



ZEFF

ADVERTISING ON THE INTERNET



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‘This is just what I needed.’ —Andrew Susman,

Marketing Director, Time, Inc., New Media

ADVERTISING

on the internet

Buy and sell online ads with
strategies that work

Identify your online audience
and customize the ads they'll see

Optimize your online ad
campaign with smart pricing
and measurement skills

ROBBIN ZEFF

BRAD ARONSON

Foreword by Debra Aho Williamson
Advertising Age

Advertising on the Internet



Advertising on the Internet

Robbin Zeff
Brad Aronson

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v

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—Robbin Zeff

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—Brad Aronson

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Foreword

Web advertising is the buzzword of the moment. Everyone wants to know what it is, how to do it, where to find it, and most of all, how to make money from it. Advertising is expected to foot the bill for countless Web sites, ranging from big-name magazines to local entertainment guides, but there are still significant concerns about online advertising.

While nearly all the leading national advertisers (as tabulated by *Advertising Age* and *Competitive Media Reporting*) have Web sites, most have yet to buy online advertising. Of the ad-supported Web publishers, few are profitable. Meanwhile, analyzing traffic to a Web site is a complicated procedure.

Are we holding the Internet to expectations that are far too high? When Internet industry executives gather, they talk about the rate of change in terms of Internet years—like dog years, there are several Internet years in one calendar year. Because technology turns over this quickly, the tendency is to assume that marketing and advertising will change just as quickly, but that's not always the case.

Advertising follows tried-and-true patterns: 30-second commercials, planned campaigns, a studied approach to buying and selling. The Internet, with its millions of linked documents, just doesn't lend itself to that kind of rigor. The tendency among many marketers is to impose boundaries and formats on the Net, when in reality, Internet advertising should be about creativity, open standards, and freedom of form.

If you're considering running an Internet ad campaign, this book is an excellent way to kick off your education process. It will teach you in plain, no-nonsense language, the basics about Internet ads, ad networks, creative, and more. Before you launch your campaign, take a step back. Don't just buy some banners and wait for the results. Think of ways to reach out to the people who see and interact with your ad.

When you feel the tendency to revert to tried-and-true methods of advertising, spend a few minutes surfing the Net. Click links and go where they take you. Don't feel like you have to follow a pattern or return to where you started. That's the beauty of the Net, and to consider it any other way is to erect boundaries where there are none, and fences where there should be open fields.

Read, learn, and understand the basics. Then, get ready to be creative. No other ad medium will offer you so much freedom to create your own path.

Debra Aho Williamson
Editor, Interactive Media & Marketing
Advertising Age

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Setting the Stage

After fewer than three years as an industry, online advertising has grown rapidly and is expected to command an even larger portion of advertisers' media budgets within the next decade. This chapter lays the groundwork for understanding the Internet advertising universe. We will examine the online audience, compare online advertising to traditional ad models, summarize the history of online advertising, and review the players in this new media.

Why All the Commotion?

The Web has reached 10 million consumers faster than any other technology in history (Figure 2.1), and is expected to penetrate 50 million homes by the year 2000 (Figure 2.2). According to Jupiter Communications, a New York-based research firm, by 2000, online advertising will be a \$5 billion dollar industry (Figure 2.3). The explosive growth has led everyone from marketers to agencies to publishers to try to understand and harness Internet advertising.

"I believe in the Internet because I've seen other media grow," explains Art Cohen, national advertising sales director of AT&T's online service,

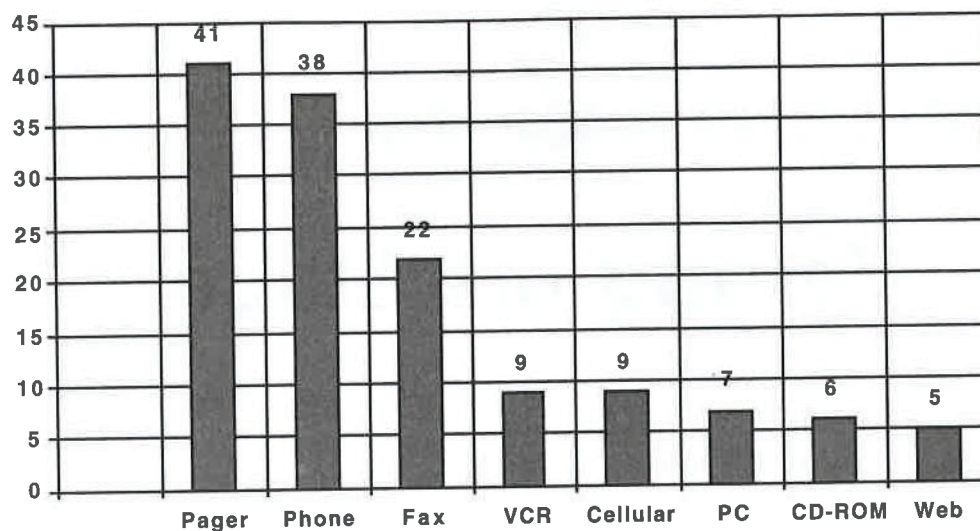


FIGURE 2.1 Number of years it took other technologies to reach 10 million consumers compared to Web's achievement.

Source: 1996 CyberAtlas

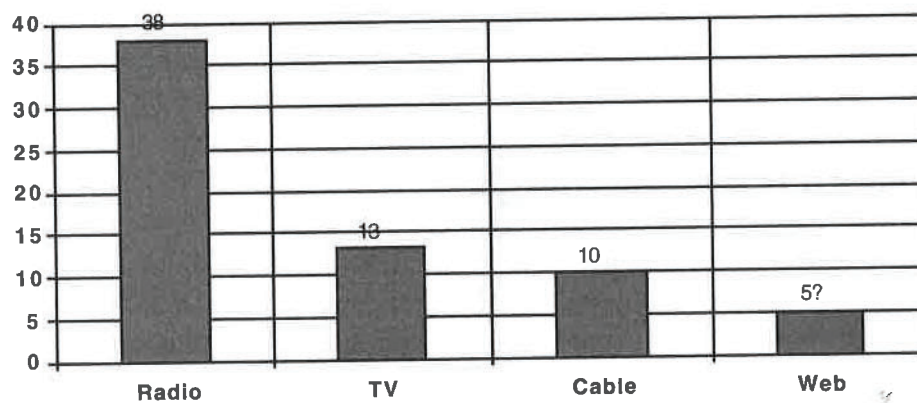


FIGURE 2.2 Number of years it took major media to reach 50 million U.S. homes.

Source: McCann-Erickson, Paul Kagan Associates, and Morgan Stanley Technical Research

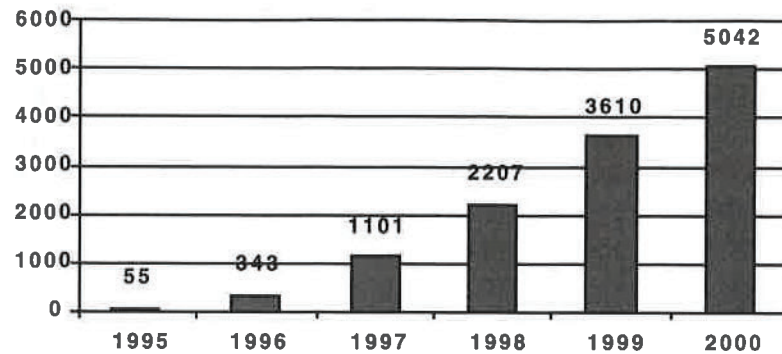


FIGURE 2.3 Online advertising revenue projections, 1995–2000.

Source: 1996 Jupiter Communications, LLC

WorldNet. “I came from the print world and cable television. As great as cable was in its development, advertising on the Web makes cable look like just a speed bump on the information superhighway.”

Internet Encroaching on TV’s Sacred Time

According to *InterActive Consumers*, published by Find/SVP, Internet usage is going prime time—8 P.M.–11 P.M. It reports that Internet and online usage is beginning to cut into prime time TV viewership among the 10 percent of U.S. households that have access to the Internet and online services. With 50 million households expected to be online by 2000, the Internet will become an important medium used by advertisers to reach consumers—perhaps ultimately more effective than prime time television advertising itself.

What Is Online Advertising?

Can we compare online advertising to a television commercial or an ad in a magazine? Should a Web advertisement be compared to a direct mail piece or a roadside billboard? Should we look to the cable TV or direct response industry for historic precedence? These are difficult questions to answer, because the Internet does not fit neatly into the mold of any traditional

Table 2.1 Internet Use by Function

(millions)	1995	1996	1997	1998	1999	2000
PC users	144	167	184	203	217	225
e-mail	35	60	80	130	180	200
World Wide Web	9	23	46	81	122	152
Online/hybrid	8	13	18	23	27	30

Source: Morgan Stanley 1996

advertising vehicle. And while the Web is by far the most talked-about aspect of the Internet, online usage encompasses more (Table 2.1). Today, advertising is occurring in all Internet applications, from online services to e-mail messages to the Web.

Online Advertising and Traditional Ad Models

Online advertising, like all advertising, attempts to disseminate information in order to affect a buyer-seller transaction. But Web advertising differs from other mediums by enabling consumers to directly interact with the advertisement. A consumer can click with his or her mouse on the ad for more information, or take the next step and purchase the product in the same online session.

Web advertising also gives advertisers the opportunity to precisely target an audience, enabling them to deliver advertisements that are customized to each user's particular interests and tastes.

Looking at online advertising in terms of traditional ad models will reveal the breadth and depth of this medium as an advertising vehicle. To that end, we'll discuss billboards, print, direct marketing, and television.

Outdoor Advertising: The Billboard. Web banner ads are often likened to roadside billboards. Like a billboard, which can refer passersby to an upcoming attraction or location, a banner may point Internet users to a Web site. But roadside billboards are static, whereas Web users can interact with a banner ad by clicking on their mouse, linking them to other sites and

more information; this also enables advertisers to accurately measure responses to their ads. They can determine exactly how many times their banner was clicked on; conversely, there is no real way to determine how many people respond to a billboard.

Print Advertising. In a newspaper or a magazine, a quarter-, half-, or full-page advertisement is clearly identifiable. Advertisements are formatted in a way that allows readers to easily separate them from the editorial content. On the Web, banner advertising corresponds to the print model because of its clearly recognizable borders.

Current screen real estate for banner advertising is limited—usually less than 10 percent of the viewable area, which is one reason advertisers are creating their own editorial areas that are not easily recognizable as advertising.

On the Web, every element of the interactive canvas can be made into an ad, from product placement (a product name or logo used in text or in a display) to wallpaper designs (background images appearing behind editorial content) made up of a corporate logo or any other product symbol, such as Disney's use of black-and-white background spots as sites like Yahoo! used to promote *101 Dalmatians*.

The traditional division between editorial and advertising becomes blurred on the Web because the major players are both advertisers and publishers. For example, both Netscape and Time Warner have popular Web sites on which they publish editorial material, and both advertise, spending significant amounts of money on Web promotions.

Direct Marketing. Direct marketers can accurately track the number of people who respond to a specific promotion and use this number to determine the profitability of each campaign. The ability to perform this same type of detailed evaluations of Web advertisements has led some advertisers to take a direct marketing approach to the Web, specifically basing their campaigns on their cost per response.

Television Advertising. The 30-second television commercial is one of the premier advertising formats. Television commercials allow an advertiser to completely "take over" the television screen, delivering a full-motion advertisement that can target a consumer's interests, needs, even emotions.

Most Web advertising is less obtrusive, in part because of publishers' reluctance to deliver advertising that may be regarded as intrusive to users, who are accustomed to a commercial-free environment online. Nevertheless, Web publishers and advertisers are beginning to test the viability of full-screen animation and video advertisements on the Web (see the section on interstitials in Chapter 3 for details).

The Web Advertising Advantage

Though online advertising spending is a mere fraction of what is spent on print and broadcast (Figure 2.4), its revenue is increasing significantly for a medium still in its infancy. As mentioned, the Web's targeting and tracking capabilities have the potential to make it one of the most responsive media available to advertisers.

