Media Selling, 4th Edition

Chapter 20 – The Internet

By Vincent Thompson and Paul Talbot

As an advertising medium, the Internet is complex and measured differently from traditional media. Also, online advertising buys are often difficult to execute and to implement. So why are marketers switching billions of dollars to the Internet? Because the Internet is one of the most disruptive innovations of our time and represents the most fertile environment ever for marketer-consumer interaction. Disruptive technologies transform societies – the way people live, think, and conduct business – and the Internet has been as disruptive and transformative as movable type, the telegraph, airplanes, and the computer have.

The History of the Internet

Most historians agree that the birth of the Internet occurred in 1969 when computer scientists from the government and universities linked large mainframe computers together with the objectives of sharing data and distributing information over a network. This groundbreaking work came from a desire to ensure the safety of government data during natural disasters or war and to allow university researchers the ability to share information. Prior to this project, networks were set up like phone systems with information traveling through vulnerable centralized hubs. With the invention of the distributed network, information could be simply routed along any of the networks' many connections until it found its way to its final destination. Aiding in this concept was the use of packets. Packets allow small chunks of digital data to be sent into the network independently and then reassembled at their final destinations. Once the initial computers at UCLA and Stanford Universities were connected in 1969, other Universities followed suit and with each addition the network gained more power and provided more value to its users.[i]

Over the next five years scientists developed cornerstone technologies such as e-mail, the ability to access the network remotely, and the ability to host multiple chat sessions. Born as the Arpanet, the main long distance backbone was paid for and maintained by the National Science Foundation (NSF). The NSF had an Acceptable Use Policy limiting any commercial use of the Internet and encouraging researchers to only exchange e-mails or share files with persons in their fields of expertise.[ii]

It was e-mail that first demonstrated the value of the Internet. Suddenly phone tag was decreasing and the challenges that time zones played were falling by the wayside. Researchers were communicating more via e-mail, and the benefits were obvious. Some within the research community argued that the Internet should be commercially available so that business could share in these new efficiencies, but computers were still extremely expensive and the Internet needed another wave of innovation before their case for increased use became apparent.[iii]

That time did come, however, in 1993, when Tim Berners-Lee, a researcher at the CERN atomic research center in Switzerland, developed protocols which allowed computers to better communicate over the Internet and allowed any computer on the network the ability to browse another's content. Soon a Web browser followed and the World Wide Web was born. At the University of Illinois a student named Marc Andreessen, who later co-founded Netscape, and his friends took the Web to a whole new level by introducing a browser they called Mosaic which had the ability to view graphics while running on the ubiquitous Microsoft Windows platform. This innovation combined with other factors, such as the rising popularity and falling price of personal computers and the Government's decision to lift the Acceptable Use Policy and stop subsidizing the Internet created tremendous momentum. In 1994, the Internet became a commercial medium and entrepreneurs sprung up to harness its power and the opportunities it provided. Internet Service Providers (ISPs) that provided telephone dial-up connection to the Internet grew out of small fan clubs or non-profit endeavors and morphed into large-scale businesses. Between 1993 and 1996, the number of Web sites one could visit grew from 130 to over 150,000.[iv] In Robert Reid's book *Architects of the Web*, he profiles the core innovations that defined the World Wide Web in its earliest days and still play a key role today.[v]

According to Reid, those core innovations were:

HTML and the Internet Browser. Hyper text markup language (HTML) gave us the language to program Web pages. Embedded HTML code uses commands, called tags, that tell a Web browser how to display content, where to put images, and what backgrounds should look like. Browsers recognize all of these commands and bring the pieces together for us.

Java. Java technology from Sun Microsystems gave Internet surfers the opportunity to run little computer programs within HTML content. Java allowed programmers to animate many Web applications such as mortgage calculators, registration forms, and the booking engines that travel and airline websites use.

Streaming Audio. A company named Real Audio provided a way for us to send music and later video over the Internet in a stream of packets that assemble on computers and provide users with a constant image or music stream.

VRML: The Web in 3-D. Virtual Reality Modeling Language. VRML gave us the opportunity to render 3-D images on the Web making visual applications more appealing and powerful.

Advertising Measurement. I-Pro was the first company to measure the Web in such a manner that advertisers and programmers could understand it and how people used it.

Content Sites and Merged Media. *Wired* magazine and C-Net put up Web pages with custom content designed to inform users and build a relationship with them unique at that time to the online world. Users could not only read content but they could also participate in creating their own content through message boards and online chat areas.

As the online world and the Internet gained popularity with consumers in the late 1990s, exuberance for the Web skyrocketed. Anyone coming in touch with the medium could see the value of doing things online and see the impact that this new medium had on

business. Suddenly, everyone wanted a piece of the action and investors began throwing their money at Web-based businesses. Authors spoke of the new economy and those involved felt they were at the epicenter of a revolution. Each month, a new business category gained popularity online and immediately followers jumped into the game. Businesses that originated solely as online businesses were called pure-plays or dot.com businesses. Businesses that had physical locations and created online sites earned the moniker of click-and-mortar businesses. On Wall Street investors made large bets that the pure-plays would displace the traditional offline category leaders and bet against traditional firms without Internet presence. It was the new economy against the old and the old guard raced to join the game only adding to the Internet frenzy. During this phase of incredible expansion, dot.com jobs and dot.com dreams filled the heads of many recent college graduates and many mid-career employees as they sought wealth in the form of valuable stock options from dot.com start-ups.

The Birth of Internet Advertising

It was the summer of 1994, and the Web had become a commercial environment. However, few knew about it and the controversy over how the Web should be used dominated the conversations of those who did. Should sites accept advertising? Should content be free? Time Inc.'s Walter Isaacson was rolling out Pathfinder, an assemblage of some of the prestigious and popular Time Inc. content on the Web and freely accessible to all. The *New York Times* launched @times.com and in San Francisco's South of Market district in the depths of *Wired* magazine's accounting office sat a cubby hole filled with designers cranking away on what would become HotWired.com.

HotWired.com would be a techno-savvy site that examined technology and its implications on society, just as its sister publication, *Wired* had, but without moving content from the printed media online. HotWired.com would stay away from shovelware, as they called re-purposed content from print, the same content from the magazine, and create its own fresh content for the Web. *Wired* founder Louis Rossetto, Hotwired CEO Andrew Anker, and their first hire, Jonathon Steuer, all knew that advertising was going to be the primary revenue stream in their business plan. When it came time to execute, none of them really had any preconceived ideas about what online advertising was. Prodigy had tried advertising on its online service and was vilified by its users, but this was the Web, a pristine environment without advertising and without standards. But HotWired.com included advertising in their business plan and had to move ahead.[vi]

Thinking about the relationship between advertising and editorial in the print world, the HotWired.com team decided that ads would ride along with content and that users who clicked on the ads would be directed to advertisers' Websites. After some debate, they settled on what they believed to be their primary advertising vehicle, a 468 X 60 mega-pixel unit floating at the top of each page. They could have called it a spot, a billboard, or a Web click or many other labels; instead they called it a banner, and today it remains as the most common form of Internet advertising.

Today, many marketers believe that consumers simply move past banners, that standard-sized banners have become merely wallpaper, and that consumers do not stop to read them. Thus, larger and different size ad units have been developed that include interaction and moving graphics. These interactive, moving, or video ads are called rich media.

When it came time for the HotWired.com team to determine pricing, they decided to charge a set fee per banner per month. They did not charge for individual impressions. The idea of charging for impressions by the thousand came from traditional media buying practices and soon after became the standard Internet pricing model.

CompuServe, AOL, and Yahoo!

No Internet companies exemplified the new Internet economy, better than its earliest stars – CompuServe, AOL, and Yahoo!

CompuServe

CompuServe was the first online service to offer Internet connectivity as early as 1989 when it connected its proprietary e-mail service to allow incoming and outgoing messages to other Internet e-mail addresses.[vii]

In the early years of the 1990s, CompuServe was the most popular internet service provider (ISP), with hundreds of thousands of users visiting its thousands of moderated forums, forerunners to the endless variety of discussion sites on the Web today. For example, in 1992, CompuServe and Eliot Stein's ShowBiz forum hosted the industry's first electronic movie press kit, for the Universal computer-themed feature film "Sneakers."[viii]

During the early 1990s, CompuServe's hourly rate fell from over $10 an hour to $1.95 an hour. In April 1995, CompuServe topped three million members, still the largest online service provider, and launched its NetLauncher service, providing Internet access capability via the Mosaic browser. AOL, however, introduced a far cheaper flat-rate, unlimited-time, advertisement-supported price plan in 1996 in the U.S. to compete with CompuServe's hourly charges, which caused a significant loss of customers for CompuServe until it responded with a similar plan of its own at $24.95 per month in late 1997.

In February 1998, John W. Sidgmore, then the vice-chairman of WorldCom, and the former CEO of UUNET, devised a complex transaction in which WorldCom purchased all the shares of CompuServe with $1.2 billion of WorldCom stock. Literally the next day, WorldCom sold the CompuServe Information Service portion of the company to AOL. AOL in turn sold its networking division, Advanced Network Services (ANS), to WorldCom and CompuServe became a division of its one-time competitor AOL.[ix]

AOL

AOL began life as a short-lived venture called Control Video Corporation, founded by William von Meister. Its sole product was an online service called Gameline for the Atari 2600 video game console. Subscribers bought a modem from the company for $49.95 and paid a one-time $15 setup fee. Gameline permitted subscribers to temporarily download games and keep track of high scores, at a cost of approximately $1 per hour.[x]

In 1983, the company nearly went bankrupt, and an investor in Control Video, Frank Caufield, had a friend of his, Jim Kimsey, brought in as a manufacturing consultant. That same year, Steve Case joined the company as a full-time marketing employee upon the joint recommendations of von Meister and Kimsey. Kimsey went on to become the CEO of the newly renamed Quantum Computer Services in 1985, after von Meister was quietly dropped from the company.[xi]

Case rose quickly through the ranks; Kimsey promoted him to vice-president of marketing not long after becoming CEO, and later promoted him further to executive vice-president in 1987. Kimsey soon began to groom Case to become CEO, which he did when Kimsey retired in 1991.

