



Felix Salmon

A complex alchemy

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Blogonomics: Monetizing passion

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In my continuing attempt to come up with bright ideas for how bloggers can turn traffic, readers, and influence into money, I met this morning with interactive marketing executive Gaston Legorburu of SapientNitro. It was a mildly depressing meeting: he pointed out that many very smart publishers are looking hard into these questions, and that none of them have had a lot of success.

He did make two points I thought interesting. The first is that the key goal for publishers is to get “off the spreadsheet” — to provide some kind of offer to companies which they can’t try to reduce to a CPM equivalent. Sponsored posts, for instance, are not going to be particularly lucrative for bloggers, because they will still be looked at on a CPM basis, and there’s a limit to how much money any company is going to pay when it’s thinking in CPM terms.

Meanwhile, a lot of the ways in which companies try to work with bloggers involve PR-type activities: giving them scoops and media, that kind of thing. That can be good for building traffic and influence, but it doesn’t help turn that traffic and influence into money.

Gaston also noted that the most successful blogs, be they on politics or sports or cars or gadgets, tend to be about subjects that readers get passionate about. When a blog has a high reputation and passionate readers, that’s a potent combination. Interestingly, one of the most successful new finance blogs, Zero Hedge, is exactly the one which has tapped in to a seam of high-passion readers. A high degree of passion often turns into a lot of traffic, which can then be monetized through old-fashioned, low-yielding CPM-based ads. But so far it’s hard to find blogs which have monetized themselves in other ways.

For bloggers, as opposed to blogs, it’s easier: we can get good jobs, or book deals, or speaking gigs, and monetize our reputation that way. But if you’re trying to set up a blog-based for-profit business, so far the only business models which have really worked have been the ones based either on high traffic or on conferences. I hope to see that change. But it hasn’t really happened yet.