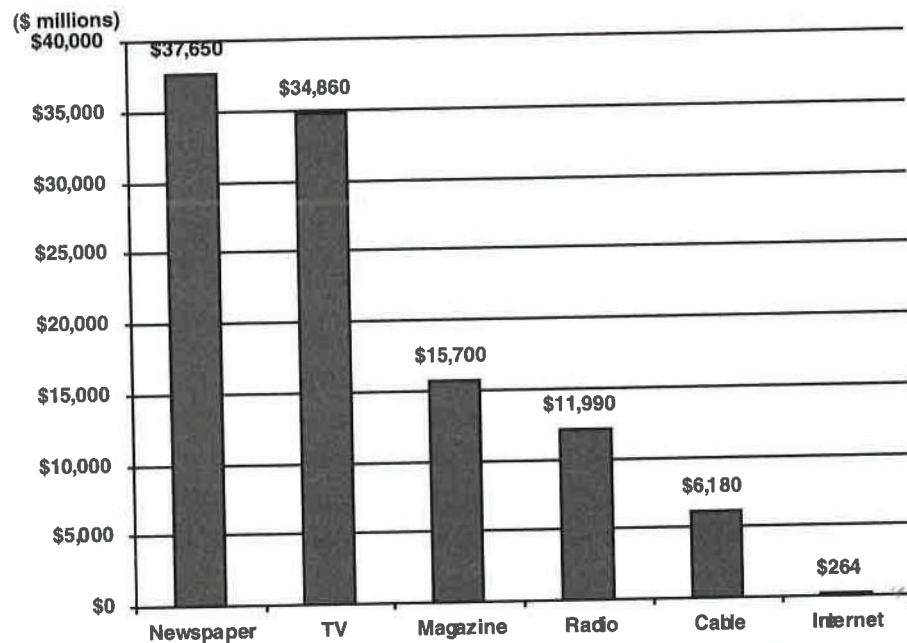


FIGURE 2.4 Comparing 1996 advertising revenue for various media.

Source: Veronis, Suhler Associates, Paul Kagan Associates, Jupiter Communications, and Morgan Stanley. (Internet revenue estimate based on annualized run-rate of industry's 3Q96 revenue of \$66 million)

Targetability

Web advertisers have an entirely new range of targeting capabilities. They can focus on users from specific companies, SIC codes, geographical regions and nations, as well as by time of day, computer platform, and browser. Currently, however, they cannot accurately target gender and other demographic parameters. But in the near future, advertisers will be able to target much of their Web advertising based on users' preferences—something other advertising vehicles can't do (see Chapter 5 for a complete discussion of customized ad delivery).

Tracking

Marketers can track how users interact with their brands and learn what is of interest to their current and prospective customers. For example, a car manufacturer can track how a user progresses through its site to determine whether more users are interested in the safety information or the “extras” that come with a particular model.

Advertisers can also precisely measure the response to an advertisement (through the number of times an ad is clicked on), which is difficult to do with traditional television, print, and billboard advertising

Deliverability and Flexibility

Online, an ad is delivered in real time 24 hours a day, 7 days a week, 365 days a year. Furthermore, an ad campaign can be launched, updated, or canceled immediately. An advertiser can follow a campaign's progress daily, notice that a campaign is generating very little response in the first week, and replace it by week two, a big difference from print, where an ad cannot be changed until a new edition of the publication is published; and on TV, the costs of making frequent changes are prohibitive.

Interactivity

An advertiser's goal is to engage the prospect with a brand or product. This can be done more effectively on the Web, where a consumer can interact with the product, test the product, and, if she or he chooses to, buy the product. For example, an advertisement for software can take a user directly to

the location where a demo can be downloaded and tested. If the consumer likes the software he or she can purchase it right then and there. No other medium offers such immediate and easy accessibility.

The Online Audience

"You can't afford to let the digital revolution pass you by," admonishes Art Cohen of AT&T. As we've already noted, the Web has entered more U.S. homes faster than any other medium in history, not surprising considering the high penetration of the PC into U.S. homes. By 2001, it is speculated that over 50 percent of the American population will own a PC.

The Number of People Online

Over the past 10 years, the number of host computers connected to the Internet has increased steadily, with a veritable explosion of growth since 1995 (Figure 2.5). As of July 1996, there were an estimated 34.6 million people online worldwide (Figure 2.6). And by 2000, the number of house-



FIGURE 2.5 International connectivity map.

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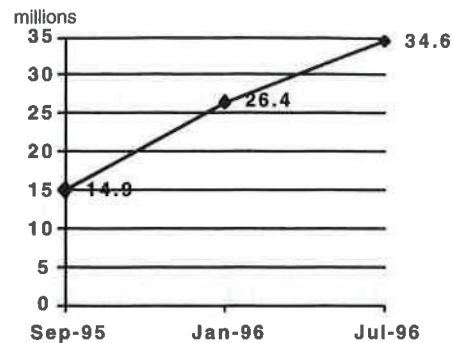


FIGURE 2.6 Number of people online worldwide as of July 1996.

Source: 1996 CyberAtlas Consensus Estimate

holds connected to the Internet in primary North American markets alone is predicted to reach 38.2 million (Figure 2.7).

Online Demographics. The demographics of the online audience are constantly changing as the Internet moves closer to becoming a mass-market medium. Still, demographic studies have revealed some generalizations

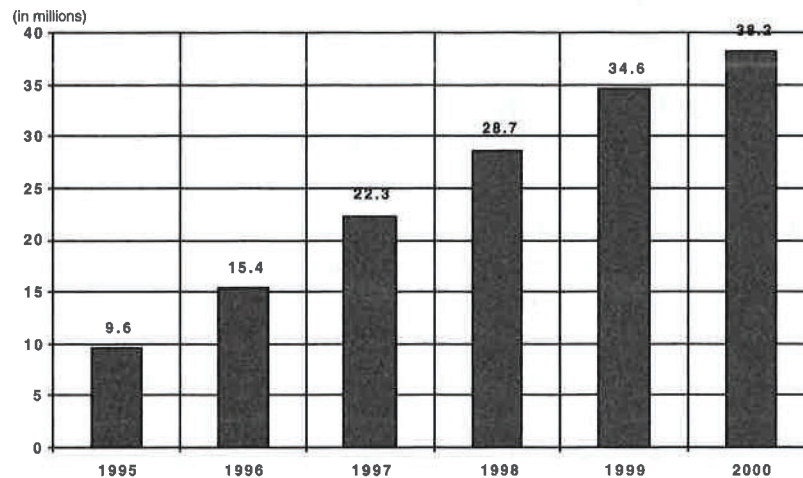


FIGURE 2.7 Internet usage growth in online households in primary North American markets, 1995–2000.

Source: Jupiter Communications/World Online Markets, Copyright 1996 Jupiter Communications

regarding the online community. (A more extensive discussion of user demographics is presented in Chapter 7). The average Internet user is 32 years old, with those under 18 making up about one-tenth (3 million-plus) of the user population. The majority of users online today are male (68 percent), of whom 64 percent have at least a college education and a median household income of \$60,000. The vast majority of Internet users are Caucasian.

Short History of Online Advertising

The history of online advertising spans a very short period of time that began with the commercial online service Prodigy; it survived the so-called spam wars, and came into its own with the launch of HotWired, the online sister company of *Wired* magazine.

In the Beginning

Long before the commercialization of the Web, Prodigy was testing the online advertising waters. When the service went live in 1990, it adopted advertising as a revenue source. Prodigy was the lone experimenter in this arena; the other commercial online services shied away from incorporating advertising into their content mix. Point in fact: CompuServe went online in 1979 but did not sell its first sponsorship until 1995. Likewise, AOL did not start addressing advertising seriously until the fall of 1995.

Setbacks: The Spam Wars. As Prodigy was testing advertising within its subscriber-only environment, others were exploring the commercial implications of Internet applications. In 1994, the law firm of Canter and Siegel thought they had discovered the silver bullet for tapping the Internet as a cheap marketing medium and posted an advertisement for green card assistance to over 7,000 newsgroups (Internet discussion areas). Internet etiquette, known as netiquette, dictates that discussion forums not be used to post blatantly commercial materials that have nothing to do with the subject of the discussion group and labeled these posts spam. Spam was not only disruptive to the discussion group, polluting the topic of conversation, but also to the producer of the spam and his or her Internet service provider; spam often resulted in large volumes of e-mail complaints, known as flames.

Although Canter and Siegel did receive requests for green card assistance as a result of its ad, the resulting outrage hurt the firm's reputation

within the online community. The service provider that Canter and Siegel used, Internet Direct, crashed 15 times under the flood of 30,000 flames in only 18 hours. Internet Direct canceled the Canter and Siegel account.

Canter and Siegel next set up accounts on two other providers insisting they would place even more advertisements. Canter and Siegel received tremendous press coverage, but they were blacklisted from the Internet community—service providers dropped their accounts rather than face thousands of angry e-mails.

Netiquette: Proper Internet Behavior

On the Internet, reputation is everything. The last thing a business wants is to ruin its online image through advertising that breaks the online code of proper behavior known as netiquette.

In the Internet's early days, when the user community was small and defined, users could monitor, control, and discipline anyone deviating from accepted behavior. For example, the response to spam, like the messages posted by Canter and Siegel, was immediate. Blacklist sites developed (Figure 2.8) revealing addresses of individuals and corporations that regularly spammed newsgroups.

As the Net grows ever larger and new users go online daily, the boundaries of netiquette are constantly being redrawn. Many online publications explain and coach the novice on how to travel the commercial spaces of cyberspace troublefree. For example, the interactive agency Tenagra has a document on its Web site titled "Acceptable Internet Advertising Practices" (<http://arganet.tenagra.com/Tenagra/net-acceptable.html>), which summarizes the do's and don'ts of advertising on the Internet.

Acceptance. The Canter and Siegel spam wars occurred just before *Wired* magazine launched HotWired (<http://www.hotwired.com>), with an advertising business model. Fearing retribution from the cyberspace community, HotWired reduced the dimensions it had originally planned to use for its first advertising unit, the banner ad.

HotWired signed its first ad contract with AT&T on April 15, 1994, and the site launched on October 27, 1994 (see Figure 2.9). Its inaugural sponsors

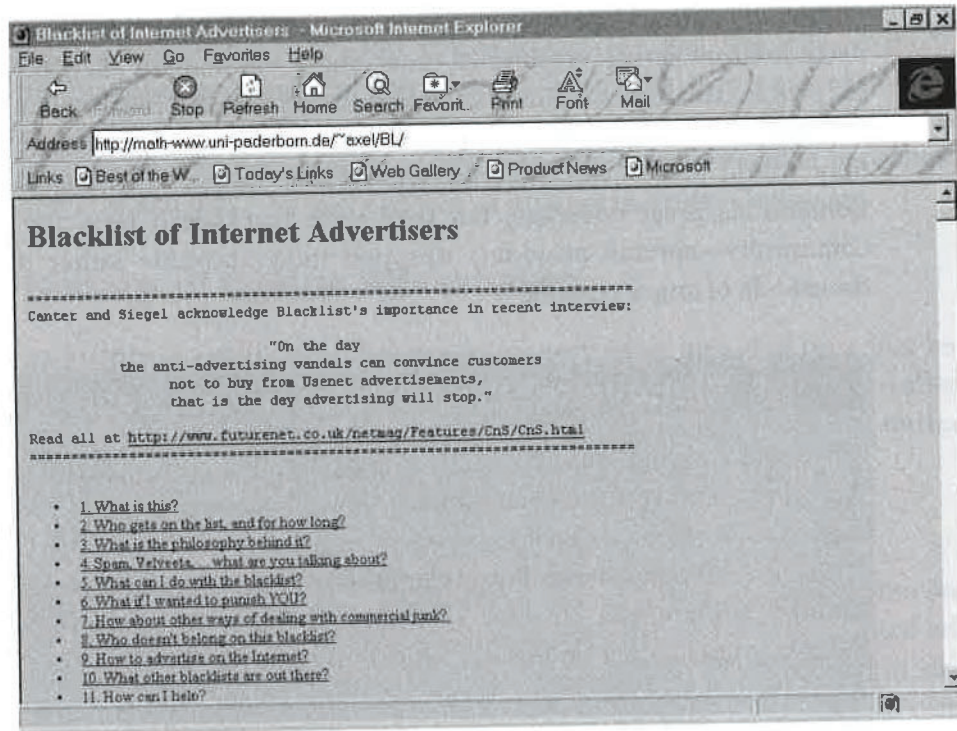


FIGURE 2.8 Blacklist site on Internet targeting repeat spammers.

represented a cross-section of the advertising community, from such blue chip advertisers as AT&T and IBM to Pepsi's new alcoholic beverage Zima.

