



## TalkAhead Sponsored Comments: Starting Conversations between Consumers and Marketers

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## Market Overview

### The Threat to Information Democracy

In August 2009, Reverb Communications, a public relations firm representing dozens of game publishers and developers, found itself in an embarrassing situation. The firm, as a service to its clients, had promised rave reviews from “game users.” To deliver, it hired interns who trawled iTunes and other community forums looking for opportunities to post positive reviews of client games.

The backlash to Reverb’s “astroturfing” was severe. Word shot through the blogosphere, discrediting both the firm *and* its clients. It’s safe to say that more people read about Reverb’s illicit tactics than had actually read its planted reviews.

Astroturfing violates a fundamental principle of the Internet: Information democracy. People respect and value the opinions of their peers, so much so that they place as much credence on user-generated content as they do on messages crafted by marketers or other experts. In fact, consumers have demanded – and received – numerous forums for sharing their personal experiences with virtually every product or service on the market. To most consumers, astroturfing threatens the legitimacy of the Internet.

And the American government concurs. In October 2009, the Federal Trade Commission introduced new rules requiring bloggers and gadget review sites, among others, to disclose to readers whether they’ve been compensated to review a product. Failure to do so results in a hefty \$11,000 fine.

### An Urgent Need for More Venues for Engagement

While the Reverb’s actions illustrate why marketers shouldn’t pose as consumers to write positive reviews in readers’ comments sections, there’s another significant lesson to be learned. Marketers are extremely interested in engaging consumers in the places on the Web where products are discussed, experiences are shared, and opinions are formed. After all, they have a lot at stake in those conversations.

At the same time, consumers are far from opposed to engaging with marketers, particularly outside of the sales scenario. They’d like nothing more than to share their input on product design and functionality with the people who develop them, and they view the Web as a natural place for those discussions to occur.

At present, however, there are very few legitimate venues in the online global news media and blogosphere for marketers to engage with consumers.

TalkAhead believes that as members of the community, marketers should have an opportunity to engage in the dialogs that occur in the readers’ comments sections of news sites and blogs, as long as those comments are clearly labeled as “sponsored.” If a marketer is behind a point of view, let it be known to readers.

### Best Practices for Implementing Sponsored Comments

In late 2009, Huffington Post announced that it would sell advertisers the right to sponsor comments in their reader’s comments sections, as well as sponsored tweets. The negative

reader response to Huffington Post's announcement underscores the importance of following best practices for paid comments. Those best practices include:

- Clearly marking paid comments as "sponsored"
- Designating a separate area for paid messages. If they're interspersed with the reader's comments, it feels unfair to readers
- Ensuring paid comments are not mere ads but genuine efforts to engage the reader's in an open dialog.

## Sponsored Comments by TalkAhead

### A New Venue for Engagement

In mid-2009, TalkAhead introduced a new platform, called Sponsored Comments, to provide marketers with a legitimate venue for engaging with consumers. Sponsored Comments enable marketers to respond directly to the content of an article or product review, without attempting to hide their authorship from readers. Sponsored Comments can contain up to 500 characters of text, and, to help the marketer spark a dialog, a link to an external page. Sponsored Comments appear prominently with the article. In fact, they're the first message readers see the moment they've finished reading the article or blog post.

The image shows a screenshot of a news website article titled "Swine Flu Could Hit up to 40 Percent in US". A yellow box highlights a "Sponsored Comments" section. The comment text reads: "According to the CDC, the current outbreak of flu virus is not of pig origin. You cannot get this flu from eating pork or pork products. Pork meat is safe to eat and as always delicious. A message from the National Pork Producers Council. [More facts about pork safety.](#)" Below the comment is a button that says "Click here to add your Sponsored Comment now" and the TalkAhead logo.

To publishers and bloggers, Sponsored Comments represent a new advertising channel, one that lets them monetize areas of their sites that have never brought them revenue before (an area that many marketers currently use for free advertising).

Intriguingly, TalkAhead offers multiple sales models for Sponsored Comments, including one that is completely self-serve. The self-service model enables anyone with a point of view and a credit card to purchase a Sponsored Comment and have it appear prominently with the article or blog post. (Note: the self-serve model is optional for publishers, and publishers can choose to pre-approve comments prior to posting.) The self-serve model is intriguing in that it enables publishers to tap into a pool of advertisers they haven't had the resources to service previously.

## Intended Users of Sponsored Comments

The Sponsored Comments platform was created to provide marketers, public relations professionals, advertising agencies, SEO and SEM firms, media planners / buyers and brand managers with another compelling channel to promote their products or services.

### Stop. Consider. Respond.

Research shows that consumers don't initiate dialogs from online banners: those ads are perceived solely as advertisements. In contrast, Sponsored Comments are designed to start conversations, and TalkAhead built safeguards into the platform that prevent marketers from using Sponsored Comments to place generic sales messages tied to keywords in articles.