Kimsey changed the company's strategy, and in 1985 launched a sort of mega-bulletin board service for Commodore 64 computers, originally called Quantum Link ("Q-Link" for short). In May 1988, Quantum and Apple launched AppleLink Personal Edition for Apple II and Macintosh computers. After the two companies parted ways in October 1989, Quantum changed the service's name to America Online. In August 1988, Quantum launched PC Link, a service for IBM-compatible PCs developed in a joint venture with the Tandy Corporation.[xii]

In February 1991, AOL for DOS was launched using a GeoWorks interface followed a year later by AOL for Windows. In October 1991, Quantum changed its name to America Online. These changes coincided with growth in pay-based online services, like Prodigy, CompuServe, and GEnie. AOL discontinued Q-Link and PC Link in the fall of 1994.[xiii]

New CEO Case positioned AOL as the online service for people unfamiliar with computers, in contrast to CompuServe, which had long served the technical community. The PlayNet system that AOL licensed was the first online service to require use of proprietary software, rather than a standard terminal program; as a result it was able to offer a graphical user interface (GUI) instead of command lines, and was well ahead of the competition in emphasizing communication among members as a feature. In particular was the Chat Room concept from PlayNet, as opposed to the previous paradigm of CB-style channels championed by CompuServe. Chat rooms allowed a large group of people with similar interests to convene and hold conversations in real time.[xiv]

In March 1994, AOL added access to USENET to the features it offered. AOL quickly surpassed GEnie, and by the mid-1990s, it passed Prodigy (which for several years allowed AOL advertising) and CompuServe under Steve Case's leadership and vision. The subtitle of author Kara Swisher's book, *aol.com*, says it all – "How Steve Case Beat Bill Gates, Nailed the Netheads, and Made Millions in the War for the Web."

Originally, AOL charged its users an hourly fee, but under the direction of brilliant marketing whiz, Bob Pittman, and CEO Steve Case, AOL dropped its hourly fee. On December 1, 1996, it announced a flat rate of $19.99 per month. Within three years, AOL's user base grew to 10 million people. During this time, AOL connections would be flooded with users trying to get on, and many canceled their accounts due to constant busy signals. But AOL's massive marketing program flooded the country with computer disks containing AOL access software as effective television commercials hammered home the message, "AOL – so easy to use, no wonder it's #1." Marketing turned the tide and AOL became synonymous with the Internet, as over half the traffic to the Internet in American came through AOL – truly America online.

AOL was entering its peak growth years, and according to Kara Swisher in *aol.com*: "In the second quarter of 1997, AOL had 153 million page views a day in content, 136 million in People Connection (essentially sex chat), 131 million in e-mail, and 62 million on the Internet. People were spending more than a half-hour a day on the service. There was growing proof, at least in a poll commissioned by AOL, that television usage was being affected by online activities of consumers."[xv]

By January 2000, AOL's growth peaked when the total value of its stock (market capitalization) reached $164 billion – larger than General Motors, Ford, and Chrysler combined. This gigantic market cap made it possible for AOL to do the seemingly impossible – buy the world's largest media conglomerate, Time Warner. AOL paid a 71 percent premium for Time Warner's stock to acquire 56 percent of Time Warner, and when the deal was approved on January 7, 2000, it was the biggest corporate merger in U.S. history, worth an estimated $183 billion. [xvi]

But, as the saying goes, "what goes up must come down." AOL top advertising sales executive Myer Berlow called the six months after the merger "the perfect storm" because over-aggressive cost reduction predictions and over-aggressive revenue increase predictions met a slowdown in advertising and the bursting of the dot.com bubble. When the AOL-Time Warner merger was announced on January 10, 2000, AOL stock on the NYSE closed at $72.62 a share. Three years later, on January 12, 2003, when AOL Time Warner chairman Steve Case resigned, the stock closed at $14.83, confirming that the merger was not only the largest but also the most disastrous in the history of U.S. business.[xvii]

Yahoo!

In January 1994, Jerry Yang and David Filo were Stanford University Electrical Engineering graduate students. They started a list of web pages in a campus trailer in February 1994 as a way to keep track of fantasy basketball statistics on the Internet. The lists were published as a website named Jerry's Guide to the World Wide Web and grew large enough to require categories and subcategories organized in a hierarchy.

In April 1994, Jerry's Guide to the World Wide Web was renamed Yahoo!. Filo and Yang said they selected the name because they liked the word's general definition, which comes from *Gulliver's Travels* by Jonathan Swift: "rude, unsophisticated, uncouth."[xviii]

By the end of 1994, Yahoo! had already received over one million hits. Yang and Filo realized their website had massive business potential, and on March 1, 1995, Yahoo! was incorporated and on April 5, 1995, Sequoia Capital provided Yahoo! with two rounds of venture capital. "Yahoo" had already been trademarked for barbecue sauce and knives. Therefore, in order to get the trademark, Yang and Filo added the exclamation mark to the name [xix] In April 1996, Yahoo! had its initial public offering (IPO), raising $33.8 million dollars, by selling 2.6 million shares at $13 each.[xx]

Like many search engines and Internet directories, Yahoo! diversified into becoming a Web portal. In the late 1990s, Yahoo!, MSN, Lycos, Excite and other Web portals were growing rapidly as primary entries to the Internet. Web portal publishers rushed to acquire other companies to expand their range of services in the hope of increasing the time a user stays with the portal, or in Internet industry parlance, to become "stickier."

In 1997, Yahoo! acquired online communications company Four11. Four11's webmail service, Rocketmail, became Yahoo! Mail. Yahoo! also acquired ClassicGames.com and turned it into Yahoo! Games. Yahoo! then acquired direct marketing company Yoyodyne Entertainment, Inc. In March 1998, in an attempt to keep up with AOL's highly popular Instant Message (IM) service, Yahoo! launched Yahoo! Pager, an instant messaging service that was renamed Yahoo! Messenger a year later.

Digital video advertising was born with the sale of Mark Cuban's and Todd Wagner's Broadcast.com to Yahoo in 1998 for the sum of $5.7 billion – that put digital video on the map. In 1999, Yahoo! acquired web hosting provider GeoCities, once more trying to compete with AOL and its Digital Cities joint venture.[xxi]

The fierce (and often unfriendly) competition between Yahoo! and AOL led both companies to innovate, which was good for consumers, and led to battles for advertising revenue, which was good for advertisers. In the last two years of the 20th Century, the two companies commanded approximately 90 percent of all Internet advertising revenue. As a result, on January 3, 2000, at the height of the dot-com boom and of the AOL-Yahoo! competition, Yahoo! stock closed at an all-time high of $475.00 a share.[xxii]

In late 2002, Yahoo! began to bolster its search services by acquiring other search engines. In December 2002, Yahoo! acquired search engine Inktomi and in July 2003 it acquired Overture Services, Inc. and its subsidiaries AltaVista and AlltheWeb. In February 2004, Yahoo! dropped Google-powered search results and returned to using its own technology to provide search results.[xxiii]

In early 2005, Yahoo! continued acquiring companies to expand its range of services. For example, Yahoo! Launchcast became Yahoo! Music and in March 2005 Yahoo! purchased photo sharing service Flickr and launched its blogging and social networking service Yahoo! 360°. In June 2005, Yahoo! acquired blo.gs, a service based on real simple syndication (RSS) feed aggregation. Yahoo acquired social bookmark site del.icio.us in December 2005.[xxiv]

In February 2008 Microsoft announced an offer of $31 for all of Yahoo! shares in an attempt to buy the company and merge it with its own MSN network so it could compete more effectively with the behemoth Google.

The Dot.com Bubble

Business people bought into the premise that online made things more efficient. Retailers did not need stores. Banks did not need branches. Brokerage houses did not need brokers; you could trade your own stock. Everyone hates the car buying process right? Why not sell cars online? How about Christmas trees and hams? Why not sell them online? What about hardware or pet food or sports scores or the Yellow Pages? How about a bride from Russia? It seemed like any need that one could have suddenly had taken the form of a funded business plan and a destination on the Web. Many believed that Universal Record Locators (URLs), or domain names, such as Etoys.com, or Pets.com were prime real estate. Some well-respected Los Angeles entrepreneurs paid an estimated $7.5 million in stock for the rights to Business.com. As hysterical as things became, and as high as the valuations spiraled, the time came for Newton's law of gravity to take hold and for reality to take hold. Many of the dot.coms imploded when the dot.com stock market bubble burst after the AOL-Time Warner merger in 2000. Short of cash, the dot.coms sold their assets and sent their employees home. Many hard lessons were learned during the dot.com bubble. While some of the lessons can still be argued, in general, entrepreneurs learned the following about consumers and the online universe:

> **Efficiency and Price are Not the Only Drivers of Success**. Adding convenience and cost savings does not guarantee success. Pets.com did not make it as pure-play Internet company. Consumers were not ready to abandon their habits. Some even

enjoyed the process of shopping at the local pet store. Amazon.com, the Web's biggest retailer has built a large brand and a thriving business, but it did not replace the bookstores entirely. What about the other thousands of dot.com sites? Most did not make it, and most failed to do what people in offline stores do every day by selling things to us and creating desire. The Web has yet to replace the salesperson who tells me how nice my sweater looks after trying it on. All of that being said, clothing is a category that is working online. The Gap, Banana Republic, and Old Navy were among the first retailers that made their online business work, because it started with customers buying basic clothes they knew and understood and then the business built from there.