To HotWired's pleasant surprise, the only negative comments received were in response to portions of their Web site that were still under construction; no one criticized the advertisements.

Although HotWired had hoped to profit from its advertising sales, it did not begin with a dedicated salesforce. Instead, it used *Wired's* national salesforce. This proved satisfactory because there were only two agencies buying the vast majority of online advertising: Modem Media (<http://www.modemmedia.com>) and Messner Vetere Berger McNamee Schmetterer (<http://www.mvbms.com/>). Together, these two agencies accounted for almost half of HotWired's charter advertisers. "Our charter advertisers were visionaries," recalls Rick Boyce, vice president of advertising at HotWired. The story goes that the folks at Modem Media were so convinced of the sig-

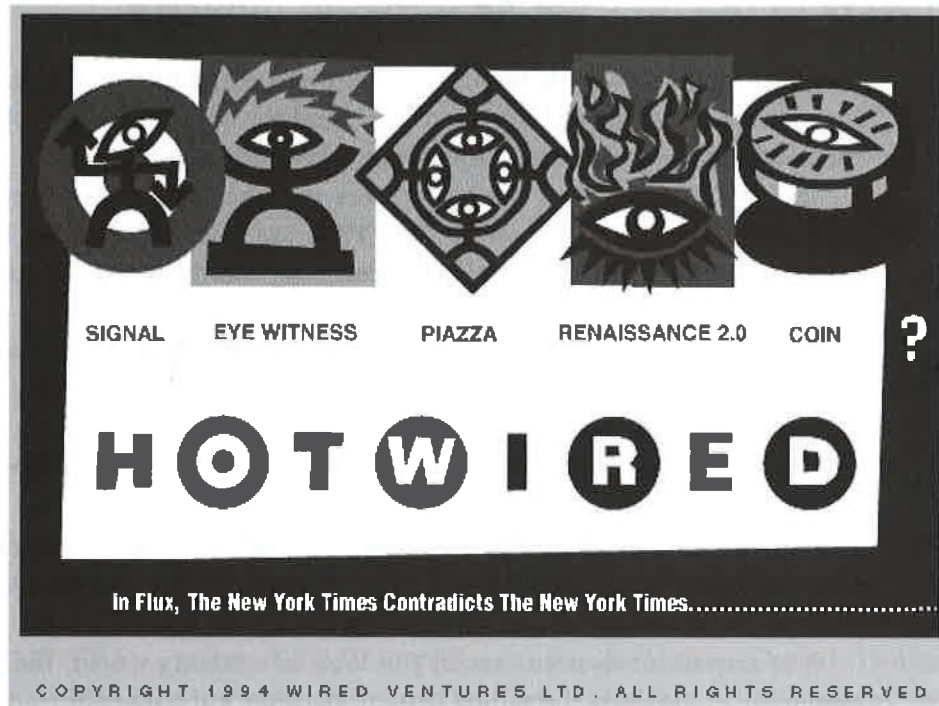


FIGURE 2.9 HotWired's first home page.

Copyright 1994 Wired Ventures Ltd. All rights reserved.

nificance of being a charter sponsor of HotWired that they bought ads before they had final approval from AT&T, since no one at AT&T was ready to take responsibility for online ad buying. Modem Media's gamble paid off; the charter sponsors received tremendous press coverage as part of the site's launch.

Word (<http://www.word.com>) was the second "zine" (Web magazine) to sign sponsors. It too received its first sponsorships—Zima and MasterCard—from the Internet advertising visionaries at Modem Media. Soon, other sites were scrambling to accept advertising, and today there are thousands of sites that accept advertising. Recent projections indicate that advertising will play a large role in revenue generation for Web publishers.

Players in the Internet Advertising Industry

The cast of characters in the Internet advertising industry can be divided into three camps: the sellers, the buyers, and the advertising infrastructure, those who develop the tools that support Web advertising.

The buyers consist of the advertisers who have products, services, or Web sites to promote and sell online. They are often represented by interactive agencies that design online advertising campaigns and purchase ad space.

In the sellers' camp, the key players are the publishers, who produce the sites with advertising space to sell, but include ad networks, which often sell advertising for the publishers.

The third camp consists of the advertising infrastructure, those companies that make Internet advertising possible by developing the tools to deliver the ads, measure the ads, audit the ad campaigns, and complete the other tasks essential to making online advertising acceptable to the industry.

It is important to note that in the Web advertising world, the line between the buyers and the sellers is faint, because publishers buy ads to promote their Web sites and advertisers produce sites to promote their products.

The Sellers: Web Site Publishers

The Web is made up of hundreds of thousands of sites. Young entrepreneurs, many of them college students with free Internet accounts, developed the first sites. Other early players were those ready to embrace technology or who looked to the Web as a place to express themselves. Initially, the popularity of various sites spread through word of mouth. From zines to search engines, these publishers developed content that began challenging television's dominance as viewer's source of information, education, and most important, entertainment (of the 10 percent of television viewers who have online access).

Today there are more than a quarter-million Web sites, and over a thousand of these accept advertising (see Table 2.2). And the top publishers are beginning to earn enough advertising revenue to near profitability (see Table 2.3).

Table 2.2 Growth of World Wide Web Sites

Month	Number of Web Sites
6/96	230,000 (est.)
1/96	100,000
6/95	23,500
12/94	10,022
6/94	2738
12/93	623
6/93	130

Source: Mathew Gray, MIT 1996

Some sites are produced by a single company such as the *Washington Post*, which publishes an online version of its daily paper (<http://www.washingtonpost.com>). Other sites are part of a corporate network of sites, such as the Starwave family (Figure 2.10), which includes the sports sites ESPNET SportsZone, NBA.com, NFL.com, Nascar Online, Outside Online, as well as Family Planet, Mr. Showbiz, Castle Infinity, and Ticketmaster Online. Microsoft, too, has its own network of sites from its online service Microsoft Network (MSN) to the zine Slate and the news service site MSNBC.

Table 2.3 Top 10 Web Publishers Ranked by Ad Revenue

Rank	Company	1996 Revenue*
1.	Netscape	\$27,704.8
2.	Yahoo!	\$20,560.7
3.	InfoSeek	\$418,054.4
4.	Lycos	\$12,809.7
5.	Excite	\$12,228.3
6.	C/net	\$11,391.6
7.	ZD Net	\$10,237.7
8.	WebCrawler	\$7,282.1
9.	ESPNET SportsZone	\$6,500.8
10.	Pathfinder	\$5,808.0

Source: 1996 Jupiter Communications, LLC

*revenue in thousands



FIGURE 2.10 Starwave network of sites.

These site networks can be likened to a television network with its suite of shows. Some analysts predict that the Web will go the way of TV and cable, where a handful of major networks dominate the landscape.

Ad Networks. To assist sites in generating revenue from advertising, ad networks have formed to sell advertising for publishers who participate in their networks (Table 2.4). These networks benefit the publishers by providing an aggressive salesforce. Also, a publisher's inventory may be more difficult to sell individually than when it is part of a larger inventory pool. The networks make it possible for advertisers to extend their reach into a variety of sites with one media buy.

The Buyers: Advertisers

The first advertisers to jump on the Web en masse were the Internet publishers themselves. In fact, the list of the top advertisers for 1996 reads sim-

Table 2.4 Ad Networks

@dVenture http://www.ad-venture.com	eAds http://www.eads.com/	Softbank Network http://www.softbank.com/Interactive
ADSmart.net http://www.adsmart.net	InfoSeek Network http://www.infoseek.com/network	Petry Interactive Network http://www.petrynetwork.com/
Ad-One http://www.adone.com/	Internet Link Exchange http://www.linkexchange.com	Real Media Network http://www.realmedia.com/oasmark.html
Burst! Media http://www.burstmedia.com	Narrowcast http://www.narrowcastmedia.com/	Web Wide Media http://www.Webwidemedia.com/
Commonwealth Network http://commonwealth.riddler.com	Net Ad Net www.cybertail.com.au/NetADNet/adindex.htm	WebConnect http://www.Webconnect.net
DoubleClick http://www.doubleclick.net	New Century Network http://www.newcentury.net	WebCounter http://www.digits.com/

ilarly to the list of top publishers (Table 2.5). Those with the most to gain from the growth of the Web invested the most money, and no one invested more in 1996 than Microsoft.

But by 1996, large consumer advertisers like Procter & Gamble began to get their feet wet. And if the Web advertising industry is to grow, Web publishers need to entice other such large companies to invest significant advertising dollars.

Interactive Agencies

The link between the advertisers and the publishers is often interactive agencies. The birth of interactive advertising did not take place on Madison Avenue, the home of the ad agency. Instead it bloomed in Multimedia Gulch in San Francisco and New York City's Silicon Alley.

Table 2.5 Top 10 Web Advertisers Ranked by Ad Spending

Rank	Company	1996 Revenue*
1.	Microsoft	\$13,002.2
2.	AT&T	\$7,286.1
3.	Excite	\$6,937.7
4.	IBM	\$5,861.0
5.	Netscape	\$5,702.6
6.	InfoSeek	\$5,082.1
7.	NYNEX	\$4,009.5
8.	Yahoo!	\$3,948.6
9.	Lycos	\$3,910.8
10.	C/net	\$2,653.8

Source: 1996 Jupiter Communications, LLC

*revenue in thousands

In 1994, Ed Artzt, CEO of Procter & Gamble and president of the American Association of Advertising Agencies, scolded his association for not embracing the possibilities of the new technology. Though at the time Artzt was referring to interactive television, it soon became clear that the Internet was the dominant medium on the horizon. While traditional ad agencies took a wait-and-see approach to the Internet's potential, "boutique shops" pioneered online advertising. These shops did not look at online advertising as new wine in old bottles, but embraced the nuances of cyberculture to make Web advertising a vehicle that worked.

The roots of today's interactive agencies have three sources: Web site development, direct marketing, and traditional advertising agencies. The agencies that began as Web site development shops had strong technical backgrounds. These shops built the first corporate Web sites, and brought in the marketing and advertising expertise to make themselves full-service operations. On *AdWeek's* list of the top 10 interactive agencies (Table 2.6), Organic Online (<http://www.organic.com>) and Avalanche Systems (<http://www.avsi.com>) fit into this category.

Other agencies came from the world of direct response marketing. These agencies formed as a result of the Web's remarkable ability to serve as a direct marketing vehicle. Strategic Interactive Group (<http://www.sig.bsh.com>) is a

Table 2.6 AdWeek's "Best Interactive Agencies for 1996"

Interactive Agency	Location
Agency.com	New York, NY
Avalanche Systems	New York, NY
CKS Group	Cupertino, CA
Dahlin Smith White	Salt Lake City, UT
i-traffic	New York, NY
Modem Media	Westport, CT
Organic Online	San Francisco, CA
Poppe Typson	New York, NY
Red Sky Interactive	San Francisco, CA
Strategic Interactive Group	Boston, MA

subsidiary of the direct response powerhouse Bronner Slosberg Humphrey Company.

And, finally, some interactive agencies were built by visionaries from the ad agency world who set up interactive divisions or formed their own boutique shops. This group's representation on the *AdWeek* top 10 list includes CKS Group (<http://www.cks.com>) and Poppe Tyson (<http://www.poppe.com>).

Now that the online advertising industry is getting noticed in corporate boardrooms, traditional ad agency giants are waking up. In 1996, several chose not to build interactive divisions but to buy expertise; they invested in existing operations. For example, True North acquired Modem Media, and Omnicom brought five interactive agencies under its umbrella: Agency.com, Interactive Solutions, Razorfish, Red Sky Interactive, and Think New Ideas.

Advertising Infrastructure

An infrastructure has formed that provides the tools to help publishers and advertisers deliver results via advertising.

