

# Digital media takes centre stage

Mail.com Media Corporation senses a bright future

Jay Penske is a busy man. As founder of Mail.com Media Corporation (a leading digital media and technology company that taps into the United States and international markets), co-founder and co-chairman of *Oncars.com* (known for its top-of-the-line automotive content) and co-owner of Indy Car racing team Luczo Dragon Racing, Mr Penske is without a doubt the quintessential go-getter and modern day digital industrialist.

Born in New York, he later graduated from the prestigious Wharton School at the University of Pennsylvania with a BS in Finance and Management of Information Systems. He currently sits on the board of the University of Pennsylvania Library as well as Wharton Entrepreneurial School. He recently sat down with *Swiss Style's* Chairman, John Béguin, to discuss the future of digital media and what that means for the consumer expectations of digital media conglomerates such as Mail.com Media Corporation.

## Exploiting a key to success

Mail.com Media Corporation (MMC) operates the Mail.com portal and email service, which reports an astounding 250,000 new e-mail



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Founder, Mail.com Media Corporation

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subscriptions monthly and provides unique portfolios of lifestyle brands that provide some of the best in original content. Under Penske’s direction, MMC has expanded its operations to include

leading entertainment sites, such as *Hollywoodlife.com*, *Deadline.com*, *Movieline.com* and award shows.

Penske notes that “keeping consumers engaged with content” is key to MMC’s success and, keeping »»»

in line with this premise, MMC implements a hybrid design that includes a large portion of free content as well as the possibility for premium subscription, which enables an additional insider access to MMC's content brands and properties.

#### Picking up despite contraction

There is no way to deny the fast-paced evolution of digital media in today's world of Internet access and the exponential worldwide increase of users, and Penske – and MMC in general – are well aware that the continuation of original content and incorporation and execution of the core basics are essential to keeping up with the times.

In order to provide digital media and Internet sites that constantly change to users' expectations, Penske explains that there is a need for "sui generis-like voices on the editorial side and, without question, original content will continue to be rewarded." He adds that, "in terms of the strategic growth of the industry, despite slowdowns and the recession, digital and internet advertising as whole continues to grow."

While MMC does report some overall contraction, the shift from traditional media to digital media is definitely picking up. Penske reports that MMC is expecting the last quarter of the year to be very strong – an expectation that digital media outlets worldwide may be safe in assuming.

#### Keeping market growth going

It is safe to say that while predicting a strong quarter is ideal, making that prediction a reality is what really counts. With that in mind, what is to be said for the increase in consumer paid-for media? When asked about its relevance in conjunction with

the struggling fiscal year that created dips in revenue for individuals and organizations worldwide, Penske acutely points out that many large media corporations have over-corrected for the recession and dramatically increased the amount of content that is consumer paid-for.

With a delicate hybrid of free content and premium subscriptions, MMC demonstrates a unique and crucial balance needed to keep the market growth going, while increasing their own profits at the same time. Penske tells *Swiss Style* that "an all-premium model is not the most effective" for digital media corporations due to the psychological dissonance involved in bringing out a credit card to access content.

"Purchasing content is not the same as pulling out that credit card to purchase products online," he added, and therefore there is a vital need to return to MMC's bottom line of original content, providing the consumer with access to quality content that can only be found in one place.

#### Future seen in China and India

With the expansion of Internet access worldwide – be it in rural areas or with the increase in use through iPhones and other mobile internet browsing devices – Mail.com Media Corporation acknowledges the potential that digital media has all over the world – and specifically in China and India. With an MMC presence already in India, Penske and MMC are aggressively pursuing further opportunities in these developing markets.

With this apparent advancement of the Internet and consumer expansion by way of digital media, the shifting future of potential revenue is crucial. While many countries remain

wary of online advertisers, Penske points out that when it comes to advertisements and revenue for digital media through advertising, things are rapidly moving forward. Measured by cost-per-thousand-page impressions (CPM), ad rates are becoming a way for online media portals to take advantage of modernization in countries like China and India, where ad rates will most likely continue to become a trusted form of revenue for the digital media world.

Despite this positive outlook, the change is not going to be immediate. As Penske sees it, "It's going to take some time for the developing world to get ad rates and CPM levels to effectively monetize online content; but even today I don't think you can ignore markets such as India or China, because over the next ten years these two markets will become the centre of the internet universe."

#### The future of Internet usage

The long-term vision of where the future of Internet usage will lie is certainly speculation to some extent; however, based on emerging patterns and a continuing expansion of digital media, Penske predicts a combination of universal accessibility with multiple devices and screens, exceptional user experiences, and original content will lead the way.

Staying true to MMC's mission, he adds that original content with "unique and respected editorial voices" will certainly be a central part of the future of digital media. «««

For more information about Mail.com Media Corporation or Jay Penske, visit the company's sites at: (main site) [corp.mail.com](http://corp.mail.com); (owned sites) [Oncars.com](http://Oncars.com); [Hollywoodlife.com](http://Hollywoodlife.com); [Deadline.com](http://Deadline.com); [MovieLine.com](http://MovieLine.com); [Fan.com](http://Fan.com)