Consumers Expect Web Content To Be Free. With the Web came communities and the ability to find people with similar interests and passions. If you were a punk rocker in Utah you could connect with punks in Great Britain. Community sites flourished as users contributed to message boards and participated in social networks. Editors began to believe that E-zines, or online magazines, would allow them to publish content with lower costs and reach highly targeted groups. Thus, the content site was born and investors raced to support them. The value of these sites was measured by the number of visitors and by the potential to sell advertising. What publishers learned however, was that content was expensive to create. The typical dot.com content site was burning in the range of $500,000 to $1 million a month, and users were unwilling to pay for the content. At the same time, advertisers were not buying enough to fund the businesses.

For online marketers there quickly became a glut of advertising inventory and prices dropped accordingly, which meant these online publishers could not recover their costs and many folded.

The Google.com Search Disruption

Before the 2000 dot.com stock market bubble exploded and became the dot.com bust, AOL had purchased Netscape, located in the heart of Silicon Valley, for $4.2 billion in the fall of 1998. But Netscape employees were not thrilled about working for what they perceived to be arrogant, Eastern managers, so many of them left for Silicon Valley Internet start-up businesses. One of those new start-ups that was hiring was a new search engine named Google – a name many traditional business people thought was as silly as Yahoo!.

As was the case with Yahoo!, Google was started by two Stanford University graduate students. Larry Page and Sergey Brin argued vigorously when they first met at Stanford indoctrination tour in 1995. Brin was the guide whom Page thought "was pretty obnoxious."[xxv] But the two obviously found each other intellectually stimulating and formed, to say the least, a productive relationship. By 1997, they had developed a highly efficient search engine based on an innovative and complex mathematical algorithm that they called PageRank that was based on how many links to it a web page had from other web pages.

On September 7, 1998, Page and Brin incorporated Google, Inc. and began to determine the best business model for their efficient search engine. The two originally

tried to license Google to other search engines rather than attempt to start their own competitive search engine company. At that time, Yahoo!, Excite, AltaVista, Infoseek, and HotBot were all in the search business, so Page and Brin made presentations to those companies to try to sell them a license for their new search technology, but with no success. The other search companies were wedded to their own methods and technology and saw no need to spend money on an unproven technology.[xxvi]

This not-invented-here mindset is typical when established companies are faced with a *disruptive technology*, as Clayton Christensen points out in his book *The Innovators' Dilemma*:

> Disruptive technologies bring to a market a very different value proposition than had been available previously. Generally, disruptive technologies underperform established products in mainstream markets. But they have other features that a few fringe (and generally new) customers value. Products based on disruptive technologies are typically cheaper, simpler, smaller, and frequently more convenient to use. There are many examples in addition to the personal desktop computer…[t]ransistors were disruptive technologies relative to vacuum tubes.[xxvii]

Christensen writes that most disruptive technologies are adapted initially by the least profitable customers in a market, and, therefore, most companies can rarely justify adopting disruptive technologies until it is too late. Such was the case with Yahoo!, Excite, AltaVista, Infoseek, and HotBot, all of whom, with the exception of Yahoo!, Google eventually put out of business with more relevant, faster, and easier-to-use technology.

But by 2000, Google had still not determined how to make money on its superior search technology. It took the impetus of the dot.com stock bubble bursting for Brin, Page, and Google's new CEO, Eric Schmidt, to figure out a viable business model, with the help of an ex-Netscape sales executive, Omid Kordestani. In October 2002, Google introduced its new automated advertising service called AdWords, modeled after Bill Gross's GoTo pay-for-search-results model, but which featured an automated online auction in which advertisers both large and small could bid for keywords on a cost-per-click basis. Google's revenue skyrocketed from zero to, as John Battelle writes, "a billion dollars, one nickel at a time."[xxviii]

Exhibit 20.1 shows how dominant Google had become in search by the end of 2007, as it was well on its way to accomplishing its mission "to organize the world's information and make it universally accessible and useful" and, in fact, be "the closest thing the Web has to an ultimate answer machine." [xxix]

Exhibit 20.1 U.S. Core Searches By Search Engine

Core Search Entity	December 2007
Google sites	58.4%
Yahoo sites	22.9%
Microsoft sites	9.8%
Time Warner Network (AOL, etc.)	4.6%
Ask Network	4.3%

Source: http://searchenginewatch.com/showPage.html?page=3618341. March 2008.

This dominant position in Web searches led Google to be the most profitable Internet business in the world, with a market capitalization on March 20, 2008, of $135 billion, larger than the combined market cap of three other media conglomerates, Time Warner, Walt Disney, and News Corp. on that date. Market capitalization is the market value of a company that is calculated by multiplying the number of outstanding shares of a company by the price or a single share of stock. And in 2007, with about one-third of the total revenue of the world's largest media company, Time Warner, Google had approximately the same net income, as seen in Exhibit 20.2.

Exhibit 20.2 Google Financial Comparisons, Full Year, as of December 31, 2007

	Google (GOOG)*	Time-Warner (TWX)**	Walt Disney (DIS)**	News Corp. **** (NWS)**
Market cap	$135 B ***	$50.75 B	$60.1 B	$18.4 B
Total revenue	$16,594 B	$46,482 B	$35,510 B	$28,655 B
Gross profit	$ 9,949 B	$19,056 B	$ 6,781 B	$10,010 B
Net income	$ 4,203.7 B	$ 4,387 B	$ 4,687 B	$ 3,426 B

* NASDAQ stock symbol
** NYSE stock symbol
*** Billions of dollars
**** News Corp. as of July, 2007.

Source: http://investing.businessweek.com/research/company/overview/overview.asp. March 2008.

The MySpace.com Social Network Disruption

Google was a disruptive technology that changed the way people found information. MySpace.com was a disruptive technology that changed the way people connected with each other. MySpace is a social networking website offering an interactive functionality, user-generated content, and a user-submitted network of friends, personal profiles, blogs, groups, photos, music, and videos.

After the 2002 launch of the original social networking website, Friendster.com, several eUniverse employees with Friendster accounts saw its potential and decided to mimic the more popular features. Within 10 days, the first version of MySpace.com was ready for launch. The project was overseen by Brad Greenspan (eUniverse's Founder, Chairman, CEO), who managed Chris DeWolfe (MySpace's CEO in 2007), Josh Berman, Tom Anderson (MySpace's president in 2007), and a team of programmers and resources provided by eUniverse, an Internet advertising services company.[xxx]

The first MySpace.com users were eUniverse employees, and aided by the considerable resources of eUniverse, the original founding team was able to promote the innovative new site to eUniverse's 20 million users and e-mail subscribers to jump start MySpace.com and move it to the top. A key architect of the site was tech expert Toan Nguyen who helped stabilize the MySpace.com platform. Shortly after launching MySpace.com, team member Chris DeWolfe, in its first business plan, suggested that the site start charging a fee for the basic MySpace.com service. Brad Greenspan rejected the idea, believing that keeping MySpace.com free and open was necessary to make it a large and successful community and to attract advertising.[xxxi]

Most of the original MySpace.com users were young people interested in music and bands who wanted to get exposure for their music. Users could create their own mini-websites on MySpace.com, upload pictures, contact other friends on the service, or use other functionality to hook up. The site's success was phenomenal and created a sensation among young people who now felt they could connect with their favorite bands, favorite comedians, or other young people looking to connect. However, because of the user-generated content (UGC), the site was often chaotic and anarchical; its design seemed too cluttered and many users found it hard to navigate. But it succeeded dramatically.

Many traditional national advertisers found that UGC did not give them the safe, clean (or bland, depending on your viewpoint) editorial environment they desired, so they did not flock to advertise on MySpace.com. But, still, it succeeded dramatically, as you can see in Exhibit 20.6, the top 10 websites in March, 2008, MySpace.com is ranked number eight with over 46 million unique visitors a month.

MySpace.com was so successful that, as all highly successful businesses do, it spawned many competitors, with the most successful by far being Facebook.com. Facebook.com was started by Mark Zukerberg when he was a 20-year-old Harvard student.. In 2007, Forbes Magazine ranked Zuckerberg, Facebook.com's CEO, as, "on paper," the world's youngest self-made billionaire with a net worth of $1.5 billion. [xxxii]

Facebook was launched on February 4, 2004, and as of March 2008, was a privately held company. The free-access website allows users to join one or more networks, such as a school, place of employment, or geographic region to connect with other people in the same network. The name of the website refers to the paper facebooks depicting members of a campus community that some American colleges and prep schools give to incoming students, faculty, and staff as a way to get to know other people on campus. In March 2008, as many as 14 million photos are loaded to Facebook.com every day and some young users spend as many as three hours or more a day on the popular site.[xxxiii]

Social networks such as MySpace.com and Facebook.com are the world's new coffee houses, soda fountains, and pizza parlors where people can hang out together, catch up, and join discussions with a variety of interesting groups. People can connect and make new friends. The phenomenon of social networks not only created a new kind of cyber meeting place but it has also created a new metric for measuring the advertising effectiveness of a website – time spent. The more time a person spends on a website, the more opportunities publishers have for serving ads, for making more ad impressions. Thus, a site that has traffic of four million unique visitors a month on which people spend an average of a half-hour a day more than likely serves as many ad impressions as a site with one-fourth as many unique monthly visitors – one million – on which people spend an average of two hours a day.

