

# Internet Marketing Now

An Overview

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# Summary

- Market experiencing high growth
- In flux, opportunity & danger
- Different needs → different solutions
- Video will gain in value, challenge search
- Banners, text will remain key alternatives,
- Location-based ads → next big thing

# Reversing the Calculus

- Internet flipped mass advertising model on it's head with easily-manageable, trackable, targeted messaging:
- real-time budget control tools
- open market buying for advertiser

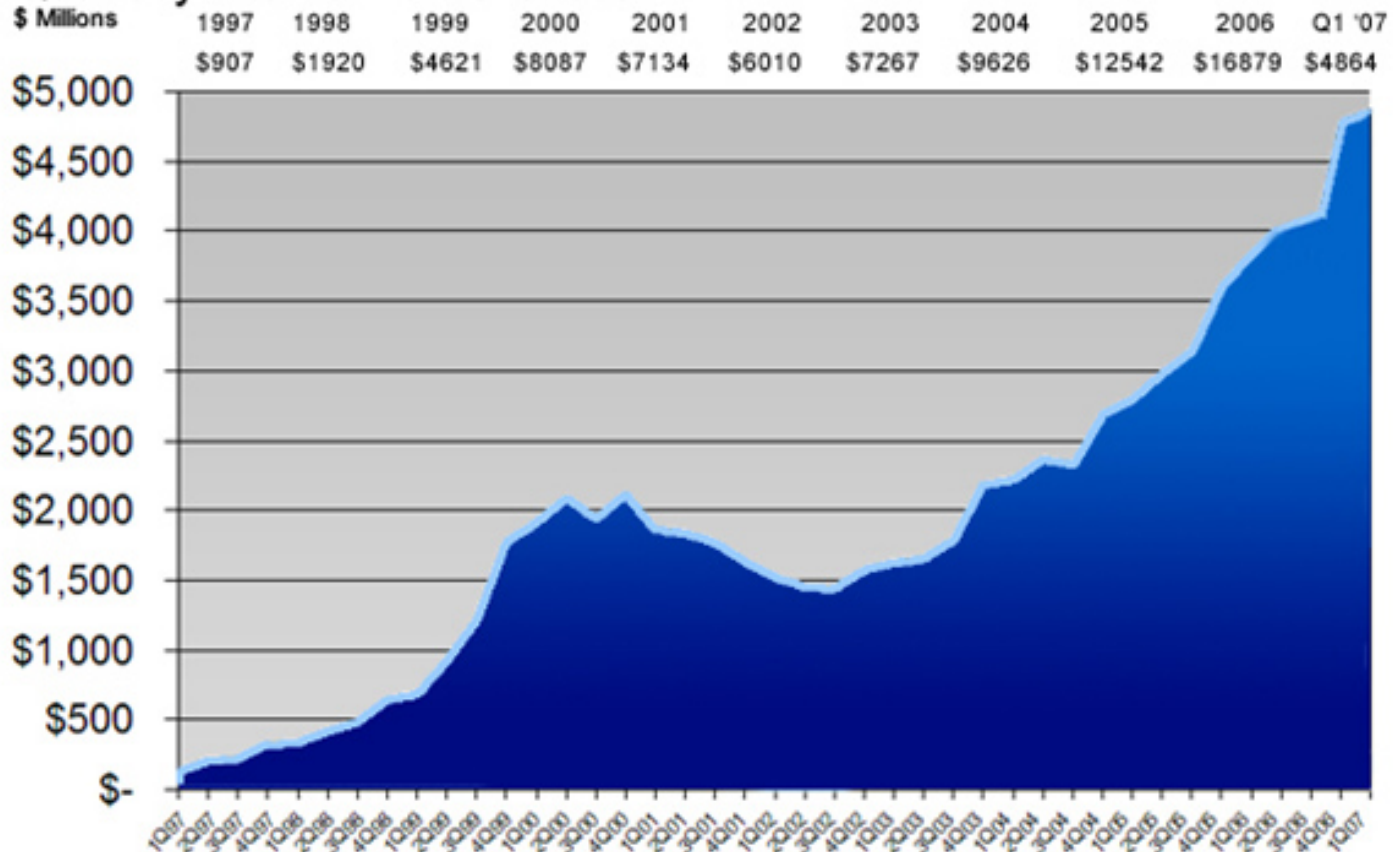
# Quantitative Dimensions

Possible today to have precision in marketing (placement, tracking, data capture, budget control)