Traffic Measurement

"Advertisers want accountability for their money being spent," says AT&T's Cohen. "The Internet will fill that bill better than any medium that

Table 2.7 Web Measurement Industry Leaders

Counters	Auditors	Rating	Comparative Measurement
WebTrends (e.g. software)	ABVS	PC Meter	Cyber Measurement Index (Next Century Media)
NetLine (I/Pro)	BPA	Relevant Knowledge	
Market Focus (Microsoft)	I/PRO, Nielsen		
Net.Analysis (Net.Genesis)			
NetCount (NetCount)			
Statisphere (O'Reilly)			

has come before it.” Measuring Web site traffic is essential to marketing a site to the advertising community. The measurement industry includes the counters, the auditors, and the comparative measurement researchers (Table 2.7). Currently, publishers and advertisers can precisely measure what is referred to as click-through response to an ad, but advertisers still need effective ways to determine their reach (the number of different users who see an ad). Web auditing also needs improvement. Both measurement and auditing are discussed in detail in Chapter 4.

Ad Management

Software solutions that coordinate the logistics of ad placement are available for the online advertising industry. The software takes care of the daily management of ad placement, rotation, and reporting, all required components of a Web advertising campaign.

The technological infrastructure of online advertising sets it apart from traditional advertising. Chapters 4 and 5 explain how these tools work. But before we jump into a discussion about the tools of the trade, we will examine the types of ads that are being developed to better understand their requirements for measurement and delivery.

Learning about Your Customers and Delivering Targeted Ads

Advertisers dream of delivering the right ad to the right person at the right time. The realization of this dream is touted as the true potential of online advertising. The question on everyone's mind is "When and how will we get there?" As we discussed in Chapter 4, we can discover some information about users—the Web site that referred them, which computer platform they're using, their domain, and their browser. But this is not the same criteria advertisers use to delineate a target market, and it is this criteria that this chapter pursues, by examining the current tactics and technology that publishers are using to learn more about their audience. We'll also discuss technological developments that will move the industry closer to delivering ads customized to individual users.

Ad Management

An important tool necessary to deliver targeted advertising is ad management software, which tracks available inventory, ensures that the ad runs for the appropriate number of impressions, tracks ad activity, and compiles activity reports. Banner advertising campaigns are most successful when the content changes frequently, therefore, a media buy often consists of

several creatives. Clearly then, ad management software is essential to ensure that the proper creative is delivered to the correct number of people in a given time period.

Ad Scheduling and Placement

Many sites, when they first began to accept advertising, used a whiteboard calendar method to manage placements. Not surprisingly, this turned ad management into an administrative nightmare. As you can imagine, keeping track of numerous creatives, running for various campaigns, with different impression levels, can be a daunting task to perform manually. Some ads never went live simply because the yellow sticky representing the ad fell onto the floor and went unnoticed until long after the advertiser's flight was finished.

Fortunately, it was only a matter of time before someone developed a technology-based delivery solution—especially since they already existed for traditional advertising vehicles. Few such tools existed in 1995, but by 1996, the market included numerous ad management software solutions that made it possible for publishers to give advertisers professional ad management results.

NetGravity's AdServer (<http://www.netgravity.com>) was one of the first products developed specifically for Web sites. AdServer enables a site to manage numerous elaborate advertising campaigns and generate online performance reports for each advertiser. NetGravity's user interface is based on the a whiteboard, thereby creating a comfortable environment for users while providing the efficiency and security of robust software, as shown in Figure 5.1.

Value of Ad Management Reporting

Prior to the development of ad management tools, reports were created by sifting through log files and manually compiling the results. This approach took three weeks to a month to deliver reports to advertisers. Thankfully, as for Web traffic reports (discussed in Chapter 4), ad delivery reports can now be generated as frequently as needed—some larger publishers provide advertisers with daily reports.

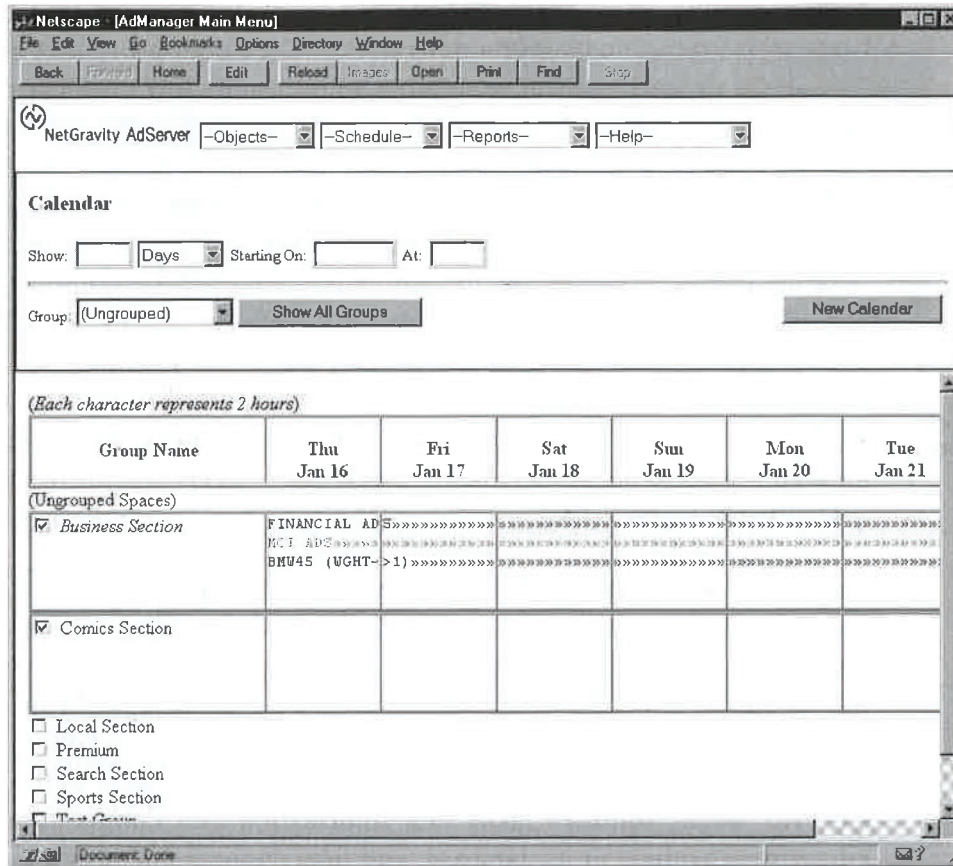


FIGURE 5.1 NetGravity mimicks a whiteboard design concept in its AdServer graphical user interface.

The ability to monitor advertising results on a daily basis helps advertisers maximize response to a campaign. In the tradition of the “best defense is a good offense,” advertisers can use these tools before a campaign even begins, by running a creative test to discover which banners generate the greatest response. Subsequently, the advertiser can use the test results to choose the best creative for the actual campaign.

Daily reports also make it possible for advertisers and their agencies to make timely adjustments to ongoing campaigns. For example, during a

1996 campaign, Time Warner's DreamShop placed banners in a few sections of Infoseek, and reports delivered to DreamShop's agency revealed that one of the sections was generating an unusually low response rate. Using this insight, only a few days into the campaign, the agency was able to stop rotating that creative through that section. Final campaign results would have been significantly less successful if DreamShop's agency had not received this up-to-the-minute information.

Enhanced ad management tools do more than deliver reports and manage advertising campaigns. They also make it possible for an advertiser to buy impressions that pinpoint an audience—for example, all users of AltaVista who are surfing from Macintosh computers, connected through AOL, and living in the northeastern section of the United States. This form of targeting helps advertisers better reach their market and allows publishers to charge higher CPMs.

Targeting Capabilities of Ad Management Software. When users visit a Web site and request a document, their requests contain certain information. As explained in Chapter 4, that information includes host name (for example, www.ibm.com), date and time of the request, browser used (Netscape, Internet Explorer, etc.), computer platform used (Windows 3.1, Windows 95, Mac, etc.) and the Web site that referred them to the current site. Ad server software takes this information and compares it to the advertising banners in its database, and then chooses the most appropriate banner for the user based on the advertisers' targeting requests.

Good ad management software allows for targeted ad delivery and provides advertisers with timely reports. Accipiter (<http://www.accipiter.com>), one such provider, describes its mission as delivering targeted ads to customers and offering advertisers real-time feedback on response to the ad. Figure 5.2 demonstrates how Accipiter works. An overview of the ad management process for targeted ad delivery can be explained in four steps:

1. AdManager collects data about the current ad impression from several sources.
2. AdManager matches this data against the active ad schedules and selects an ad from its library.
3. AdManager delivers the ad to the user's browser.
4. AdManager records the user, ad, time, and site location in its log.

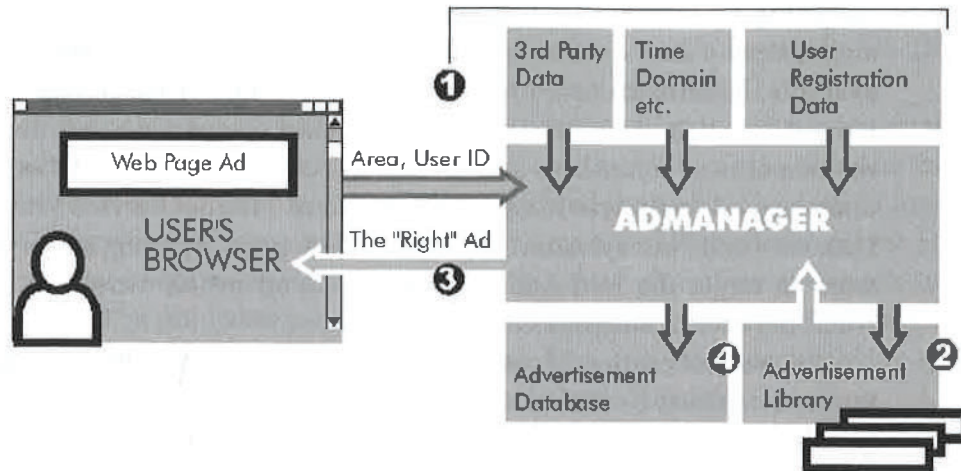


FIGURE 5.2 Accipiter ad management process for delivering targeted ads.

Source: Bill Burden, Accipiter

Targeting by Brower and Computer Platform. One targeting possibility is ascertained from the browser software and computer platform a person is using. Let's assume Microsoft is looking to promote its browser software, Internet Explorer. Microsoft could, for example, choose to deliver advertising only to users of competitors' browser software. Furthermore, Microsoft could target the users' specific platform: to Macintosh users, a banner encouraging them to download Microsoft Explorer enhanced for Macintosh; to PC users, a banner promoting a version of Internet Explorer enhanced for that platform.

Targeting by Company. Using certain ad server software, publishers can take advantage of the information revealed when a user requests a Web page to a database. For example, when a user from www.ibm.com requests a page, the server knows immediately that the user is from IBM. This database can translate that piece of information to the following: the surfer is from a Fortune 500 company with a particular SIC code. By then employing a database that matches company names to SIC codes and size, advertisers are able to target employees of specific industries and of specific sizes. Of course, the advertiser cannot yet make the important distinction of identifying precisely who that IBM user is—it could be a student intern or the CEO.

Targeting by Geographic Location. In addition to targeting by SIC code and company size, databases enable advertisers to target by geography. For example, advertisers could aim at users in the mid-Atlantic region of the United States. In this case, the software would compare a user's domain to the domains of companies and ISPs in the targeted region. Let's say someone whose domain was magpage.com (a local Internet Service Provider in Delaware and Pennsylvania) requested a Web page. By using ad server software to target the mid-Atlantic region, the advertiser would be sure to reach the user of magpage.com.

One word of caution: If you're planning to purchase this type of regionally targeted delivery, be sure to inquire how the publisher determines the geographical origins of users, otherwise you might launch far afield of your target. An example of mistaken targeting would be a system that counted all AOL users as coming from Virginia, where AOL is headquartered. This could happen because users of a major ISP, like AOL, all have the same domain name (in this case aol.com). Obviously, though, they're not all from Virginia.

Targeting through an Ad Network. An advertising network sells advertising for a group of publishers. A leading player in this field is the DoubleClick Network (<http://www.doubleclick.net>), which sells advertising for over 35 high-traffic sites including *USA Today*, Dilbert Zone, AltaVista, and others. By managing the advertising on all of its member sites, DoubleClick extends an advertiser's reach to a niche audience—let's say a specific SIC code. DoubleClick delivers the advertisement to users who meet the criteria across its entire network.