The YouTube.com Video Disruption

The major content websites such as AOL.com, Yahoo.com, and CNN.com and the large social network sites such as MySpace.com and Facebook.com primarily used still photos because video was expensive to serve. However, in mid-February 2005, three former PayPal employees, Chad Hurley, Steve Chen, and Jawed Karim, created a video sharing website where users could upload, view, and share video clips. The founders called their new website YouTube.com. The site used Adobe Flash technology to display a wide

variety of video content, including movie clips, clips from television programs, and music videos, as well as amateur content such as videoblogging and short original videos.[xxxiv]

Thirteen-year-old boys in Peoria or Tuscaloosa, who are aspiring Steven Spielbergs, could mash-up videos or produce their own videos and post them on the Web free for all their friends to see in a place their parents were clueless about. The secret sauce was Flash, which by 2005 had been unobtrusively imbedded and automatically updated on over 90 percent of all computers, as had Adobe other universally available software product, Adobe Reader, which read Adobe .PDF files. YouTube.com officially accepts uploaded videos in .WMV, .AVI, .MOV, MPEG and .MP4 formats and automatically converts them to .FLV (Flash) files in a standard size and bit rate format for playback on the site.[xxxv]

Political candidates for the 2008 U.S. Presidential election used YouTube.com as an outlet for advertising and on November 28, 2007, CNN aired a debate among the Republican candidates in which the candidates fielded questions selected from a pool of questions submitted by users of YouTube.com. Because of the use of technology to aggregate questions from a wide range of constituents, the forum has been referred to as "most democratic presidential debate ever."[xxxvi]

Like the founders of MySpace.com and Facebook.com before them, the young YouTube.com founders did not have a business plan. They believed the often quoted exhortation from the 1989 movie "Field of Dreams," "build it and they will come." Like the movie's hero, who built a baseball field in the middle of an Iowa corn field, the founders of these websites built them on faith, faith that people in droves would come to their innovative websites and that if they had enough traffic, the money would follow.

And it did, in October 2006, Google announced that it had reached a deal to acquire YouTube.com for $1.65 billion in Google stock, making the three founders multi-millionaires, and leaving Google with the problem of how to monetize the wildly popular website, which by the third quarter of 2008 had become the fourth most popular site on the Web (see Exhibit 20.6).

Commerce on the Web

The concept of pure-plays, or businesses that exist only online, was introduced earlier in this chapter. Another type of online business is referred to as a bricks-and-clicks enterprise, or a business that has physical locations as well as an online presence.

Benefits the Web Provides to Businesses Selling Products or Services Online

1. The ability to inform, educate and transact with customer 24 hours a day seven days a week (24/7)
2. The ability to collect data on customers' behaviors (observed via online activity)
3. The opportunity to test copy, offers, and products quickly and inexpensively
4. The opportunity to offer better and faster customer service
5. Low cost of entry

6. Unlimited shelf space (see definition of the Long Tail below)

Successful Commerce Businesses Online

E-Commerce. Many of the original dot.com bubble pure-play online retailers have failed. However, many online e-commerce success stories are sites that are attached to big national brands such as Target.com, Walmart.com, and Gap.com. Other online retailers have been big success stories, such as Amazon.com and Buy.com. Both sites aggregate a large number of products and attempt to sell them at a discount. Many niche commerce sites are flourishing because they give consumers access to products that are hard to find in the stores and websites of mass marketers such as Wal-Mart that only sell hits – hit DVDs, hit records, hit books, hit products – it cannot afford to carry products that do not sell fast.

However, you can find slow-selling, unique items in narrow niches on a website out in the Long Tail. The Long Tail is a concept developed by *Wired* editor, Chris Anderson, in a book of the same title. Anderson writes that, "The era of one-size fits-all is ending, and in its place is something new, a market of multitudes … Increasingly, the mass market is turning into a mass of niches."[xxxvii]

Anderson elaborates:

> The new niche market is not replacing the traditional market of hits, just sharing the stage with it for the first time. For a century we have winnowed out all but the best-sellers to make the most efficient use of costly [retail] self space, screens, channels, and attention. Now, in a new era of networked consumers and digital everything, the economics of such distribution are changing radically as the Internet absorbs each industry it touches, becoming store, theater, and broadcaster at fraction of the traditional cost.
>
> Think of these falling distribution costs as a dropping waterline or a receding tide. As they fall, they reveal a new land that has been there all along, just underwater. These niches are a great uncharted expanse of products that were previously uneconomical to offer. Many of these kinds of products have always been there, just not visible or easy to find. The are the movies that didn't make it to your local theater, the music not played on the local rock radio station, the sports equipment not sold at Wal-Mart. Now they're available, via Netflix, iTunes, Amazon, or just some random place Google turned up. The invisible market has turned visible.[xxxviii]

Community and Commerce. eBay developed a site for collectible enthusiasts that has become a commerce mecca. Today over the site participates in over $1 billion in transactions a month. If you need it, someone is likely selling it on eBay. eBay users have formed a self-governing community that has it rules and order established and maintained by the users.

News and Content. The *Wall Street Journal* has over 800,000 people paying for its online version of the paper. The *New York Times* and the *Los Angeles Times* offer their content free as does CNN.com, one of the largest content sites on the Web. Why don't all sites charge for their content? Publishers struggle with this dilemma daily. First, the goal of the site must be determined. By offering content free, sites generally get more traffic, and more traffic usually means a greater opportunity to sell advertising and a larger forum to promote the offline version of their content. On the other hand, Epicurious.com has a different business model. It is one of the Internet's largest sites dedicated to food; it is

free and houses thousands of recipes. Epicurious.com makes money by charging companies for the placement of their products and within the recipes and on the site.
Online Gaming. The gaming sector is exploding as are the games channels on major portals, such as AOL Games and Yahoo Games. Advergaming, or advertising within online games, provides new and innovative ways to advertise. Sites, such as Microsoft's X Box Live and Sony's Everquest.com are building huge audiences. In addition to gaming for pure entertainment's sake, gaming-for-profit sites proliferate on the Web, especially the most popular gaming sites – poker and, above all, Texas Hold 'Em Poker – although, U.S. Government regulations have kept gambling for money offshore
Financial Services. In the financial sector you will find the Web used as a powerful customer service tool. People can do their banking 24/7 on sites such as Cititbank, and they can trade stocks without a broker on E-trade.com or Schwab.com. Internet users can also find sites that aggregate offers and facilitate transactions between buyers and sellers. Lendingtree.com will help people find the lowest mortgage by giving mortgage bankers the chance to compete for their business.
Matchmaking. The Internet has served as a good place for matchmaking. While eBay brings buyers and sellers together and Monster.com matches job seekers with employers, Match.com and eHarmony.com play matchmaking roles.
Travel. The Internet is not only a place for research but it is also a place to book flights and hotel rooms on travel sites such as Orbitz.com, Travelocity.com, and Priceline.com.
Auto. The Automotive category has two types of online players: (1) Manufacturers – GM, Ford, and Toyota, for example – who primarily use the Web to educate the public about their products and special offers and to send Web surfers to their dealer networks, and (2) lead resellers that usually provide product information and comparison tools while qualifying leads and sending them off to a local dealer. Lead re-sellers usually have relationship with dealers in which the dealer pays the lead re-sellers for each qualified lead.

The Internet In 2008

At of the end of 2007, 75 percent of U.S. adults accessed the Internet. See Exhibit 20.3, which shows the demographics of Internet users.

Exhibit 20.3 Demographics of U.S. Internet Users (Use at least "occasionally")

	Percent Who Use the Internet
Total Adults	75%
Women	74
Men	76
Age	
18-29	92%
30-49	85
50-64	72
65+	37
Race/Ethnicity	

White, Non-Hispanic	76%
Black, Non-Hispanic	56
English-speaking Hispanic	79

Geography

Urban	77%
Suburban	77
Rural	64

Household income

Less than $30,000/yr	61%
$30,000-$49,999	78
$50,000-$74,999	90
$75,000 +	93

Educational attainment

Less than High School	38%
High School	67
Some College	84
College +	93

Source: Pew Internet & American Life Project, October 24 – December 2, 2007. http://www.pewinternet.org/trends/User_Demo_2.15.08.htm. March 2008.

People surf the Web for a variety of reasons, with e-mail being the biggest reason. Exhibit 20.4 shows what people do on the Web.

Exhibit 20.4 Internet Activities

Internet Activity	Percent of adult users who report this activity
Send or read e-mail	92%
Use a search engine to find information	91
Search for a map or driving directions	86
Look for info on a hobby or interest	83
Look for health/medical info	
Look for information online about a service or product they are thinking of buying	81
Check the weather	78
Get travel info	73
Get news	71
Buy a product	66
Visit a local, state, or federal government website	66
Buy or make a reservation for travel	64
Surf the web for fun	62
Go to a website that provides info or support for a specific medical condition or personal situation	58
Research for school or training	57
Watch a video clip or listen to an audio clip	56

Look for "how-to" or "do-it-yourself" or repair information	55
Look up a phone number or address	54
Do any online banking	53
Take a virtual tour of a location online	51
Do any type of research for a job	51
Watch a video on an video-sharing site like YouTube.com or Google Video	48
Look online for news or information about politics or the upcoming campaigns	47
Look online for info about a job	46
Get sports scores and info online	45
Get info online about a college, university, or other school they or a family member might attend	45
Download other files such as games, videos, or pictures	42
Get financial info online, such a stock quotes or mortgage interest rates	41
Send instant messages	39

Source: http://www.pewinternet.org/trends/Internet_Activities_2.15.08.htm. March 2008.

