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The Glam-orous life

Samir Arora, the co-founder, chairman and CEO of Glam Media, which runs the rapidly growing [Glam.com](#) network of sites focusing on women, wants to shake up the world of online advertising.

Glam has received a lot of buzz for [overtaking GE \(GE\)-owned iVillage](#) as the top online destination for women this summer. According to the most recent figures from comScore Media Metrix, Glam had 20.7 million unique visitors in July, compared to 15.9 million for [iVillage](#).

Other women-oriented Web sites - such as AOL Living, which like this site is owned by Time Warner (TWX), Everyday Health and CondeNet, the network of sites for Conde Nast-owned magazines such as *Glamour*, *W* and *Vogue* - trail well behind Glam and iVillage. These three properties each had fewer than 10 million unique visitors in July.

But Glam Media is taking a somewhat controversial approach to the ad game. Since Glam is a network — it doesn't own all the sites that publish through Glam — some in the industry are rankled by the company's boast that it is now the top site for women. They argue that since it's more of an ad network, it shouldn't be classified as a destination.

One Internet advertising industry analyst said he understands why media companies would take issue with Glam's positioning itself as the top site for women but ultimately, he said this is really just a matter of semantics that really isn't that important.

"Glam has the reach. So I don't see the issue of whether they are a destination or a network as being worthy of that much debate," said Greg Sterling, an analyst with independent research firm Sterling Market Intelligence.

Arora, who met with me Wednesday afternoon, conceded that his competitors have a point. But he added that it shouldn't be a major issue since he sees Glam as being more like Google (GOOG) and not like Yahoo! (YHOO) or the Web sites of traditional media companies.

Arora admits that while many competitors own and operate their sites, Glam is more of an amalgam of blogs and publishers that simply link in to the Glam network, which sells ads for its collection of sites.

"There is the question of whether we are a destination or an ad network," Arora said. "We think we are an integrated independent publisher, a distributed media company."

That's a lot of buzzwords. So I pressed Arora further to explain the difference between Glam and iVillage. Arora said that his company, like Google, generates most of its revenue not from its own site but by selling ads for partner sites. Arora said that Glam does all of its advertising selling directly and not through ad networks.

The benefit, Arora says, of this approach is that ads on Glam tend to be more targeted and relevant, and therefore, generate more revenue for Glam and its partners. Arora claims that the typical cost per thousand, a figure known more commonly in the ad business as CPM, for ads on Glam is between \$20 and \$25, a rate that he said ranks just below the CPMS charged for ads on health information site WebMd (WBMD), which has among the highest CPMS in the industry.

Arora said that even though everyone is talking about the importance of targeted advertising, few companies do it successfully. For example, Arora said that if he were running News Corp.'s (NWS) MySpace, he'd only have ads on pages for music bands and movies since they are true online media sites. He argues that people's personal pages on sites like MySpace and Facebook should be viewed more as a means of communication, a utility, and not as media.

"For us, ads and content packaged together will have the most powerful impact," he said. "We are focused on doing right with the audience and that means advertising only works when it is desirable. Most companies don't embrace that."

Arora added that he thinks one of the biggest problems facing traditional media companies on the Web is their notion that only a few brands can dominate the industry, a model that may have worked in television but is not likely to do so on the Internet. That's why he feels Glam's model of having a network of independent sites is beating out the "old media" sites catering to women. "Instead of the industry consolidating in the hands of a few large players, online media is really experiencing more fragmentation," he said. This is an argument that Arora also made when speaking on a panel at Fortune's iMeme technology conference in San Francisco last month.

So what's next for Glam? Arora said the company, which has raised nearly \$30 million in venture capital funding so far from the likes of Accel Partners and Draper Fisher Jurvetson, is on track to report a profit, based on earnings before interest, taxes, depreciation, and amortization or EBITDA, a commonly used metric for profitability in the media business, by the end of this year. He added that Glam's revenues should be higher than iVillage's this year.

GE's NBC Universal unit does not disclose what iVillage's sales were but before the company was acquired last year for \$600 million, the company had indicated to Wall Street that it was expecting revenue of about \$100 million in 2006. And some industry experts have said iVillage will probably generate sales of around \$125 million this year.

Arora also made a bold prediction about the company's traffic growth. He said he expects Glam to have about 30 million monthly unique visitors by the end of the year, a figure that would likely rank Glam as one of the top 25 largest Web properties.

Will Glam hit that target? That remains to be seen. And even if it does, some will probably continue to dispute the company's contention that is number one with women. Sterling thinks some of this is due to jealousy since Glam has burst on the scene so quickly — the site was launched in 2005. But there's more to this than bragging rights. Sterling said it's crucial for Web media companies to reach women.

"There is a lot of stake. Women are the most important audience on the Internet. They drive more spending than men so being able to reach them is a very valuable thing for marketers. So whoever can claim the crown as being the top site for women is in a strong position with advertisers," Sterling said.

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