Using targeting capabilities, advertisers can better delineate who receives their message, for example, Mac users from Fortune 500 companies. As advertisers identify more of these targeting criteria, they will buy fewer ads on any one site, which is why large advertising networks will offer the best reach for targeted ad delivery—especially as technology improves targeting capabilities.

Cookies

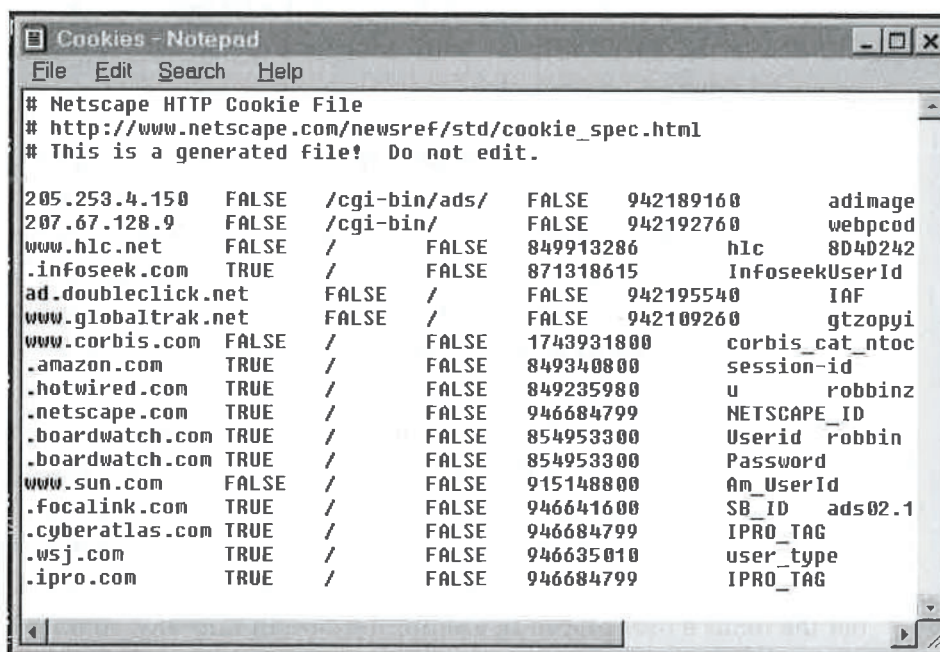
In addition to the targeting capabilities offered by the information that is revealed when a user makes a request for a Web page, there are more intru-

sive means of gathering demographic information for pinpoint targeting. Cookies are one such technique. A cookie is a text file inserted on a user's hard drive when the user requests a Web page (Figure 5.3).

A cookie file contains information generated by the user's interaction with a Web site, from a unique user ID to the URL of the Web site from which the user came to information provided through a registration form.

A user may receive cookies from any number of Web sites, but Web sites can only access the specific cookies that they placed on the user's hard drive. The publisher programs his or her server for when it should request to see the user's cookie; a publisher can look at a user's cookie every time the user requests a new page on the publisher's Web site.

Cookies are supported on most browsers from Netscape 1.1 to more current software. The full specifications on using cookies are provided in a document from Netscape titled "Persistent Client State HTTP Cookies"; it is available at http://www.netscape.com/newsref/std/cookie_spec.html.



```

# Netscape HTTP Cookie File
# http://www.netscape.com/newsref/std/cookie_spec.html
# This is a generated file! Do not edit.

205.253.4.150 FALSE /cgi-bin/ads/ FALSE 942189160 adimage
207.67.128.9 FALSE /cgi-bin/ FALSE 942192760 webpcod
www.hlc.net FALSE / FALSE 849913286 hlc 8D40242
.infoseek.com TRUE / FALSE 871318615 InfoseekUserId
ad.doubleclick.net FALSE / FALSE 942195540 IAF
www.globaltrak.net FALSE / FALSE 942109260 gtzopyi
www.corbis.com FALSE / FALSE 1743931800 corbis_cat_ntoc
amazon.com TRUE / FALSE 849340800 session-id
hotwired.com TRUE / FALSE 849235980 u robbinz
netscape.com TRUE / FALSE 946684799 NETSCAPE_ID
boardwatch.com TRUE / FALSE 854953300 Userid robbin
boardwatch.com TRUE / FALSE 854953300 Password
www.sun.com FALSE / FALSE 915148800 Am_UserId
.focalink.com TRUE / FALSE 946641600 SB_ID ads02.1
.cyberatlas.com TRUE / FALSE 946684799 IPRO_TAG
wsj.com TRUE / FALSE 946635010 user_type
ipro.com TRUE / FALSE 946684799 IPRO_TAG

```

FIGURE 5.3 Information captured in a cookie file.

Cookies Store User Interests. A cookie is most often used as an identification tag. For example, when a user goes to a site, he or she is issued a unique ID, that is, a cookie. Each time the user accesses another page on the Web site, the server requests the ID tag. Then the user (for example, ID#345243) is recorded as he or she moves throughout the site. Each time the user clicks on an advertisement or fills out a survey, the actions can be recorded in a database as those performed by that user. This ID tag resides on the user's hard disk so that the next time that person visits the site, information already gathered can be used again.

If a publisher checks an ID tag, and discovers that according to his or her database, the user visited the auto section of his or her Web site three times, he or she can deliver an advertisement to the user for a car manufacturer. If the user then clicks on the ad and goes to Ford's Web site, Ford can place its own cookie (containing a unique ID) on the user's drive. If, for example, Ford enables users to design their dream car on its Web site and a user chooses to do so, Ford can record that user's dream car in a database record that corresponds to the user's cookie. Then, the next time the user visits, the server can recognize the user based on the ID tag in his or her cookie and deliver an advertisement with the user's dream car. The possibilities for such targeting are obvious.

Using Cookies to Limit Ad Frequency. A publisher using cookies can record when a specific unique ID number saw an advertisement, and use that information to ensure that the same ad is not delivered multiple times to the same person. This also gives advertisers an opportunity to deliver a series of advertisements to a particular user. After a user sees the first ad in a series, it is recorded in a database. The next time the server recognizes that user, it delivers ad number two, and so on.

Cookies can also retain other information about users. For example, when a user registers at a Web site, the cookie can retain the user name and password so that registration is required only once. When the user returns to that site, the server will automatically check the cookie it gave to that user to determine his or her name and password. A cookie can also remember the items a user placed in a shopping cart. In this way, cookies help create a relationship between the content, the advertiser, and the visitor, without forcing the visitor to repeatedly fill out forms. However, cookies are far from perfect.

When the Cookie Crumbles. Unfortunately, the cookie picture is not all rosy. Although this tool would seem to be invaluable for learning about users and delivering targeted advertising, you should be aware of the cookie impasses:

- **Latest browsing software can block cookies.** The press has been reporting that cookies invade a user's privacy by clandestinely placing a file on the user's hard drive. To address the concerns of users in this regard, both Netscape 3.0 and Internet Explorer 3.0 offer users the option to block cookie files. These browsers also have a feature that alerts users when a cookie is being attached.
- **Users can manually delete cookie files.** As noted, cookies are text files that usually reside on the hard drive in the same directory as the Internet software, and there is a site (Figure 5.4) that will tell users exactly how to

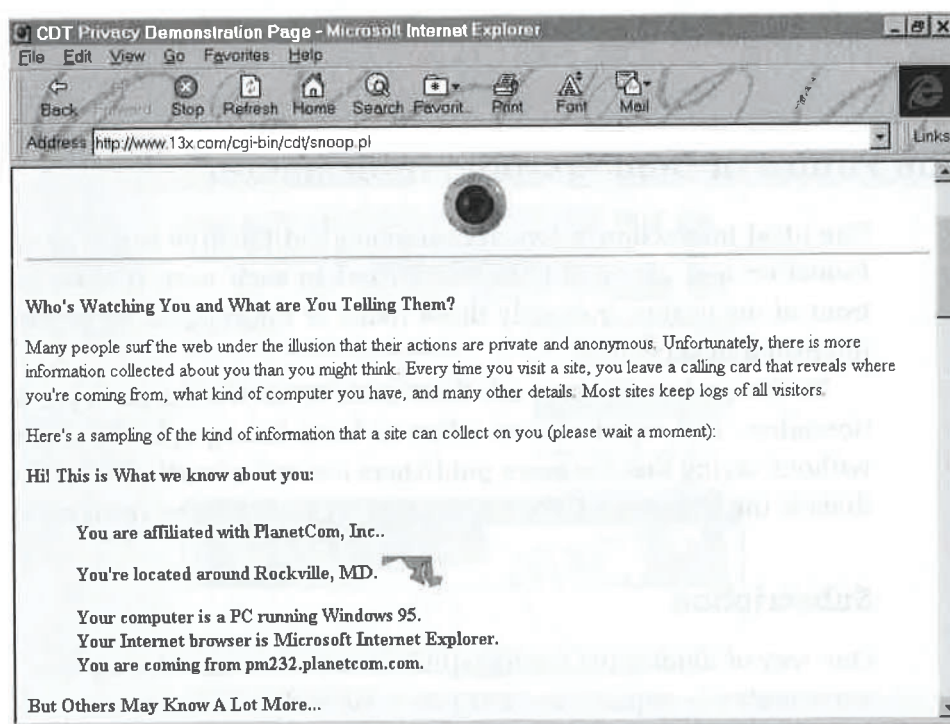


FIGURE 5.4 Devices used to obtain user information are raising concerns over privacy issues.

find their cookie files, as well as what is in them. All you have to do is delete the text within the file, or delete the entire file as you would delete any text or file to remove the cookie.

- ▶ **Cookies are mapped to the browser, not to the individual.** The hard drive on which cookies are placed may be used by several people, thus opening the door for profile distortions. For example, at a college computer center where many students may be accessing a particular Web site through the same computer, the first time a student accesses the site from that computer, the computer will receive a cookie file. (In this case we'll assume that the publisher placed a unique ID in the cookie file, to learn more about the user.) Unfortunately, what the publisher thinks is one user is actually 100 different students using the same machine.
- ▶ **Proxy servers may preclude cookie use.** These computers, which serve as gateways between the company's internal network and the Internet, do not always allow cookies to be placed on individual computers. Like academic computing centers at universities, hundreds of people—or more—code as one individual.

The Future of Demographic Information

The ideal interaction between customers and the Web is one in which information and advertising is customized to each user, that is, putting in front of the customer exactly those items or information he or she is most interested in accessing.

To this end, publishers ask their users to answer surveys, fill out questionnaires, and register in an effort to form demographic profiles. It goes without saying that the more publishers can tell advertisers about their audience, the higher the CPM publishers can charge for advertising space.

Subscription

One way of identifying demographic statistics is via subscription. Publishers sometimes require users to pay a subscription fee to enter their Web sites or certain sections of their Web sites; in addition, users must fill out a registration form. Other sites offer a partial subscription plan, whereby a

subscription fee is charged for certain high-value information. ESPN Sports-Zone and Playboy are two publishers that have implemented such plans.

One example of the successful implementation of a subscription service is the *Wall Street Journal*, which in 1996 rolled out its interactive edition as a subscription-only service (Figure 5.5) and has succeeded in building a paying subscriber base. This is partially due to the fact that there is significant added value to the customizable online edition of the *Wall Street Journal*. Moreover, it must be remembered, its readers are used to paying a premium for the print version of the publication.