- Server logs
- Sign-ups
- Requests for Information
- Contests
- Promotions

# Enviably Growth Curve

Quarterly Internet Ad Revenues



- Source: PwC/IAB Internet Advertising Revenue Report ([www.iab.net](http://www.iab.net))

# Economics

- Old models are being superseded
- CPC early dominance
- CPM (cost per thousand) increasing
- CPA (cost per action) model
- Now you know what you're paying for!

# Search

- Search swept in in late 90's, then catapulted to forefront with Google Adwords.
- The ease of executing tightly spec'd 'performance' messaging
- This set the performance expectation for online advertising.

# Techniques in I-Marketing

- Email campaigns
- Optimization for Spider Crawls
- Keyword Density
- Site Map Optimization
- Page Indexing
- Robots.txt
- Link Trading
- RSS, bookmarking
- Metadata (this is where the gold is!)

# Formats

- Banners
  - Towers
  - Full screen
  - Fade-in
- Flash quarter screen video
- Text (Google); contextual and search-driven
  - Page rankings are key
- Video –nascent, fast-evolving. No standards yet. Experience with pre-, mid-, post- rolls (old in-your-face model); companion ads,
- overlay/click-aways less intrusive, viewer-in-control

# Video Ads

WMV & FLV permit insertion

- Pre-roll, post-roll
- Interstitial
- Rotating
- Customized
  - Demographics
  - Regional
  - Device
  - Location (mobile devices, smart phones, etc.)

# 2003-2011 Video Advertising Growth

## Online Video Advertising Spending As a Percent of Total Internet, Rich Media and Television Advertising Spending in the US, 2003-2011

	Total Internet*	Rich media	TV**
2003	1.2%	11.7%	0.1%
2004	1.4%	14.0%	0.2%
2005	1.8%	22.4%	0.3%
2006	2.4%	34.4%	0.6%
2007	3.6%	44.6%	1.1%
2008	4.7%	53.3%	1.7%
2009	6.2%	61.8%	2.6%
2010	7.9%	69.1%	3.6%
2011	9.8%	78.2%	n/a

*Note: eMarketer benchmarks its US online advertising spending projections against the Interactive Advertising Bureau (IAB)/PricewaterhouseCoopers (PwC) data, for which the last full year measured was 2006; online video includes in-page and streaming video; \*total Internet includes rich media, which includes online video; \*\*Veronis Suhler Stevenson television spending data include broadcast, cable and satellite (network, national spot, local, national cable, local/regional cable)*  
Source: Veronis Suhler Stevenson, September 2006; eMarketer calculations, June 2007

# Advertising Exchanges

- Banner Ad focus has surged again (from search obsession of last 7 years)
- Now video ad serving and selling ad inventory through efficient exchanges.
  - Microsoft purchase of Avenue A agency with some ad serving tech - \$7.2bn (more than Chrysler valuation)
  - Yahoo buying Right Media (several year-old exchange)
  - Google buying DoubleClick (\$3bn)

# Customization

- Cross-media campaigns
- SEO (Search Engine Optimization)
- Ad aggregators
- Ad placements engines/services
- Ad consultancies
- Affiliate marketing (referrals, lead generation, etc.)
- Viral tactics (incl. widgets)

# Demise of TV?

- IBM Survey just out:
- 19% said they spend 6+ hours a day online vs. only 9% who watch 6+ hours of TV.
- 60% said they spend 1-4 hours a day online vs. 66% who watch 1-4 hours of TV.



# The Future

- Video sweeps in - deeply
- Interactive advertising with video
- Sponsorships
- Product Placements
- Movement away from Media as we know them (old media)



- **Premium full length, full screen video Provider**
- **Thematic & Contextual Metadata System**
- **On-line Affiliate Syndication Methods**
- **Worldwide content relationships**
- **Broadcast and VOD IPTV**

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