South African Press Association or international news wires.

If the *Daily Maverick* were to help make their readers the "smartest people in the room", the newswire-driven model would simply not do. The founders assembled some of the finest feature writers in South Africa who began producing quality original feature writing that was previously reserved for glossy magazines.

Against the trend

With the trend in publishing to reduce the spend on journalists, the *Daily Maverick* made a conscious decision to spend as much of its budget on editorial staff, rather than layers of management and infrastructure. The team now consist of 20 full-time journalists and editorial support staff, with approximately 75% of total budget dedicated to editorial.

The *Daily Maverick* team realised early on that the type of content it was to focus on, feature length analysis and opinion pieces, wouldn't appeal to everyone. However, it would appeal to people who matter: opinion leaders, influencers and decision-makers.

The focus of the editorial content was to cater to people of influence and provide them with insight into the topics that affect South Africa at the highest level. Even as our reader base grew, our demographic profile has remained amongst the highest LSM of any online publication.

In August 2012, unique visitors peaked at 200 000 for the month, continuing the steady upward growth trend experienced since launching. In the second year of publishing (Aug 2010- Aug 2011) readership grew by 97% and in the third year (Aug 2011-Aug 12) readership grew 67%.

Notable spikes in readership occurred during major news events, such as the murder of Eugene Tereblanche, the Spear painting controversy and most recently the Marikana mine massacre. These spikes emphasise the respect the news-reading public has for the *Daily Maverick*, as they turn to the publication they trust for detailed analysis and commentary.

Filling a void

By focusing on exclusive feature length journalism, the *Daily Maverick* filled the void of quality journalism to be found online. Due to economic pressures, most digital-only publishers are forced to run press releases and rely heavily on republished newswire copy. In breaking from this model the *Daily Maverick* was able to grow a loyal and focused readership of the highest calibre.

The most notable sources of traffic are from direct visitors, who come in through the homepage or click links in the newsletter. We cannot underestimate the value of our newsletter in driving traffic to the website, accounting for almost 18% of the total traffic to the website.

Google searches also account for a significant source of traffic as our articles appear in high rankings for current affairs topics. Facebook, even though commanding less than 10% of our Twitter followers, is still able to generate more traffic than the other social media network. We suspect this is due to the fact that more people access Facebook from a computer than do Twitter,

But back to advertising: Whilst the *Daily Maverick* platform has significantly outperformed the South African click-through benchmark, the intention was not only to create a click-through superstar, but rather a brand advertising platform where premium brands would feel comfortable to migrate online. For an industry obsessed with measurement, digital advertising, in our opinion, is not measuring one the key metrics that contribute to successful campaigns: time in front of eyeballs.

The closest the industry comes to measuring "time in front of eyeballs" is the dwell rate, but this only takes into readers who engage with rich media banners. If we really want to measure effectiveness of display banners, and price them accordingly, we should be measuring the time the ad is displayed to readers. And in this light, not all CPMs can be considered equal.

A time issue

A display banner that guarantees almost four minutes of exposure to readers simply cannot be compared to one that will be lucky to get 10 seconds of exposure. Consider the adverts placed at the uppermost part of websites that disappear from view as the reader scrolls down the web page. Yet media planners may look at the CPM rates of the two and not take into account the duration of exposure, often resulting in an incorrect placement that will rob clients of maximum value. If the CPM were divided by the duration of screen time to the reader, the cost of the placement would look significantly different.

This is especially important for brand advertisers, whose products are unlikely to be purchased over the internet, say for example a luxury vehicle, but who would still benefit from brand exposure to a high LSM reader.

The *Daily Maverick* has shown that this measurement is one of the most important factors in generating engagement with a display advert as well as brand awareness. If time spent in front of reader eyeballs was measured and reported as a campaign metric, brand advertisers may have a different perception on the effectiveness of digital display advertising. If we

measured this as campaign metric, it is our opinion more brand advertisers would jump on the digital bandwagon and the poor state of digital display advertising in South Africa could be corrected.

If online and digital advertising are to grow to a parity state with the rest of the global market, we need to convince big brand advertisers that consummate ad space exists in a digital format. We believe that the *Daily Maverick* and iMaverick achieve this through platforms that combine the best of print with the features of digital, that respect both the readers and the advertiser's objective.

For more:

- Download the *[Daily Maverick](#)* case study

ABOUT STYLI CHARALAMBOUS

Styli Charalambous is the co-founder and CEO of Daily Maverick, South Africa's leading independent news, analysis and investigative publisher.
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