The subscription model has value beyond the revenue stream. Because subscribers register every time they enter the site (otherwise anyone could have access) publishers can use back-end tracking systems to identify particular users. This allows publishers to deliver advertising to subscribers

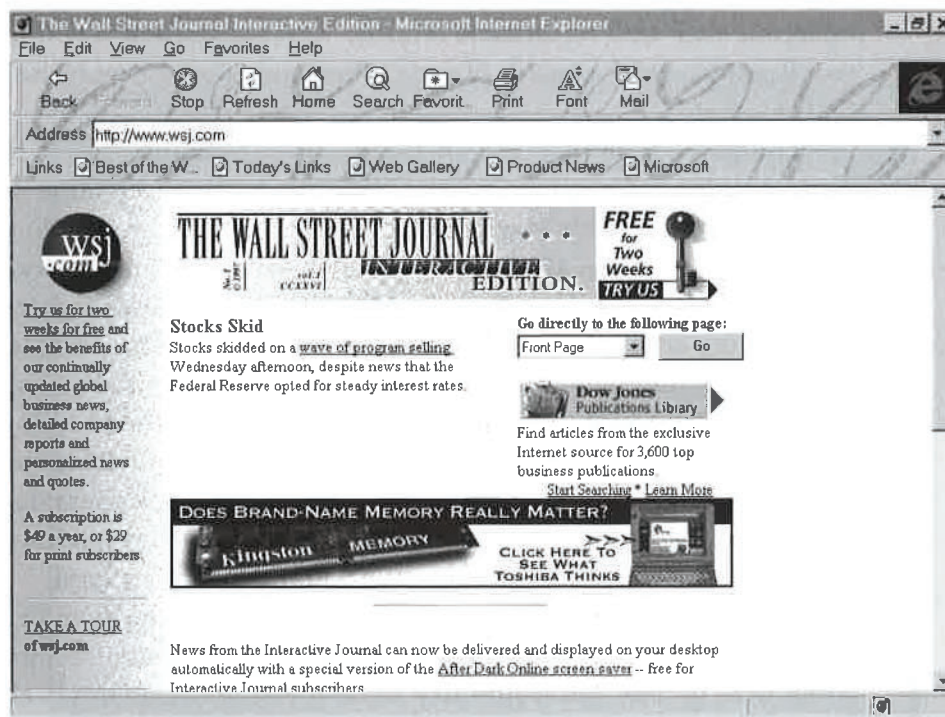


FIGURE 5.5 The *Wall Street Journal* is an online subscription publication.

based on the subscribers' answers to the demographic questions they answered as part of the subscription process. For example, Jane Successful-Broker, who has indicated her household income is over \$250,000, might get the BMW advertising banner. On the other hand, Joe Drivesatruck, a subscriber with a household income of \$25,000, might get the credit card offers.

Furthermore, subscription sites like the *Wall Street Journal* can provide advertisers with demographic data about their online users—something most Web publishers can't do. And those publishers who can offer targeted advertising buys can usually charge higher advertising rates. A site without a paid subscriber base must compile its user profiles through a variety of means, which are outlined next, but 100 percent participation is not achievable.

Registration

Registration—either voluntary or mandatory—is another method for obtaining demographic information. Voluntary registration has been used on numerous sites with remarkable returns. “Our registration is voluntary and we still get tens of thousands of registrations per week,” says Halsey Minor, CEO of C/Net.

Mandatory registration is a bit riskier, even when the “fee” is the act of completing the registration. In any guise, mandatory registration does turn some people away. This is why Time Warner's Pathfinder abandoned compulsory registration in 1996. But some sites have used mandatory registration successfully. The *New York Times* CyberTimes requires registration before granting access to its Web content (Figure 5.6). The process gathers demographic information about users. Like subscribers to the online edition of the *Wall Street Journal*, users who register with the *New York Times* must either sign in every time they return or accept a cookie that stores their name and password. This allows the paper to track users through its site and deliver customized advertising based on how they navigate the site and answer the demographic questions on the registration form.

The *New York Times* registration process also opens the door for the publisher to follow up with registrants via e-mail. The registration form states: “From time to time, we would like to send you information via electronic mail about new features with the *Times* on the Web,” which is followed by two boxes already checked yes; one for receiving e-mail on new CyberTimes features and the other for information from advertisers.

The New York Times

Registration

Welcome To The New York Times on the Web. If you're visiting us for the first time, please register now by filling out the form below. There is currently **no charge** for U.S. residents to subscribe to our site, but we are requiring registration, which is a one-time only process.

If you have already registered, continue to [the home page](#). If you've registered, but are having problems entering the site, consult [our help section](#).

Choose a Subscriber ID for The New York Times on the Web:
 Minimum five characters

Choose a password:
 Minimum five characters

Re-enter password for confirmation:

Enter your e-mail address:

Select your country:

FIGURE 5.6a *New York Times online registration form.*

The New York Times

Registration

Welcome To The New York Times on the Web. If you're visiting us for the first time, please register now by filling out the form below. There is currently **no charge** for U.S. residents to subscribe to our site, but we are requiring registration, which is a one-time only process.

If you have already registered, continue to [the home page](#). If you've registered, but are having problems entering the site, consult [our help section](#).

Choose a Subscriber ID for The New York Times on the Web:
 Minimum five characters

Choose a password:
 Minimum five characters

Re-enter password for confirmation:

Enter your e-mail address:

Select your country:

Enter your ZIP code: (US only)

For The New York Times newspaper, do you:
☐ receive home or office delivery
☐ buy at a newsstand, retail outlet, or vending machine at least weekly
☐ neither

From time to time, we would like to send you information via electronic mail about new features with The Times on the Web.
☒ Yes, send me e-mail regarding new features within this site.
☒ Yes, send me e-mail with information from our advertisers.

If you haven't read our subscriber agreement, [click here](#). Otherwise, choose the appropriate selection below:
☐ I agree to the terms of the agreement.
☐ I do not agree to the terms of the agreement.

[Click to submit subscription information](#)

We will send you a "verification number" to your e-mail address when you've completed the subscription. In most cases, it will be in your electronic mailbox within moments of completing the subscription.

FIGURE 5.6b *Inquiries that determine when a user wants to receive e-mail about the online service are prechecked.*

Save Your Sign-On

We've just made connecting to The Times on the Web faster and easier. Make sure you enter your Subscriber ID and password above, select one of the following choices, and click the "Save" button below to save your sign-on.

☐ **Save your ID only**
Just enter your password when you visit our site.

☐ **Save your ID and Password**
No need to type in your ID and password information each time you visit. *

Note: Type in your password above before selecting.

* Saving both your ID and password allows anyone with access to your computer to connect to our site with your subscription. We recommend using "Save your ID only" if your computer is in a shared location.

FIGURE 5.6c Users who request that their subscriber ID and password be saved are accepting a cookie file.

The *Times* also asks registrants whether they want to have their user names and passwords saved in a cookie file on their drive so that they do not have to remember or type in this information each time they visit. This makes accessing *The New York Times* easier for the users.

Registration Incentives. Registration can also be accomplished in the guise of guestbooks where merchandise or other premiums to inspire participation are offered. But publishers must use caution before offering incentives; they must be targeted appropriately. For example, if a publisher of a human resources site offered cash, no doubt that would encourage a lot of users who were not representative of the regular audience to fill out the form. The publisher would be wiser to offer a booklet filled with human resources management tips. There are Web sites and user groups that are devoted to announcing places to win money and receive "free stuff," and these places are frequented by professional sweepstakes entrants. By offering a cash prize, a publisher's site gets on this list, and probably precludes the site getting accurate demographic information from users.

A good incentive to offer registrants is customized information. Excite offers customized home pages only to users who register. The surfer chooses the information he or she wants on his or her home page: certain types of news stories, sports scores, weather for certain cities, stock reports, etc. It's a win-win situation: The user gets value, and Excite has more information that they can use to give advertisers targeting opportunities. Other tips for successfully implementing registration include:

- Make your stance on privacy clear. Users want to know that the information they provide will not be released to third parties.
- Only ask questions whose answers are essential to you. The more questions you ask, the lower the likelihood that a user will fill out the registration form.
- Offer value. Users will not register unless they are getting something in return.

Game Time

Contests are sometimes used as incentives for registration. For example, NetStakes, Inc. (<http://www.netstakes.com>) is an Internet Sweepstakes Marketing firm that creates customized sweepstakes. At the heart of each one is a registration system that enables NetStakes to easily capture, track, and deliver demographic information (Figure 5.7). Unfortunately, the demographic

FIGURE 5.7 A contest registration form acts as an enticement to give general information.

data generated by contests is driven by the type of prize offered, and may generate one-time surfers—unless there is another contest (Figure 5.8).

Surveys

Another way to gather audience profile data is through user surveys. Surveys vary from product or service evaluations to customer profile data. The Interactive Agency Site Specific offers a syndicated spot survey in the form of a banner they call “He Said/She Said.” The survey questions attempt to elicit gender preferences, and can be used to determine the gender population of a site. The incentives used to get users to complete surveys revolve around the interactive nature of asking for a user’s opinion (the online community likes to give its opinion) and the enigmatic phrasing of questions.

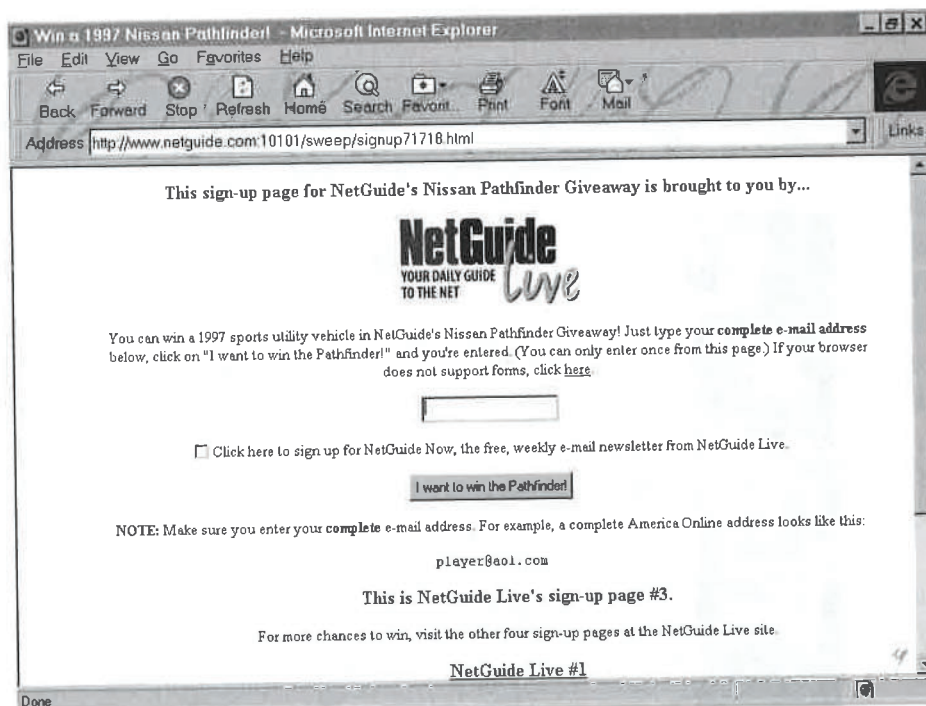


FIGURE 5.8 Entering a contest gives contestants the opportunity to get something in return for filling out the form. But if that value is not targeted—for example a \$25,000 prize—publishers will get skewed results.

Tantalizing questions inspire curiosity. And online, curiosity delivers clicks and responses.

Personalization and Targeting Tools

Emerging technologies are helping publishers better target and personalize the ads and content they deliver by cataloging and anticipating user actions and preferences. These tools, together with the Web's measurability and ad management software solutions, should make Web advertising more effective and accountable in the near future. Cookies, already discussed, fit into this category. Others, specifically Firefly, Aptex, and StarPoint, are examined in this section.

Firefly

A technology known as a smart or intelligent agent combines information provided through registration with the capability to make inferences based on user tastes and preferences pooled from a group. Pioneered by Firefly, this technology leverages human experiences from its network of members to make this possible. Firefly CEO Nick Grouf explains, "The hypothesis is that many of the things we do in our lives are being repeated by other individuals across the globe. Firefly uses group experience so that preferences are determined by comparing different users with one another to identify which of them have similar tastes. The agent then makes recommendations to one user that are based on the opinions of like-minded users." In short, Firefly's agent technology allows you to make use of the experiences of other people. Grouf summarizes, "Intelligent agents allow consumers to control and share their experience. The more you tell your agent, the smarter it gets."

Currently, the technology is being used on Firefly's sites BigNote and FilmFinder and My Yahoo! with 1.5 million registered users. In 1997, the technology will be found on many locations from AOL to Barnes & Noble. Users are enticed to register and become a part of its preferences database with the promise of delivering the types of information people want—movie and music recommendations to name two.

When a user joins the Firefly network, he or she is issued a Firefly Passport. Users must log in each time they return to Firefly's site. Firefly uses

this to track a user's actions and learn the user's preferences; the Passport stores demographic and preference information, and follows the user on any Firefly-enhanced site that he or she visits. Nearly a million consumers registered for a Firefly Passport in 1996.