For example, the process of placing Sponsored Comments is manual, not automated. Marketers must see the article or blog post, and then decide whether or not to sponsor a comment. While a real-time alert engine, called TalkAhead Alerts, notifies marketers whenever a relevant article or blog post is published, the act of posting a Sponsored Comment is an individual event. This process encourages the marketer to craft a message that's highly relevant to the article's subject. Such messages have a much higher probability of resonating with the reader, and thereby sparking a dialog.

### Sponsored Comments vs. Contextual Advertising

Sponsored Comments should not be confused with contextual advertising. A contextual advertising system scans the text of a website for keywords and returns advertisements to the Web page based on what the user reads. Contextual advertising does a good job at presenting sales messages to a broad audience, and it was not TalkAhead's intention to replicate such functionality with its Sponsored Comments platform. Rather, Sponsored Comments are designed to help marketers and their representatives respond to stories or issues affecting their company or industry, offer commentary, dispel misconceptions, generate leads and start conversations with consumers. See next section for more discussion.

The table below highlights the differences between Sponsored Comments and contextual advertising:

	Sponsored Comments	Contextual Advertising
<b>Pricing Model*</b>	Flexible *	Usually CPC
<b>Click through rate</b>	0.50%	0.20%
<b>Branding Value</b>	High	Low
<b>Message relevancy</b>	Very high	Average to none
<b>Article targeting**</b>	Full	None
<b>Social media value</b>	True conversation starter	None
<b>Revenue Transparency</b>	Full	Limited to none

\* CPM, CPC, CPT (fix, bid)

\*\* Marketer selects the article for the comment to appear

## Everybody Wins

The highly targeted nature of Sponsored Comments provides significant benefits for all parties. For publishers, Sponsored Comments generate new premium revenues with an expanded base of advertisers. For marketers, Sponsored Comments offer a legitimate way to join reader conversations with targeted messages to relevant audiences. And readers are presented with high quality messages that are clearly marked as sponsored, and if the marketer has done its job well, a link to a custom splash page that enables readers to provide meaningful feedback to the marketer.

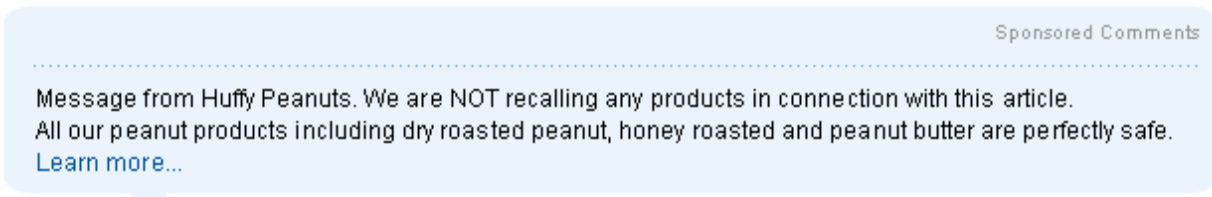


## Applications of Sponsored Comments

The Sponsored Comments platform is a unique channel that can help marketers, or virtually anyone with a point of view, engage readers in an open and transparent way. Key uses include:

### Rapid Response

Sponsored Comments are an important tool for rapid response. Sponsored Comments are similar to letters to the editor, except for a critically important difference: the comment appears immediately and prominently with the article. Sponsored Comments enable marketers or public relations professionals to respond quickly to news events that affect their company, their product line, or their clients.



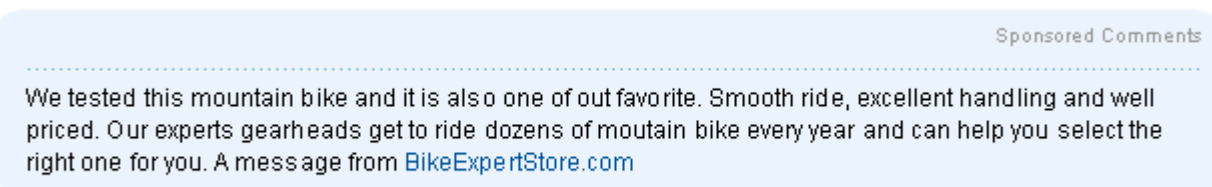
### Crisis Management

Sponsored Comments can help companies manage and protect their corporate reputation. Sponsor Comments can be leveraged in response to a problem adversely affecting an entire industry (for instance, blunting the impact of calling the H1N1 virus “swine flu” on pork manufacturers). Or, Sponsored Comments can be used to target key influencers by targeting the articles and publications they read. Because Sponsored Comments can be syndicated across multiple articles or online publications, they too help marketers stay ahead of a story.



### Capture Mind Share, Generate Leads

Sponsored Comments put marketers' messages directly in front of readers while their interest is piqued. Marketers can turn that interest into lead-generating programs by offering incentives that entice readers to buy immediately or visit their sites. With average click-through rates of 0.5%, Sponsored Comments take the lead in delivering results.



### **Gain a Competitive Edge**

Marketers can sponsor a comment whenever a competitor's product or service is reviewed, helping them to blunt the publicity generated by the review. Because TalkAhead Alerts™ provides an instant notification whenever a competitor appears in online news articles or blogs, marketers can immediately post a rebuttal or a competitive promotion.

