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Sales pitch

One media veteran starts up his own D.I.Y. online ad brokerage
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Mediaoutlet Kft, an online ad brokerage involved in a broad spectrum of media, is helping buyers to locate the best advertising possibilities. The company also serves as an effective conduit for media owners looking to sell ad space at the last minute. Local entrepreneur Attila Kecskeméti has been preparing the launch of his new site for the last year.

"I've been in the media business for 15 years, and I think the time is right for me to start doing something new on my own," says Kecskeméti, managing director and founder of **Mediaoutlet**. He hit on the idea of an online ad brokerage in the U.S. after winning a four-month scholarship from the Hungarian-American Enterprise Scholarship Fund.

"I learned a lot about advertising research, but the whole trip was somewhat like Columbus discovering America: I didn't go there to find this specific business idea, but I happened to come home with the entire thing planned in my head," Kecskeméti says.

Although the idea of an online ad agency is not entirely new on the Hungarian advertising market, Kecskeméti claims that his business is somewhat different from the existing ones in terms of products and structure.

"While others only sell banners on the online ad market, we offer all types of media, such as print, outdoor, radio and television ads," he explains.

The testing period for Mediaoutlet started this spring, and service kicked off only a few weeks ago.

"My intention was to create a simple and transparent site that's really user-friendly and serves as a work surface for clients. The emphasis is on content, not appearance," Kecskeméti says, adding that he plans future developments on the site, depending on how well it is received.

According to the managing director, there is increasing demand in the U.S. for online ad purchasing. By way of example, Kecskeméti mentions **bid4spots.com** (a radio spot agency) and other sites targeting certain groups via the internet.

"Although the Hungarian ad market is at a less advanced stage, the tendency – as in every other sector – is to move toward online solutions," he says, referring in this case to a specialized U.S.-based website where buyers can create their own television ad online using a pre-made template.

"It will probably take time for the Hungarian market to arrive at this solution, but I believe this is the direction in which things are going," Kecskeméti claims.

The Mediaoutlet goal is to bring together buyers and sellers of all types of media in the most efficient and hassle-free way possible.

"Buyers save a huge amount of time by using our website," says the managing director. "For instance, they don't have to deal with sales representatives."

Built from scratch



Mediaoutlet was founded with Ft 5 million (approx. €20,000) in equity capital. So far, Kecskeméti has handled sales and marketing activities by himself.

"I want to control [sales and marketing] alone, but I had to hire a software development team – who turned out to be very good in terms of approaching development from the user's side," he says. As operation of the company does not require extended infrastructure, there are no office rental fees or other expenses.

Kecskeméti admits, however, that he has spent some Ft 10 million–Ft 15 million on software development and preparation.

"In the coming one to one and a half years I'm going to reinvest the money in software development. I haven't figured a return on investment, however, as I don't have a big investor behind me. I still work as a freelance media consultant, so this company isn't my only income. I expect it to be profitable within a few years, though," Kecskeméti claims.

He says that he wants to keep his enterprise fairly low-key, but he's also aware that he has to serve his clients as professionally as possible.

"I have to strike a balance between remaining a small business and being capable of expansion," he explains.

He hopes to make the site more user-friendly in future, and also wants to make it possible to provide feedback to advertisers in terms of ad effectiveness.

Kecskeméti is primarily targeting medium-size companies who aren't hiring media agencies, and he figures that these businesses – about 4,000–5,000 firms in all – represent roughly 40% of the total advertising pie.

"In many cases, these companies don't have access to the best offers on the market, so they've missed some good opportunities or new advertising solutions. Also, smaller creative agencies can use our site effectively," he says.

According to the Mediaoutlet founder, traditional media agencies are not his competitors, as they have different target groups.

He also says that the site can offer publicity for several new media types not on offer from big media agencies.

As for financial issues, Kecskeméti explains that he contracts individually with each seller. As for the buyers, they can use the site for free.

"I don't want the operation to become fully automated. I don't want, say, a sex magazine popping up among those things on sale," he says.

Besides a fixed monthly fee, the company also receives a commission on each ad sold.

"On this issue, however, I am very flexible," he says.

Although the site began operating just weeks ago, several media owners have already expressed interest in it and are placing offers. Two such potential clients are commercial television channel **TV2** and **Direx Media Kft**, which publishes special publications.