Any site can be enhanced to be part of the Firefly network. For an advertiser, this means going beyond general demographic targeting and delivering ads to individuals who have indicated (through their actions) an interest in the product. For the individual, this means that the ads he or she sees are more likely to be for products of interest. A list of targeting options through the Firefly network is provided in Table 5.1. "Firefly software will enable businesses to identify and serve a network of 'smart consumers' who actively and confidently exchange their preferences with a business in return for a more personalized and relevant experience," said Grouf. Firefly-enabled applications will provide business with the ability to intelligently target ads and content based on each consumer's tastes and preferences. Through Firefly's extensive targeting and back-end reporting, each click will represent an identity tied to a rich stream of preference data.

Aptex. Another personalization tool, this one from Aptex (<http://www.aptex.com>), examines user behavior to determine tastes and interest. Aptex is a subsidiary of HNC Software, makers of credit card fraud detection software that identifies abnormal credit card purchases for the purpose of

Table 5.1 Targeting Options through Firefly Network

Minimum age
Maximum age
Gender
Platform: Mac, UNIX, or PC
IP address
Domain: com, net, edu, gov, etc.
Browser type: Netscape Navigator, Microsoft Explorer
Zip code
Zip code range: geographic regions, metropolitan areas
Country
Tastes: artists, albums, music genres, movies, actors, directors, movie genres
Predicted tastes: may like artists, albums, etc.

identifying fraudulent use. Aptex uses its experience in behavior analysis to optimize relationships between users and content. Its SelectCast ad server develops profiles for all site visitors and then delivers ads or content that fit the profile for the behavior exhibited. For example, if a person visits pages on the site that are typically visited by teens, SelectCast sends that person ads and content targeted to the teen market.

SelectCast describes itself as a “bolt-on brain” to improve real-time ad selection by providing comprehensive sitewide user profiling. The personalization process is not done based on user feedback or “taste” judgments; rather the software works as an “intelligent observer,” mining the context and content of all user actions instantly. The user profiles compiled are not saved, which eliminates privacy concerns.

StarPoint. StarPoint (<http://www.starpt.com>) is an ad management tool and a personalization technology which provides a solution for publishers who want to begin delivering customized ads even before gathering background data on their users. StarPoint’s affinity engine technology automatically assembles individual profiles; StarPoint combines an analysis of the information immediately available from click-stream data along with any demographic data provided by the user (registration, surveys, cookies, digital signatures) and http connections (such as platform, domain, and browser compatibility), as shown in Figure 5.9. From this, a site can progressively build a profile of a user’s interest as he or she browses through the site; it requires no initial input from the user.

StarPoint provides a framework for customization that can employ other personalization technologies like Firefly and Aptex. Employing several technologies results in a better understanding of the audience, which enables more precise targeting. In short, StarPoint’s Affinity Engine technology uses whatever information is available to match ads to users. “The StarPoint ad server delivers ads to people, not pages,” says Michael Tanne, president of StarPoint.

Addressing Privacy Concerns

Ideally, collecting demographic information and developing and using consumer databases for direct marketing purposes should be done without irritating consumers. To that end, personalization technologies and sites

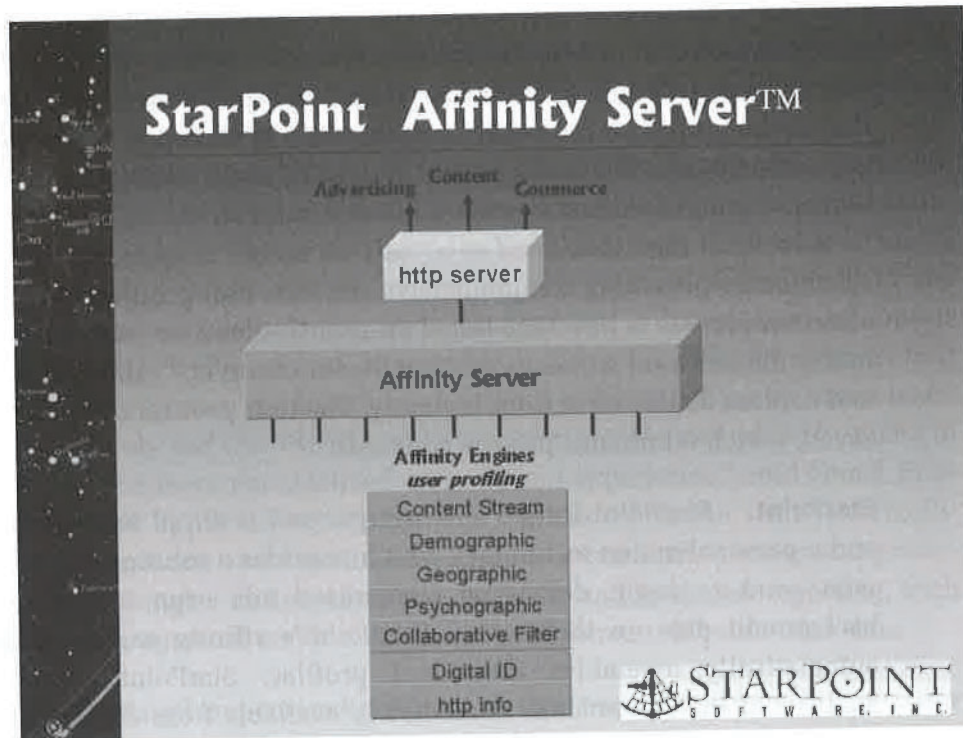


FIGURE 5.9 Diagram of how the StarPoint Affinity Server profiles user interest for personalized ad and content delivery.

employing these technologies are taking steps to reduce user concerns over unbridled access to and use of personal information. For example, Firefly regards its customers as members of a community and is taking a proactive approach to assure its members that their privacy is protected through the Firefly Community Policy (see Figure 5.10), which delineates the following assurances to all members:

- ▶ Actual name and address is not required.
- ▶ E-mail and/or Firefly address will not be disclosed without consent.
- ▶ Individual information collected by Firefly will be used only to provide personalized content, recommendations, and advertising. (Firefly does reserve the right to use the information in aggregate form for usage reports—percentage of male and female, click-through, and so on.

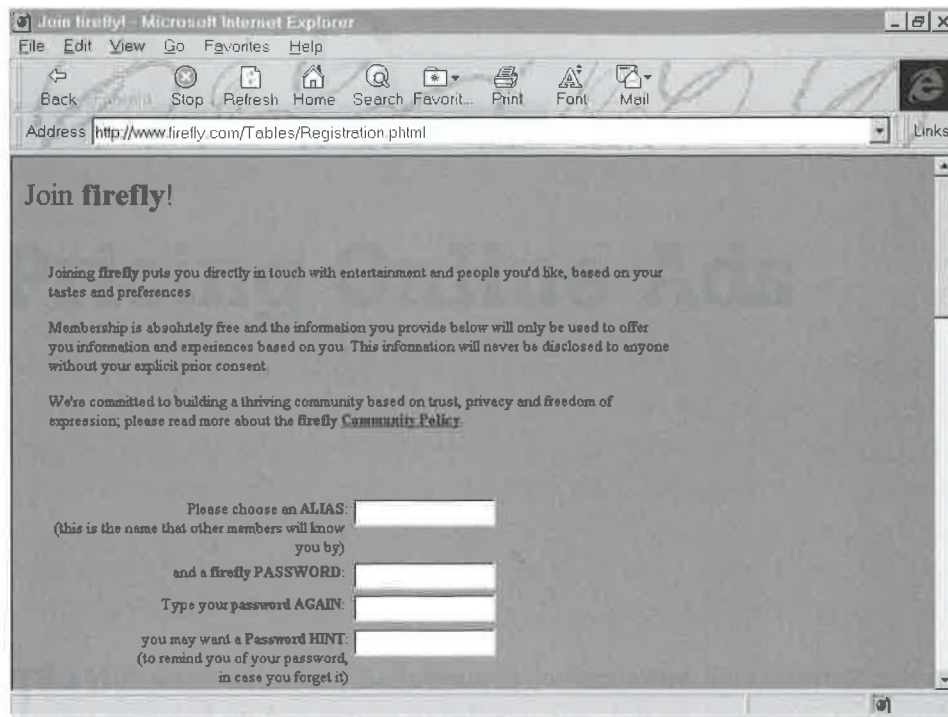


FIGURE 5.10 Firefly regards its members as part of a community built on trust and respect for individual privacy.

To prove to users that it is committed to privacy, Firefly has retained the services of the audit firm Coopers & Lybrand to verify that the information Firefly collects is only used as Firefly states on their Web site.

Are We There Yet?

The pieces are falling into place for customized ad delivery. Today's technology has moved online advertising from placement on a Web site based only on general behavior and demographic information to targeting based on preferences and quantifiable demographic data. Although these technologies are new and need improvement, with the speed at which these technologies are being developed, it's safe to say: "We ain't seen nothing yet!"

Pricing Online Ads

The Web was born into a dichotomous environment: The Internet culture was founded on free access to information, but its content is extremely expensive to produce, especially if it is expected to rival TV, radio, and print for the public's attention. In the United States, TV and radio are supported 100 percent by advertising, newspapers 80 percent, magazines 63 percent, and cable 50 percent. Naturally, Web publishers are hoping that advertising will cover the lion's share of the costs for *their* publishing ventures. The results look promising—top publishers are beginning to tally significant ad revenues (refer back to Table 2.3), and advertisers are concomitantly increasing their Web advertising budgets each year (Table 2.4).

When advertising on the Web first began, no one knew how to price. The only known figure was the fee HotWired charged: \$30,000 for banner advertising that ran for 12 weeks. "It was a bottom-up approach" recalls Rick Boyce, VP of advertising for HotWired. The figure was derived from the amount of revenue HotWired needed to generate. At that time, there was no pricing model and no precedent, so other sites quoted that same amount.

Modem Media, an interactive agency based in Westport, Connecticut, was one of the first agencies to begin placing banners on Web sites. John Nardone, director of Media and Research Services at Modem Media, was

not satisfied with the unaccountable pricing structure, so he developed his own method for calculating an online advertisement's value, which he called the Internet Reach and Involvement Scale. Word spread about Nardone's system, and soon he was getting a dozen calls a day asking him to help determine costs. Nardone remembers, "What I used to tell people was that I'll help you price your ad if you give my client Zima.com an ad for half price. It was a really fun time. We were out on the Internet frontier." Before long, his scale had become the de facto pricing model.

But as more ad models developed, different pricing structures rapidly evolved with them. Currently, pricing models range from flat-fee to paying for the number of times an ad is seen to paying for the number of people who clicked on the ad to paying on a cost-per-lead or cost-per-purchase basis. The purpose of this chapter is to explore all these methods.

Pricing Models

Current pricing models are as varied as the ads themselves. As an industry in its infancy, Web advertising is looking to other industries for role models, but direct parallels cannot always be drawn. In general, though, both a mass market and a direct marketing approach apply. Although the Internet is not a mass market medium yet, it can still be measured based on impression, just as TV, radio, and print can. But many believe that the Internet is actually more applicable to direct marketing, where clicking on an online ad can be likened to opening a direct mail envelop.

CPM

The most dominant pricing model, which has been briefly mentioned throughout this book, is cost per thousand, or CPM. CPM delineates the price charged for displaying an ad one thousand times. This is the unit of measure used in traditional advertising, which is why advertisers and agencies are comfortable with a CPM model.

The calculation to determine CPM is:

$$\text{Price}/(\text{number of impressions}/1000)$$

If a site charges \$10,000 per banner and guarantees 500,000 impressions, the CPM is \$20 (\$10,000 divided by 500).

But how do you determine what the appropriate CPM for an online ad is: \$1, \$10, \$30? Internet advertising CPMs can range from \$10 all the way up to a \$200 CPM. The price for Web advertising varies across sites, but, in general, similar types of sites are charging rates in the same general range. The type of sites we're going to cover in this chapter include search engines, content sites, online services, and ad networks.

NOTE Keep in mind that prices are constantly changing, so the figures you read here should be regarded only as "ballpark" CPMs for different sites. And these are gross prices; usually, advertising agencies receive a 15 percent discount off gross prices, called the net price. Publishers are constantly adjusting their rate cards, and prices also fluctuate depending on the number of impressions purchased and over what time period they are delivered. To look at some actual rate cards, refer to Appendix C.

