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Looking to Extend Online Reach? Try a Vertical Ad Network

Media Giants Including Lifetime, Martha Stewart Use Partnerships to Offer Larger Targeted Audiences

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Rule No. 1 in the transition from traditional to digital media company: Being an offline powerhouse doesn't necessarily mean you'll be blessed with online scale. That's why many of those players are turning to vertical ad networks.



Apartment Therapy is now part of Martha Stewart's ad-sales network.

Publishers and TV networks such as Martha Stewart, The Washington Post, The Guardian and Lifetime all are selling audiences they didn't actually attract. They are doing so through partnerships with companies such as Adify, which provides the technology to create vertical ad networks, and Glam Media, which already boasts a massive women-focused network.

"The advertisers are looking to extend their reach, looking for opportunities to find audiences that resemble the audience that Martha offers," Wenda Millard, president of media at Martha Stewart Living Omnimedia, told Ad Age. And like NBC's alliance with iVillage, Lifetime's partnership with Glam Media gives the cable channel something few TV brands can claim online: scale. Dan Suratt, Lifetime's exec VP-digital media, was hired by former Lifetime CEO Betty Cohen last year to expand the network's reach online, starting with a revamp of its old domain, LifetimeTV.com, in April.

"Some magazines or publishers have a limited amount of users they can offer [to advertisers], and there's lots of duplication," said Ruby Gottlieb, senior VP-managing director at Horizon Interactive, who has used Martha's ad network for Ace Hardware. "If they can offer a larger network of similar people, it's a way to extend their reach."

Players of all sizes

It seems barely a week goes by without another vertical ad network cropping up. The players range from high-profile networks such as John Battelle's Federated Media and Glam to smaller networks such as Yardbarker, which aggregates and sells ads on sports sites and blogs. Some networks, such as Travel Ad Network and NetShelter, have ballooned so big they are challenging major portals such as Yahoo Travel and CNET, for reach in their categories.

But it's traditional publishers that increasingly seem to be backing these ventures. Last year, Hachette Filipacchi, publisher of Car and Driver and Road & Track, made perhaps the most aggressive move in the space, buying seven-year-old Jumpstart Automotive.

Mitch Lowe, CEO of Jumpstart Automotive, said he doesn't see himself at the helm of a vertical network. He thinks of his company more along the lines of a rep firm since its publisher relationships are exclusive, and he said the best vertical ad networks are not simply sellers or resellers of ad inventory but truly understand the industries they're in.

"We're so deep in space that major manufacturers will invite us to [create a] strategic-planning tool," he said.

Editorial experience

Russell Fradin, CEO of Adify, a company that offers the technology to power vertical ad networks (and counts NBC as an investor), said media companies also can play a role in curating brand-safe scale for advertisers. "Media companies are using editorial expertise to say, 'This is a good site,' and they're using ad-sales staff to say to buyers, 'Here's who you want,'" he said.



Mitch Lowe, CEO of Jumpstart Automotive

Mr. Lowe, who has been both independent and, more recently, part of a larger, traditional publisher, said it might be easier for a vertical network or rep firm to start as part of a larger media entity, but it can be done independently as well.

"As media buyers and planners get more sophisticated, they're understanding just how big the internet is and all the options available when people go online to look for information," said Robert Kadar, president of Good Heath Advertising, an independent network start-up. "They're realizing they can't reach and capture everybody they need to just by buying WebMD."

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