Internet users have also learned to multi-task and use the Web while they are doing other activities, such as watching television, as seen in Exhibit 20.5.

Exhibit 20.5 Online Activities While Watching TV

Online Activity	**Percent of Respondents**
Checking e-mail	53%
Surfing the Web for content that is not related to what they're watching	32
Surf the Web for content that is related to what they're watching	19

Source: http://emarketer.com/Articles.aspx?id=1006008. March 2008.

And when they surf the Web, Exhibit 20.6 shows the top 10 sites where they went in March 2008, according to Quantcast.com.

Exhibit 20.6 Top 10 Websites, March 2008

Website	**Rank**	**U.S. Reach***
Yahoo.com	1	125,,521,168
Google.com	2	123,801,224
AOL.com	3	56,302,230
YouTube.com	4	54,970, 072
Microfsoft.com	5	51,984,456
MSN.com	6	48,355,650
eBay.com	7	48,300,664
MySpace.com	8	46,801,096
Wikipedia.com	9	44,648,500

MapQuest.com 10 43,071,116

* Reach is the number of different people who visit a site in a month, or unique visitors a month.

Source: http://www.quantcast.com. March 2008.

The Advantages of the Web As a Marketing Medium

The Internet is more than a medium for advertising; it is a complete integrated marketing tool. Following are some advantages of the Web:

The Ability to Brand, Inform, and Sell Within the Same Environment. Historically marketers used different marketing weapons to accomplish their goals. For instance, television was always considered the best branding medium, and brochures and newsprint the best way to inform. For selling products or services, marketers needed a sales force on the phone or in person. While the early Internet marketers were not recommending discarding the other channels, they were making the point that the online world seemed the best place to do it all.

The Internet has given marketers the ability brand to the appropriate audience, inform them, and transact all on the same website, all at the same time. Furthermore, marketers pay $15 per thousand for branding, up to $3000 per thousand to inform via a brochure or direct mail campaign, and several hundred thousand dollars per thousand to sell cars in dealers' showrooms by salespeople. Online marketers can do it all for as little as $15 per thousand. No wonder marketers are so excited about marketing on the Internet.

Pull vs. Push. Until the Internet came along, all content was determined by producers, editors, directors, and publishers packaging up their best estimate of what the public's tastes were and pushing it out via a daily newspaper, a television station, a radio station, or a magazine. With the Internet, users are in charge. Web sessions are entirely controlled by users. They will pull up what they are interested in either by browsing around or by using search engines such as Google or Yahoo!. So instead of waiting to watch a television special on the band U2, people can go online and download their music, read about their lives, watch their videos, and print pictures of the band. No longer are people sitting around and waiting for a particular part of a television program where a song they liked is played.

Online Is a Personal Experience. Unlike television or radio where the ads need to scream at you to get your attention, online ads are literally 18 to 24 inches from your nose occupying a good part of your view. The Web is also a private place giving users the ability to look at products and ads they may be embarrassed to look at in print for fear someone could see what they are reading. The Web provides a whole new forum for sensitive health issues, research, or anything private.

Online Allows Users to Customize Their Relationship With a Brand. Scott Bedbury, known for his marketing roles at Nike and Starbucks and giving the World "Just do It" and "Frappuccino" has said "A Great Brand is a Story that's Never Completely Told."[xxxix] As marketers work hard to give their brands meaning and create stronger connections to their consumer, the Web is a perfect incubator and laboratory. Consumers can download screen savers, take company logos and skin their music players with them as well as build fan sites, interactive chat areas with other fans, or Web pages on MySpace.com. For marketers this can be quite good or quite bad. When consumers are leading the brand story, they can

take it in a direction good for profits or they can trash a brand in blogs, forums, chat rooms, on MySpace.com, or on YouTube.com in a matter of days. Should marketers take the risk? Most trend-oriented brands do and have found that the Web accelerates the inevitable.

Online and Opportunity to View. Kent Volandra who worked at Prodigy in the online services early days and ran Interactive Advertising for Initiative Media in the late 90s, illustrated for chapter co-author Vince Thompson the concept of Opportunity to View within the online universe. Kent said that essentially all media is purchased on the concept of Opportunity to View. When an advertiser buys advertising time on television, the advertiser is not guaranteed viewers, but rather is guaranteed the opportunity for viewers to see an ad. An advertiser can buy an ad in the newspaper on page four of section B, and, hopefully, the reader will turn to page four of section B and read the ad. The difference with online is that you only pay when your ad is served up on a page, and pages are only served up seconds after prospects click their mouse. For every ad they buy online, advertisers can be assured that prospects were staring into their screens waiting for the content and the ad to appear.

Leveling the Field. On the Internet it is hard to tell the difference between Wal-Mart and Wall's Mart. Businesses of any size can look like equals. This leveling effect provides a great advantage to smaller businesses, provided they can out-market and out-service their larger competitors. Unlike traditional national marketing that gives an edge to large companies due to cost barriers, online can be purchased in small increments and, thus, give the smallest businesses the opportunity to compete.

Online Extends Customer Relationships. In 1997 Martha Rogers and Don Peppers penned the bestseller *The One to One Future*. This book served as a lightening rod for the marketing community by demonstrating the value of focusing on share of customer as opposed to share of market and by highlighting the methods leading edge marketers were using to facilitate one-to-one marketing relationships with their consumers – relationships in which marketers, by gathering as much information as they could about their customers, could present the most appropriate and saleable opportunities. By giving customers relevant value, customers are more willing to share information and marketers can deliver better products allowing the relationship to continue to grow. The Internet has become the perfect vehicle for one-to-one marketing.[xl]

Customers can fill out their profiles, respond to offers, and share opinions while marketers cab gather data and e-mail addresses, study customers' preferences and behaviors, and find ways to please them. Marketers can send e-mail newsletters with helpful tips and give customers incentives such as coupons and special offers.

However, for some types of products it is difficult to establish a relationship with customers. Other types of products might have users who desire a relationship. For example, it young consumers might want to have a relationship with their Nike sneakers, but not with their Crest toothpaste. As marketers realized the potential of one- to-one marketing, the Customer Relationship Management (CRM) business capability of the Internet has boomed.

Customer Service. The Internet has enabled customers to gain information like never before. Running Windows? Get one of dozens of updates this year at Microsoft.com. Broke a piece on your baby stroller and the company is in Italy? No problem, order it online and download the schematic for installation. Many sites are now offering live

support; simply log on, open a chat window, and begin typing. The company saves long distance telephone charges and users can get a text record of conversations and instructions for later use as well as get links for more information. The Internet has revolutionized customer service to the benefit of both companies and their customers.

The Ability to Measure and Track. With increasing clutter and the overall effectiveness of advertising dropping, in the last decade marketers have been looking for proof about the effectiveness of their advertising. Early internet pioneers quickly positioned the greatest benefit of the online medium, as its ability to track consumer's actions. With the Internet, marketers know every impression served and every ad clicked on. By placing a cookie on a user's computer when an ad is viewed, marketers can actually see if users saw an ad and if they came later to visit the advertised site. Tracking was and still is very powerful for marketers. With an investment in online advertising, marketers can determine how many items they sold, how man accounts they opened, or how many people registered as a result of their online advertising investments. They can determine a return on advertising investment (ROAI), something they could never do with traditional advertising. The online medium is the most accountable of all the media.

This unique accountability has done a great service to the industry as well as a great disservice. The quality of measurement and the role it plays in determining the medium's value is central to any discussion on Internet advertising. Some believe that the medium's value is limited to that which can be measured. Others believe Albert Einstein's comment, "Not everything that counts can be counted, and not everything that can be counted counts."[xli] The debate over the value of tracking metrics and ROAI still wages because executives of online advertising sites argue that an ad (banner or even text link) has branding value regardless of whether people click on it.

The Evolution of Banners and Online Marketing Tools In 2008

Once the 468 X 60 banner was born, other size ad units followed, and the smaller units were referred to as buttons. Many of these buttons were 120 X 60 or 60 X 60. The numbers refer to the number of mega-pixels on a computer monitor that the ads covered. Units that did not contain graphics, but instead were lines of clickable text, were referred to as text links. Banners are also referred to as display advertising, as opposed to text links. Banners, buttons, and text links were quickly adopted by many sites and became the first standard units of the industry.

Uniform ad sizes have been an important part of the industry's growth, as they have allowed marketers to make one size ad unit for submission and viewing on multiple sites. But were these early standard units the best or just the first? As the industry struggled to determine the value of an online ad unit and how to best measure it, either by click-through, converted sales, or brand recall, the publishing community has continued to experiment with new sizes as well as new technologies, especially video, that will make online advertising more effective.

Online Tools In 2008

Following is an overview of the most popular online marketing vehicles today.

Standard Ad Units. Standard ad units usually refers to units that are either static or animated and occupy spaces defined by pixel size such as 468 X 60, 234 X 30,

or 160 X 600, for example. The current collective wisdom is that bigger is better. Exhibit 20.7 shows the Internet Advertising Bureau's (IAB) list of Standard Units in order of their current (March 2008) popularity.

Exhibit 20.7 Standard Ad Units *

Size	Name
728 x 90	Leaderboard
300 x 250	Medium Rectangle (best for video)
180 x 150	Rectangle
160 x 600	Wide Skyscraper
120 x 600	Skyscraper
468 x 60	Full banner
120 x 90	Button 1

*In approximate order of popularity with advertisers; measurement in pixels.
Source: http://www.iab.net/iab_products_and_industry_services/1421/1443/1452. March 2008.

