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Firm does its selling with stories

ARAnet articles, offered free to newspaper publishers, promote its clients
Minneapolis / St. Paul Business Journal - by [Vadim Lavrusik](#) Staff Writer

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Newspaper publishers are under pressure from all sides these days -- advertising's down, costs are up and the future is uncertain.

All of which makes an opportunity for ARAnet Inc., a Hopkins-based company that produces advertorial-like content for newspapers and online sites.

It's increased its staff by 27 percent this year and has been profitable since 2002.

The company delivers clients' messages to consumers through feature and trend articles that highlight a client's name or product.

ARAnet places its content in 67 of the top 100 daily U.S. newspapers and thousands of community newspapers, said President Scott Severson. Its stories are free to publishers, distinguishing them from paid advertorials.

ARAnet's client base is growing (it's gained 17 publications in the past two years) because many dailies no longer have resources to produce original content for their feature sections, Severson said.

The cost for the client is \$4,000 per article, a fraction of what companies would pay for traditional ad placement in newspapers and Web sites. Severson said that value is boosted because readers can remember newspaper articles more than advertisements.

Greg Kurowski, president and CEO of Periscope, a Minneapolis-based marketing agency, said the story-style approach to marketing and advertising, such as the type ARAnet provides, can be more effective than traditional ad placement. "It is providing a richer and deeper reader experience," Kurowski said.

Conceptually, such an approach is more likely to grab the reader's interest than the typical print coupon for a company, for example, Kurowski said.

For publishers, the choice is more complex. Using ARAnet's content helps them fill their pages at little financial cost, but that won't help if the content seems like filler to readers. For some publishers, there is no replacement to content generated by in-house staff.

Bob Cole, the group publisher of Sun Newspapers, which publishes 44 weekly papers in the suburbs of Minneapolis and St. Paul said locally-generated content is often the key ingredient to community newspaper success.

"Advertorial content provides some relief, but it never has quite the same local references and information that our reporters provide," Cole said.

However, most of ARAnet's articles and clients have a national base and are relevant to wide-ranging groups of people, Severson said.

Although ARAnet's content service continues to grow, its online advertising service called Adfusion is the fastest-growing part of the company and has nine employees devoted to it. Adfusion is similar to ARAnet content, though clients only pay if the reader clicks through to the hyperlinks included within the story, which take the reader to the client's Web site. If the reader clicks through to the client's site, the client pays a minimum of \$2 per visitor.

Adfusion articles appear on high-traffic sites such as Yahoo! News and [CNN.com](#); in May 2008, its client articles were visited more than 2.5 billion times, according to ARAnet statistics.

ARAnet Inc.

City: Hopkins

President: Scott Severson

Business: Produces publicity content

Revenue: More than \$1 million

Employees: 42

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