### **Extend the Message of Product or Company Profiles**

Sponsored Comments help marketers, public relations firms and advertising agencies extend and reinforce the benefits of positive coverage or product reviews. For instance, if a review website features an article on a new product release, that company can sponsor a comment offering an early-adopter promotion.

# Talkahead Sponsored Comment Platform

## Technology Overview

The TalkAhead system is composed of a front-end widget that resides in the publisher pages, and connects to a robust back-end Web server farm. The widget is pure JavaScript code. The back-end server farm consists of classic three-tier architecture with:

1. Front-end Web servers
2. Application servers
3. Database

## Adding Sponsored Comment Functionality to Websites

TalkAhead provides a JavaScript widget that's used to insert the Sponsored Comment template in the desired location. The code is available from the Publisher Admin Console.

## Plug-ins

For convenience, TalkAhead provides plug-ins for WordPress, Joomla, Blogger and TypePad.

## TalkAhead Channels

Publishers can treat each section of their website or sites as separate “channels” for Sponsored Comments, applying specific features based on traffic, content or even reader expectation. For instance, for highly trafficked sites or sections, publishers may opt to restrict the Sponsored Comment channel to advertisers who purchase them as part of a larger media buy. The publisher may also control whether advertisers can include links; the number of Sponsored Comments to appear with its articles; the pricing and sales model for Sponsored Comments; and whether or not to pre-approve comments prior to publishing.

## Custom Styles

Custom Styles let publishers create their own design for displaying the TalkAhead section on their sites and blogs. These styles are created by programming one simple JavaScript function. The function, called by the TalkAhead widget after the article is loaded, renders the Sponsored Comments as well as the “Click here to add a Sponsored Comment” link.

## Pricing Options for Sponsored Comments

The publisher determines both the cost and the pricing model used for Sponsored Comments that appear within its sites. Pricing model options include CPM, CPC, or CPT (cost per time). Publishers may charge a flat rate, or opt to have their advertisers bid on the Sponsored Comment.

TalkAhead collects revenue from advertisers, and has a revenue-sharing model with the publishers. To promote transparency, TalkAhead provides real-time transaction reporting that enable publishers to see exactly what the advertisers are spending.

TalkAhead does not impose any additional fees on advertisers; advertisers are charged the publisher's rate only.

## Sponsored Comments Sales Model

TalkAhead offers two sales models for Sponsored Comments:

**TalkAhead Channels.** TalkAhead offers multiple sales channels, including TalkAhead direct sales, TalkAhead partners, and a self-serve model. The self-serve model uses an online wizard that enables advertisers to create, set a budget, and pay for Sponsored Comments on the fly.

**Publisher Channels.** Publishers can leverage their direct ad sales team and include Sponsored Comments as part of premium advertising packages, or sell as stand-alone advertising.

The image shows a screenshot of the TalkAhead user interface. A blue-bordered modal window is overlaid on a news website. The modal has a header with the TalkAhead logo and navigation links. Below the header, it displays two steps: '1. Create your comment' and '2. Setup your account'. Under step 1, there is a text input field for 'Your New Comment', followed by 'Link Text' and 'Destination URL' input fields. At the bottom of the modal are 'PREVIEW' and 'NEXT' buttons. The background shows a news article with a headline 'Did Hit 40% in US' and some text.

*The TalkAhead wizard is a three-step process that prompts advertisers through the creation process. The Sponsored Comment and budget can be updated at any time by simply logging into the advertiser's Admin Console on TalkAhead.*

## Platform Features

- **TalkAhead Alerts.** TalkAhead notifies the advertisers in real time whenever an article or blog post of interest appears in any of the sites within the TalkAhead network. Because articles receive the most views within the first hours of its publications, TalkAhead Alerts are an essential tool for advertisers, public relations professionals and advertising agencies.
- **Full control.** Publishers can choose their own billing model: CPM, flat rate or bid; select the number of Sponsored Comments per article, and whether those comments can include a link to another site.

Advertisers have complete freedom to manage their messages. They can easily update both their comments and budgets at any time.

- **Pre-Approve Option.** Publishers can opt to pre-approve comments, or allow advertisers to post right away.
- **Easy Implementation.** Adding TalkAhead to your site is a quick 5-minute process. Simply embed the TalkAhead tag on the appropriate location (i.e. end of an article)
- **Customization of the look and feel.** Publishers can easily customize the look and feel of the Sponsored Comment area to match the brand of their online publication.

## About TalkAhead

TalkAhead™ is a new network that enables online publishers to monetize areas of their websites that have never earned revenue before, and to combat “astroturfing” (campaigns that seek to create the impression of being spontaneous "grassroots" behavior) by offering a legitimate place for advertisers to respond to articles. These benefits are achieved via a new advertising vehicle called Sponsored Comments.

TalkAhead was founded in 2009 and is headquartered in New York City.