Content Integration. It is not always easy to tell what is editorial and what is advertising on the Internet. Some online publishers simply wholesale content slots to third parties. Sometimes these third parties supply the content. Sometimes the content is objective other times it is pure advertising disguised as editorial. Most marketers have found that including advertising within the content is good for their business, yet at the same time understand that the force driving the effectiveness of these placements is users' trust in the content. Proper content integration includes good journalism and full disclosure. If the content a consumer is reading about Alzheimer's comes from a drug company, it is acceptable as long as publishers let consumers know. Consumers would hate to learn that there were some non-traditional treatment methods as effective that did not find their way into the content because the content was paid for and written by an advertiser.

Sites usually charge more for content integration and this integration may take several forms such as: (1) *Integration* in an online article in the form of text links inside the editorial content or in a sidebar. These placements can be paid, free editorial, or part of a value-added offering in conjunction with an advertising buy. (2) *An integrated mini-site or Information Center* that is a sponsored content area that links from an editorial page and contains articles and utilities. (3) *The complete responsibility for programming an area or channel*; the company programming the channel typically receives the rights sell or share in the sale of advertising and to create customer relationships with users.

Search Advertising. The majority of online users does not browse the Web aimlessly, but rather actively search the Internet with the help of a search engine such as Google or Yahoo!. Users also use search engines within shopping destinations to find products or travel destinations. Search presents a powerful marketing opportunity because marketers of all sizes can place advertising in front of prospects while they are expressing an interest and potential need. Search advertising takes several forms.

Google, for example, has paid search results at the top of the first results page and along the right side of the first and subsequent results pages. For

instance, a dog food manufacturer can buy the keyword "pet food," and whenever this term is input by a user in the Google Search Box, the manufacturer's text link will appear the search results pages. These links are labeled as Sponsored Links. If you would like to learn more about Google search advertising, visit www.google.com/ads, there you will find information about Google's AdWords program for advertisers who want to buy keywords and a cost-per-click basis via an automated online auction and Google's AdSense program for site owners who wish to run Google advertising links on their sites and receive payments from Google when visitors to their sites click on a link.

Pop-Ups and Pop-Unders. In addition to the ads served within Web pages, Internet users are served ads that appear on their screens, either covering or appearing below content. These types of ads are highly intrusive and are the least favorite among online users. At the same time, some marketers find them to be powerful marketing devices. If the product or service being advertised is desired by the user, then the pop-up may actually be a welcome piece of content. Marketers using these more intrusive methods must consider users' reactions to the intrusion and the potentially negative effects. Most intrusive advertising is for products not looking to brand themselves with users or hoping to develop long-term relationships, but rather the intrusive advertising is from direct marketers looking to sell a product in a one-time-only transaction.

E-Mail Marketing. A huge industry has blossomed to help marketers sell their products via e-mail relationships with consumers. Consumers receive two types of e-mail: (1) Unsolicited e-mail referred to as spam, which is hated by everyone, and (2) opt-in e-mail where the user has requested it. This type of marketing is often referred to as permission marketing. In most cases, consumers receive opt-in e-mail either as an e-mail newsletter or as a single e-mail notification of product releases, events, or promotions. Contesting, access to websites, or special content is the most common way for marketers to get users to opt-in to an e-mail program. E-mail marketing is effective if properly targeted and executed.

Promotions and Contests. Creating promotional events and contests are powerful ways to get users to be familiar with a brand and to take a specific action for reward or potential for reward. Often, if a promotion or contest is structured properly, marketers can get users to have several interactions with their brand. For instance, an auto manufacture may run a "Sightings Campaign" where users are encouraged to visit the auto company's Web site daily to see the car in a new environment. With each visit, a consumer can enter to win additional prizes. Promotions and contests can be as creative as a marketer chooses. The benefits of contests to marketers often extend for years if a marketer is wise in their collection of user data and re-markets to its data bank of customers' names.

Affiliate Networks. Rather than paying for advertising and hoping sales will follow, many marketers have turned to offering bounties or commissions for referrals. Amazon.com has over 1,000 affiliates who agree to place an Amazon.com logo on their Website. Each time a product is purchased by someone who clicks through to Amazon.com using the link, Amazon.com agrees to pay the website publisher a portion of the transaction. While it seems that everyone would do business this way, there are some drawbacks. For example, marketers such as

Amazon.com have less control over the environment in which their ad appears. They must watch out for objectionable content, and some brands simply refuse to be marketed next to competitors or in cluttered environments with brands of less stature. Also, only a minority of the online universe is going to purchase in this manner. Therefore, while many companies have taken advantage of affiliate networks, few have looked to affiliate groups as their only source of Web traffic and sales. To learn more about affiliate marketing go to www.affiliate-program.amazon.com/gp/associates/join.

Rich Media. The term rich media generally refers to any advertising or content applications that does more on the page than just lay there as a static placement. Rich media includes, but is not limited to animation, 3-D treatments, video, and ads that have utilities built into them such as forms for submission or calculators. Rich media executions usually take one of the following forms: (1) *In-the-banner executions***.** Ads where all the animation, video, or rich elements begin and finish within the constraints of the banner dimensions. (2) *Out-of-the-banner executions***.** Ads that begin in the banner and then may either expand the banner area when clicked on or rolled over, or ads that begin in the banner and then fly out over the page and return to the banner later. For example, a truck ad might show the truck driving out of the banner across the page of content and then driving back into the banner. (3) *Beyond-the-banner executions.* These executions do not occur in any set area and simply execute on the page. Sometimes the ads appear or float across pages and other times they cover entire pages until clicked on.

Rich media, especially video, has proven to have greater click- through rates and higher recall among users. When properly targeted and executed, users typically appreciate the technology. Like other ad vehicles, when rich media advertising is distracting and poorly executed, users get turned off. Rich media usually costs more to execute, approximately $1000-$5000 per creative unit, while more standard units fall in the $500-$1500 range. Of course, online ad creation, like all ad creation, has a dramatic range in pricing based on the execution and the cost of talent involved. In addition to the creative costs, rich media usually involves higher advertising and serving costs. Websites usually charge more to serve rich media, which usually needs to be served by a rich media provider who will charge a serving fee, which ultimately comes out to small percentage of the overall ad costs.

While all online technologies are evolving at a fast clip, rich media is among the fastest. The best way to familiarize yourself with these technologies is to read online ad industry trades such as www.clickz.com and visit the sites of the rich media providers mentioned below. Most providers offer galleries of their work so you can see the technologies in action and conceptualize new opportunities.

<u>Rich Media Sites</u>

www.viewpoint.com
www.eyeblaster.com
www.pointroll.com
www.unicast.com
www.eyewonder.com

Video. The tool in most demand by both advertisers and users is *video.* YouTube.com's explosion on the Internet scene as more and more consumer adopted broadband distribution demonstrated that short videos could be uploaded and downloaded by everyone. YouTube.com's traffic skyrocketed and videos became the rage, especially for young people. Major national advertisers such as P&G and Ford saw an opportunity in 2005 to test video advertising as a way to bolster their commercials' exposure because of the decline in broadcast network television viewing.[xlii]

In order to smooth the digital video advertising buying and selling process, the Digital Video Committee of the Interactive Advertising Bureau (IAB) has developed ad format guidelines and best practices for the most common current in-stream ad products, including: Linear video ads, non-linear video ads, and companion ads. Because these guidelines are continually changing as both video publishers and advertisers learn more about how to make online video more engaging and video advertising more effective, we will not publish these guidelines here, but urge readers to go to www.iab.net for the latest guidelines, standards, and information for digital video.

Measuring Online Advertising

Before initiating any online advertising campaign, clients, agencies, and publishers need to agree on the goals of the campaign and discuss expectations. With different goals come different types of measurement, such as:

Impressions Delivered. The number of impressions actually served to an online user. Usually an ad is recorded as being served the moment a user's browser calls for an ad to be rendered onto a page.

Click-through. Of those impressions served, click-through is measured by how many users performed an action by clicking on a banner or link.

Conversion. Of those who click through on an ad, conversion is measured by how many completed an action desired by the marketer, such as the purchase of a product, enrollment for a newsletter, or the participation in an online game. Conversion percentages are arrived at by matching a marketer's data with the publisher's data or relying on a third party to serve the ads and track users' behavior online. Third party ad servers accomplish this tracking by using small programs called cookies. Cookies also allow for latent conversion tracking. By tracking latent conversions, marketers can ask the question "how many people viewed my ad, didn't click, but decided to visit my Web site later?" Marketers tracking latent conversion have found these numbers to be quite high. In some cases, as many as five people visited a site later for every one person clicking through immediately. This tracking technology has given some support to those arguing in favor of the Web's ability to brand.

Brand Recall. While some products are best suited for direct marketing and direct marketing measurements, the majority of brands advertised rely much more heavily on brand metrics. You may buy Ron Popeil's Rotiseriee on television or buy it online with a call or a click, but it is unlikely you'll buy a Cadillac that way or decide to switch your homeowners insurance that way. Because of these challenges, marketers look to brand recall research to measure if users saw an ad, if they remember the marketing message, and

if they were influenced to the point of changing their buying intentions or taking action. Dynamic Logic is the leading firm for this type of research on the Web. Dynamic Logic conducts its research by showing an ad to users and then asking them several questions about their awareness of the brand and purchase intentions. Later, Dynamic Logic contrasts the users' answers against the answers of a control group who did not see the ad. By looking at the two sets of data, marketers can determine if the ad influenced their target consumers.

Online Pricing Models

While most advertising is sold on the basis of cost-per-thousand impressions (CPM), the Internet has allowed for experimentation with pricing models. With CPM, a publisher sells inventory for what the market will bear and advertisers take the risk that the investment will yield results. The other models are based on the premise that a publisher risks inventory and does not receive payment until the user performs an agreed-upon action. Following is a list of the most common *performance-based pricing models*:

CPC. Cost-per-click. Marketers only pay for users who click on and ad or text link.

CPA. Cost-per-acquisition. Marketers only pay for customers who are acquired after clicking on an ad or text link. Often at question is whether a marketer will pay the same rate for someone who is a new customer or someone who an existing customer. Another question that has to be worked out is if the payment to the publisher should be based on a one-time purchase or should the payment be based on a customer's lifetime value to the marketer. Lifetime values are difficult to calculate and are open to intense negotiations between buyer and seller.

CPR. Cost-per-registration. Marketers only pay for customers who come to them as a result of clicking on an ad and then register at their site.

CPT. Cost-per-trial. Marketers pay only for those people who agree to try their product.

Most major Web site publishers are not willing to assume the risk upfront that they will get paid on a performance-based deal, especially for high-demand inventory. However, many publishers have been willing to try performance-based models for low-demand inventory or for inventory on which they have established a marketer's response rate and, thus, can predict revenue with some certainty. Often marketers and publishers will agree on a *hybrid deal* in which a marketer guarantees a certain minimum to the publisher plus the opportunity to share in any upside if sales exceed baseline projections.

It is important to remember that pricing models are fundamental points of negotiation, and in negotiaton each party wants to increase the upside and limit risk. Once two parties are in business together, if willing, they can share results and negotiate with solid base of knowledge.

How Internet Advertising Is Sold

Most online sales opportunities are with publishers. Others exist with networks, and Internet service providers.

An online publisher is not necessarily an offline publisher gone digital, such as *Sports Illustrated's* SI.com. Along with magazine publishers that have staked out a presence online are broadcasters and cable operators, newspapers, radio stations, television

stations, and television and cable networks. They are all online, and they all maintain sales organizations to maximize online revenue.

Alongside the usual suspects of the old world who have emigrated online is a collection of new online publishers. Some are bloggers, such as *The Huffington Post*, which have attracted large and desirable audiences.

Others may be more data driven or information-centric, such as WhitePages.com or Edmunds.com, Yahoo.com or Expedia.com But whatever the publisher's content, the economic need to monetize this content and the audience of users it attracts provides opportunities for salespeople.

Content delivers users. Users create Page Views. Page views deliver impressions. And impressions are the currency online advertising campaigns. In certain respects, they are dangerous for the salesperson, because impressions create a disadvantage in terms of the salesperson's site being commoditized. Salespeople need to create a differential competitive advantage and give planners and buyers good reasons why an impression on their site is preferable to an impression on a competitor's site.

There are two ways to create this differentiation. One is to help a planner understand exactly why users are on the site – the type of content they are looking for, how they find it, and how they use it. Because online is not an intrusive medium, the audiences are, by definition, in search of something. This does not mean they are necessarily using a search engine, but they may be on Boston.com looking for reviews of a seafood restaurant in a particular neighborhood. The quality of the content in terms of how well it will help a user answer a question, gather desired information, or in some way deliver a user benefit, will help salespeople create value for a site.

The second way to avoid the commodity trap is to use research. The two major online ratings services, comScore and Nielsen, each provide qualitative research. Digging through this third party data and creating relevant stories allows the salesperson to create value. Planners typically place a high degree of importance on qualitative research. They are particularly interested in audience composition.

For instance, let's say the target is W35-54 planning to buy an import car in the next six months. Three percent of Site A's audience delivers this target, and six percent of Site B's audience delivers the target. Therefore, Site B is twice as attractive to the planner.

The salesperson for Site B who has taken the time to research the audience can negotiate from a position of power and attempt to command a premium CPM. But what is the salesperson for Site A going to do?

Unless there is a compelling story buried in the research, such as the 45-54 cell of the demo performing well, the soundest tactic will usually be some type of a content or integration play. For instance, Site A may have a "New Car Preview" section that can be sponsored. The salesperson needs to show the planner why this content is a good fit for the advertising messaging, and counter the deficiencies of the research with a compelling advertising integration concept. The salesperson needs to "get beyond the banner" and weave the prospect's messaging into the content in such an effective and innovative fashion that the problems created by the research data are diminished, if not eliminated.

But when all is said and done, a salesperson should understand that both projected and delivered impressions are essential to planners and buyers. Clients and their agencies need to have an understanding of how their campaign will perform. For some campaigns, reach is important. For others, reach is not nearly as essential as delivering a tightly

defined audience, such as people who travel to Las Vegas more tan six times a year. Sites that offer relative small audiences, perhaps less than two million monthly unique visitors, are typically inappropriate for campaigns that require reach.

These smaller sites need salespeople who inherently understand which marketers will make good partners, who the site can perform for, where long-term relationships can be created, and where win-win outcomes are the norm. To be successful, salespeople simply needs to know, really know, their site, its content, and its audience.

What Great Online Salespeople Do.

Many of the traits and behaviors that salespeople demonstrate in the offline world are essential in the online world.

From knowledge to persistence to persuasion, the set of skills is much the same, but naturally there are aspects of media sales in the online world that differ somewhat from those of the offline world. One is speed. Response times to planners and buyers are often measured in hours, not days. A salesperson who is accessible, who responds quickly, and who respects a planner's clock, is a step ahead of the competition. Another is math. Generalizations are dangerous, but with the exception of researchers, most people who enter the media business do not do so to give their natural math skills an opportunity to shine.

In online media sales, basic math skills are essential. Knowing how to calculate a share of voice for a campaign, knowing how to package different rates, how to blend and balance placements to help manage the site's inventory, how to work with impressions and delivery data, all are important aspects of the everyday world of the online salesperson. While many of these tasks may be delegated to an administrative assistant or a support team, a salesperson conversant with and comfortable with online math competes with an advantage.

A related skill is knowing how to work with Microsoft Excel. The electronic spreadsheet is a vital means of communication between an online buyer and an online salesperson. A salesperson with shaky excel skills is as disadvantaged as the salesperson with superficial product knowledge or communication skills. The ability to quickly complete an RFP without having to depend on an assistant is a plus.

Meticulous follow up after the sale has been made and the schedule has been booked is vital. In some online media sales organizations, special teams are designated to manage the campaign and insure proper delivery. Other publishers may split this task between sales and traffic. No matter what the structure, it is ultimately the salesperson's responsibility to monitor and manage campaign performance. Tracking impression delivery, communicating shortfalls, arranging alternate placements and dealing with performance are each ingredients in the campaign menu. As with all sales issues, it is best for the salesperson to be dealing with problems early in the game. The great salesperson will not only communicate problems to the client, but will simultaneously suggest solutions.

How Online Deals Get Done

Online hunters develop high-level relationships on the client side, learn about business issues, and develop an understanding of marketing objectives and client's personal needs. They take ideas to clients, steer these ideas through agencies, and turn these ideas into

revenue. Deals may unfold independent of a client's measured media budgeting process, and could be cross-platform deals blending online with offline media offered by the same firm.

Online farmers work in a more reactive environment, where they are responding to RFPs. This process typically begins with a budget. The client and the client's agency identify a campaign's objectives, define the demographic targets, assign a budget, and carve up this budget allocating specific amounts to each medium that will play a role in the campaign. Somewhere in this process an online budget is determined.

The online agency, or the online team housed in a client's lead agency, will then start to identify the sites that might best be a part of the media plan. This process typically starts with the use of a planning tool from comScore or Nielsen. The planner will enter the quantitative and qualitative criteria, and the application generates a list of sites which, to differing degrees, meet the criteria. Depending on what the planners are looking for, this list of possible sites, or prospects, can be extremely long or extremely short.

At this point, an RFP is sent to the websites the planners believe will be appropriate for a campaign. An RFP is typically an excel document which summarizes the objectives of a campaign, provides information on the target, the ad units which are going to be used, any requirements for rich media or third party serving, a budget range, flight dates, and other considerations. In many instances, agencies will use an online application such as Atlas or SiteDirectory, where this data is available to the publisher on a password protected site. The publisher is notified of the RFP by email, then goes to the site indicated for the campaign information, and completes an RFP online.

When an RFP is completed by the publisher and submitted, an evaluation process ensues. Planners will look not only at pricing, but the appropriateness of the content in which ad units are placed. In some instances, a publisher will offer some type of sponsorship or integration that goes beyond the banner.

These types of integrations can reflect any appropriate content a publisher offers that helps advance an advertiser's goals. For instance, a New Homes area of a real estate section would offer ideal custom integration for a homebuilder.

Great online salespeople will not just understand an advertiser's objectives as outlined in the RFP, they will demonstrate the creativity and the product knowledge to build a bridge that results in a win-win outcome. This is why the first thing salespeople need to do when receiving an RFP is to read it thoroughly and have a precise understanding of what is being requested. All too often the only information considered is the budget and the flight dates.

There are a number of issues with the RFP salespeople will manage. These issues could range from a request for geo-targeting, or serving the ad units into designated geographies, to frequency capping, or a limit placed on the number of times a user is exposed to an ad unit.

Knowing how a client or an agency will judge the results of a campaign is another important piece of information for salespeople to know. There may be certain sections of a site that perform better than others when it comes to click-through. If a specific CTR, or click-through rate, is a stated objective in an RFP, salespeople should make sure placements reflect the desired CTR. Every online planner is different, but most will welcome an appropriate question from salespeople concerning an RFP. A salesperson may have a suggestion that falls outside the scope of a RFP. For example, there may be a

special package that differs slightly from flight dates and a specified budget that a salesperson believes would align well with the campaign criteria. Rather than simply including this information in the response, it is best to check with a planner beforehand. Planners value salespeople who respond accurately, thoughtfully, and on time. They also value salespeople who understand both the online property they represent and what a client is trying to get done.

An RFP is a bit like the proverbial double-edged sword. While an RFP often forces salespeople to follow a predetermined structure which does not allow for much selling, it allows the planner to gather and manage a lot of information in a relatively simple process. This is why the great salesperson should always include a succinct and specific buy rationale with the submission. In most instances, this rationale can be a single-page document. Screenshots and URLs which help a planner understand exactly where a placement will appear are not only helpful to an agency, but give salespeople an opportunity to differentiate a site's content. Relevant qualitative research data points offer proof and help the planner feel more comfortable with what is being proposed. Over time, the better a planner knows and understands a site, the more comfortable he or she will be including it on a plan.

Effective Communication With Online Buyers

Online planners are deluged. New sites appear daily. Existing sites regularly unveil new capabilities. The workload can be heavy and the online agency's media department is typically fighting off a torrent of unreasonable deadlines. Planners and buyers may not have the time they would like to spend with salespeople. The preferred means of communication is email. A great salesperson will understand the planner's world and manage both communication and the relationship accordingly.

The Role of Networks

When an advertiser needs to reach a defined audience and is not terribly concerned about the specific sites the campaign includes, a network is often used. Online ad networks are simply a collection of sites represented by an independent firm. Networks such as DoubleClick typically include a large number of sites reaching different types of people.

Networks often address a specific segment. There are contextual networks, which place ads into content areas that are relevant to the advertiser. For instance, the online media planner working on a life insurance firm's campaign may tell a network it wants clearance solely in business content. The network may represent a business site such as *Forbes*, a newspaper such as the *Los Angeles Times*, and others that offer content appropriate for the campaign. This inventory will be bundled into a media plan. An advertiser will know flight dates and impression levels and demographics but may not know exactly which sites the campaign will run on.

Along with the contextual networks, there are behavioral networks. These firms also represent a number of publishers. The key difference is that based on user data that has been collected, often from an ISP such as AOL that collects data for its behavioral network, Tacoda, the ads are served only to users who demonstrate specific behaviors. For instance, the life insurance company ad may be served to a user who has spent a lot of time in financial planning content when that user is checking out college basketball scores.

Other networks serve different purposes, such as the sale of video units, text links, or remnant inventory. A publisher's unsold inventory is often given to a network such as Drive to sell at low rates. Blogs often use networks to sell their inventory. Blog publishers typically perform better for low cost products such as apparel, food and beverage, and entertainment.

The Role of Search and Social Media

The role of search, and increasingly, mobile and local search is significant. In an ever-shifting landscape of financial data, the revenues constantly change, but what remains constant is the significant share of total online revenues generated by search campaigns.

Search underscores one of the fundamental differences between online and offline marketing. Offline marketing typically requires more of an attention-getting, intrusive quality. It needs to stand out and grab a prospect's attention.

Online messages can appear in an environment where the prospect is actually looking for this information. Someone who does a search for "Zurich Hotels" is probably a pretty good prospect for a Zurich hotel.

Search is often considered an ideal marketing tool. Advertising appears in places where potentially qualified prospects prepared to transact are looking for information. From the marketer's perspective, search falls into two buckets. One is organic and one is paid. Organic search results are a result of a site's SEO or search engine optimization. These results appear in the search engine's actual listings in the center of the page. Paid search campaigns are typically based on bids advertisers make to have their text messages appear on the pages where search results are listed. These results typically appear on the right hand side of the page, in the right rail.

The major search firms such as Google do not use salespeople to market these paid listings, but rather an online auction-based system. Google bases cost-per-click (CPC) fees on a combination of the actual bid and the amount of click-through the ad receives. The actual position of an ad is also partially based on both factors.

To help marketers manage search campaigns, a number of specialized agencies help advertisers with search engine marketing and optimization. Firms such as iCrossing, 360i and Efficient Frontier manage literally millions of keywords. Other major digital agencies such as Avenue A/Razorfish include search as a capability.

As search evolves, and increasingly embraces areas such as mobile platforms along with video and local results, marketers will have an increasing number of tools. Social media, from wikis and widgets to branded social networks, are generating rapidly increasing revenues. Mobile and niched social networks may have the potential replace more broad-based models such as MySpace.com. Established global media brands such as ESPN.com are offering marketers the opportunity to place messaging in community content. Social networking tools are incorporating content from offline publishers.

Video

Video content has quickly evolved from a quirky novelty to mainstream online content, and marketers are eager to embrace it. But there are a few challenges. First, the intrusive nature of television advertising does not translate well to the online medium. Marketers

who run an instream ad or a pre-roll unit prior to a news report or an entertainment clip risk generating resentment from online users predisposed to immediate content gratification. To try and avoid this backlash, some sites actually play the commercial video elsewhere on the page.

The standard thirty-second television commercial seems to drag on for an eternity online, thus a stampede to 15-second units. And the actual content and construction of ads produced for broadcast and cable do not always translate well to online. Add a less than ideal technology, in terms of load times and resolution, and you have an environment ripe for innovation, experimentation, and upheaval.

Salespeople in the digital world who have video content to offer clients should understand that there is a significant migration of video from the offline to the online world. Scripted shows such as webisodes are appearing. Segments of news programs are readily available. In a throwback to the days when network radio and television sponsors had a hand in the production of content, major marketers such as McDonald's are involved with the creation of video programming, which provides innovative brand integration.

Making a Living Selling Online Advertising

There are many opportunities today to sell online advertising, and with the industry projected to grow as it is there will be many more online sales jobs to come. Many online sales jobs do not come with the security of traditional media sales jobs, yet many do come with the opportunity to earn substantially more money. Many believe online media to be the fast track for learning and career growth

Following are some typical jobs in an online sales department. You will find these titles vary company to company but responsibilities are similar.

Account Executive/ Sales Representative. These roles are for media sellers dealing directly with clients and agencies. Some companies have inside sales forces selling on the telephone such products as online directories and search. Most account executives receive a base salary plus a commission based on attaining a revenue goal. Account executives need to be much more that ad peddlers. It is essential that they are students of marketing and provide real expertise in helping their partners achieve their marketing goals.

Account Manager. Account managers exist in organizations that support servicing of customers above and beyond the normal service of a sales representative. Account managers take responsibility for ensuring that agreements are met and that online schedules are implemented and tracked properly. The online medium is extremely complex; getting banners up and running, served properly, and checking click-throughs daily and weekly to see that partner's get agreed-upon results is a huge task. Account management personnel work very hard to make customers happy. Most account management people are not paid based on commission, but many do have bonus plans.

Sales Coordinator. These roles are usually entry-level positions designed to provide assistance to sales representatives, account executives, or account managers. Coordinators usually help in the creation of advertising plans, sales presentations, scheduling, and much more. A sales coordinator's role provides a

tremendous opportunity to learn the business by getting a broad view of the organization and the sales process while playing a key role on a sales team.

Planner/Sales Strategy/Solutions. In some sales departments the role of creating advertising packages and ideas for clients is staffed with media experts, called planners. In some companies this task is done by a group called sales strategy. In other companies, the system for pulling together media plans is automated or the role of strategy is left to the manager and salesperson. The creation of media plans and ideas is an extremely important role because effective, creative plans differentiate a company in the market. Planning and sales strategy are rewarding positions for creative people with a knowledge of media planning and strategy.

Operations Specialist. The role of operations specialist can consist of processing contracts, trafficking ad copy, implementing campaigns by scheduling impression, and pulling reports or it can be defined more narrowly with other job titles dedicated to this process. Regardless, there exists a great opportunity for those who like working with systems and supporting sales organizations in a non-selling role.

Test Yourself

1. What is purpose of the browser?
2. How does Java help us?
3. What are the nine advantages of online advertising?
4. What is Rich Media?
5. Why is it important to agree on how success will be measured with your client?
6. What are the various pricing models for Interactive advertising?
7. What is an RFP?
8. What is the difference between AdWords and AdSense?
9. Explain what an online ad network is.

Project

Go to www.quantcast.com and find the current rankings for the top 10 websites. Also, find the reach and rank of your favorite blog.

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Resources

www.alwayson.goingon.com (Always On is a media company tracking the digital economy and ranking the top 100 new startups.)
www.cj.com (Commission Junction is an online advertising company that delivers performance-based solutions.)
www.clickz.com (ClickZ is a website that has news and articles about digital advertising.)
www.eyeblaster.com (Eyeblaster is a digital advertising management company that allows marketers to manage online ad campaigns that include streaming video.)
www.eyewonder.com (A rich media and streaming video ad management service)
www.google.com (The search giant)
www.iab.net (The Interactive Advertising Bureau's website that includes standard banner sizes and up-to-date research and online revenue numbers.)
www.imediaconnection.com (IMedia is a newsletter and events company dedicated to educating users about online advertising.)

www.linkshare.com (Linkshare helps companies manage online advertising campaigns.)
www.paidcontent.org (Paid Content is a newsletter and business media company tracking the digital economy and content.)
www.pewinternet.org (The Pew Internet and American Life Project website that contains statistics and reports on Internet usage by many demos.)
www.pointroll.com (PointRoll is the leading company that creates banners that users can interact with.)
www.quantcast.com (A website on which you can get traffic information by multiple demographics on most websites – monthly reach and rankings.)
www.searchenginewatch.com (A website that provides update information and rankings of the search engine business and traffic.)
www.techcrunch.com (Techcrunch is a newsletter and blog covering startups and Silicon Valley.)
www.unicast.com (Aids advertisers manage rich media advertising campaigns, especially streaming video.)
www.viewpoint.com (Video streaming platforms and technologies that provide rich images)

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