The "C" and the "M" in CPM

CPM, the standard pricing model for advertising, has two components. The first is the "C" (cost), how much the publisher is charging for the advertising. The second is the "M" (market), the audience who will see the ad. Problems occur when sites don't have enough traffic to earn the revenue they need through a reasonable CPM. In these cases, sites often charge too much for their advertising, thus limiting the advertising dollars they'll receive and perhaps their long-term viability. As Michael Calman of Time Warner's Digital Marketing Group puts it, "For some of these high-priced sites, there's all C and no M."

Search Engines. Search engines and directories are receiving a large portion of advertisers' budgets; in fact, a study of Web advertising revenues shows that search engines receive the largest percentage of ad dollars (Figure 6.1). Search engines offer several pricing categories, each distinguished by its level of targetability.

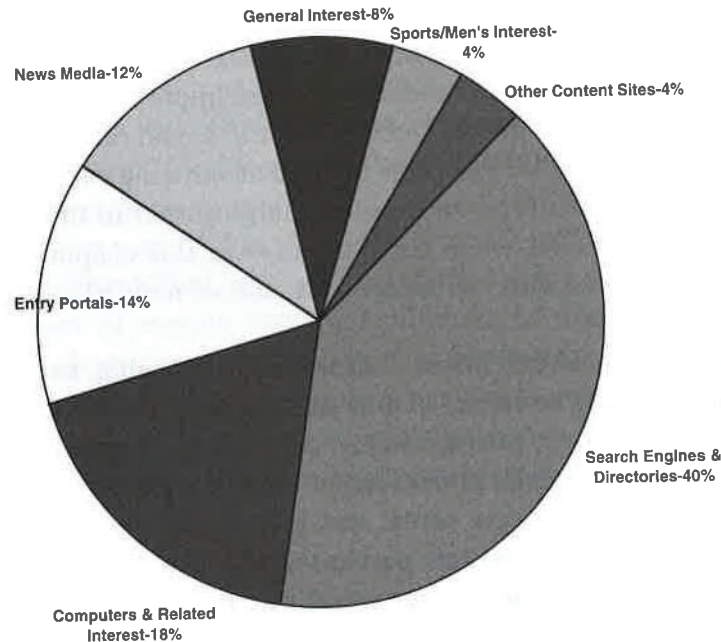


FIGURE 6.1 Publisher revenue by category for Q3 1996.

Source: 1996 Jupiter Communications, LLC

- **General Rotation:** A banner will randomly appear during searches. General rotation prices range from \$15-\$25 CPM.
- **Run of category:** Advertising will rotate throughout a category such as arts, entertainment, or sports. Yahoo! (<http://www.Yahoo.com>) charges \$20 CPM for run of category with a minimum of 500,000 impressions. It is interesting to note that Yahoo! is one of the few sites that does not offer a discount to advertising agencies.
- **Keyword targeting:** Search engines also allow advertisers to “buy keywords”; this means the banner appears only when a user searches using specific keywords. Because the audience is more highly targeted, the CPM is higher. For example, the search engine Excite (<http://www.excite.com>) charges \$24 CPM for general rotation. It charges \$30 CPM for geographic location targeting (region, city, state, or country) and \$60 CPM for keyword targeting.

Online Services. Online services from AOL to CompuServe offer a variety of CPM rates based on ad placement. At CompuServe, rates for run of service are \$30 CPM (250,000 minimum impressions) and for targeted ad packages, \$35 CPM (250,000 minimum impressions). Some examples of targeted packages are content areas focused on computer/technology, games, sports, or women. One reason it costs more to advertise on the commercial online services is that members are more likely to feel comfortable purchasing online.

Content Sites. Content sites typically cost more than search engine general rotation because the audience is more targeted; users are interested in the specific content that is presented. For instance, ESPN's SportsZone (<http://www.sportszone.com>) sells a promotional package that costs \$100,000 for 1.5 million impressions per month for three months (CPM of \$22.22). A targeted sports package is \$250,00 and includes sponsorship of the area of choice and a guaranteed delivery of 1 million impressions (\$25 CPM). A general rotation through SportsZone costs \$15,000 per month for 500,000 impressions (CPM of \$30).

Ad Network. DoubleClick (<http://www.doubleclick.net>), which we introduced in an earlier chapter, is an example of an advertising network. A media buyer can make one purchase with DoubleClick and have an ad placed on dozens of sites. For example, an advertiser can purchase impressions in DoubleClick's Sports/Leisure/Entertainment affinity, and he or she would be able to run banners on the various sites that DoubleClick represents in this category, clearly an advantage. Put another way, a network gives an advertiser much greater reach. The CPMs for DoubleClick affinities run from \$30 to \$60 depending upon the category. For an additional price, advertisers can also target by geography, domain name, SIC code, and company name and size.

CPM Comparisons. How do these prices compare to the CPMs of traditional media? Take a look at Table 6.1 and you'll see that Web CPMs tend to be higher. The justification is twofold:

- Eventually, the Web will be the most measurable of all advertising media. Advertisers will be able to determine precisely how many times their

Table 6.1 Ad Rate Comparison across Major Media

Medium	Vehicle	Cost	Reach	CPM
TV	30-second spot on a prime-time program	\$120,000	10 million households	\$12 per thousand households
Consumer Magazine	Full-page, four-color ad in <i>Cosmopolitan</i>	\$ 86,155	2.5 million paid readers (independently measured and guaranteed)	\$35 per thousand paid readers
Online Service	Banner ad on a CompuServe major topic menu page for one month	\$ 10,000 per month	750,000 to 2 million visits	\$13 per thousand visits (at 750,000 visits)
Web Site	Banner ad on Infoseek (at 500,000 page views) for one month	\$ 10,000 per month	500,000 page views (guaranteed)	\$20 per thousand page views

Source: 1996 Jupiter Communications, LLC

ad was displayed and who saw the ad. Advertisers can also learn the number of times users responded to their advertisements by clicking.

- Online advertising allows for a sophisticated level of targeting. As mentioned, on the Web, advertisers can target by keyword, SIC code, company, geographic location, and time of day. Advertisers also have opportunities to target by preferences.

Another simple and obvious reason that advertising online is more expensive is that the industry is still new and thus has yet to determine its pricing thresholds. For brand-building campaigns, it does not seem reasonable to pay more for a banner advertisement than for a 30-second TV spot that can incorporate audio, full-motion video, and the entire (and bigger) screen to convey a message. Nevertheless, the Web will offer excellent op-

portunities, especially when advertisers are able to customize their ads to users' preferences (see Chapter 5).

The Web as a medium for advertising is still being tested. Much 1996 Web advertising spending came from research and development budgets, so a major determinant of Web CPMs will be what the results of the tests prove.

Click-Through

The term click-through refers to the action of a viewer clicking on an ad. Paying per click-through is one of the pricing models derived from the direct marketing perspective. Table 6.2 calculates click-through costs.

Advertisers and publishers began debating the merits of the click-through model when, in late spring 1996, Proctor & Gamble (P&G) negotiated with Yahoo! to purchase ads for five P&G brands on a click-through basis. This was a big move because it negated the value of Web advertising for brand building and put all the weight in Web advertising's direct marketing appeal. In effect, P&G was saying two things: there was no value to simply having its banners seen—no brand-building value. They were putting a

Table 6.2 Click-Through Cost Calculator

Click-Through Rates

CPM	1%	2%	3%	4%	5%	10%	50%
\$10	\$1.00	\$0.50	\$0.33	\$0.25	\$0.20	\$0.10	\$0.02
\$15	\$1.50	\$0.70	\$0.50	\$0.38	\$0.30	\$0.15	\$0.03
\$20	\$2.00	\$1.00	\$0.67	\$0.50	\$0.40	\$0.20	\$0.04
\$25	\$2.50	\$1.25	\$0.83	\$0.63	\$0.50	\$0.25	\$0.05
\$30	\$3.00	\$1.50	\$1.00	\$0.75	\$0.60	\$0.30	\$0.06
\$35	\$3.50	\$1.75	\$1.17	\$0.88	\$0.70	\$0.35	\$0.07
\$40	\$4.00	\$2.00	\$1.33	\$1.00	\$0.80	\$0.40	\$0.08
\$45	\$4.50	\$2.25	\$1.50	\$1.13	\$0.90	\$0.45	\$0.09
\$50	\$5.00	\$2.50	\$1.67	\$1.25	\$1.00	\$0.50	\$0.10
\$55	\$5.50	\$2.75	\$1.83	\$1.38	\$1.10	\$0.55	\$0.11
\$60	\$6.00	\$3.00	\$2.00	\$1.50	\$1.20	\$0.60	\$0.12

Source: Yoyodyne (<http://www.yoyo.com>)

premium only on getting clicks. And they put the undue burden of the direct marketing capabilities of the ad on the publisher. In short, suddenly the burden of getting a banner clicked on was on the publisher as much as on the creative. The online advertising world took notice because P&G is the nation's largest advertiser, and prior to its move, most pricing was CPM-based. Furthermore, the model held publishers accountable for response, but the publishers weren't producing the creative; and wasn't there some branding value in having a user see a banner?

According to John Nardone of Modem Media, Yahoo! did not simply agree to P&G's new model of paying per click-through without some concessions on P&G's part as well. P&G agreed to give Yahoo! input and veto power on the creative P&G submitted. Since Yahoo! was responsible for click-through, it wanted to be able to modify the banner ads if necessary to ensure their success. And by this time, Yahoo! knew a great deal about what worked creatively in a banner ad.

The ability to accurately measure click-through response to Web banner advertising has led many advertisers to push for pricing models based on these performance measures. Indeed, the benefits of click-through are clear for the advertiser. The advertiser knows from the start what the Internet advertising campaigns will cost per click. You only pay per click, so the advertiser knows before the creative even runs how the campaign will compare on a cost-per-click basis to past campaigns.

Click-Through Concerns. The benefit to publishers using click-through pricing is not so clear. Some say that the advantage is that a pay-per-click model entices advertisers who otherwise wouldn't place ads on their site. And yet, the concept of paying per click-through has met with harsh criticism by many publishers for several reasons:

- ▶ A click-through pricing structure requires publishers to rely on the quality of advertisers' creative to generate revenues. Traditionally, the role of a medium is to offer access to an audience, not to share in the responsibility for the quality of the advertisement itself. Since many advertisers are new to the medium, the publishers are being asked to gamble on the advertisers' learning curve, a burden Web publishers find suspect.
- ▶ This model encourages a publisher to run a banner until the advertisement receives the number of clicks an advertiser purchased. This could re-

sult in a publisher compromising its inventory and ultimately the user's experience on the site.

- This model completely dismisses a banner as having brand-building value.

Flat Fee

Some publishers are charging a flat fee for advertising, a set amount charged either monthly or yearly for ad placement on a site. Thus the fee is tied to a time period, not impressions or visitor activity. Flat-fee pricing is used in several circumstances.

Seed Money. Flat fees are often used when a publisher needs seed money, in which case the publisher often determines rates based on the amount of money needed. For example, some of the companies that develop episodic Web serials approach advertisers before they develop the content. These publishers need certain sponsorship commitments before they can begin their projects.

Sites that are developing new content areas also charge a flat fee. When Yahoo! and Women's Wire developed Beatrice's Web Guide (<http://www.bguide.com>), they sought sponsorships before they knew the amount of traffic the site would generate. Advertisers run the risk of paying a lot of money for a low volume of traffic, but there is also the potential to receive much more traffic than anticipated.

Low Pricing. The Year 2000 site (<http://www.year2000.com>), which covers the information systems problems that are predicted to arise when we reach the year 2000, is commercially supported by advertising that is bought on a flat fee (Figure 6.2). The site is designed in frames, and each advertiser is given a text link on the home page in a sponsorship frame; all 115 advertisers are accessible on the home page, as shown in Figure 6.2. The Year 2000 site has three packages, which range from \$2,000 to \$6,000 per year. The distinguishing feature between the packages is the type of link provided. The full package offers a link directly to the advertiser's home page, which is the most popular. For clients without a home page or on a limited budget, there are less expensive options that offer links to mini pages with an e-mail link.

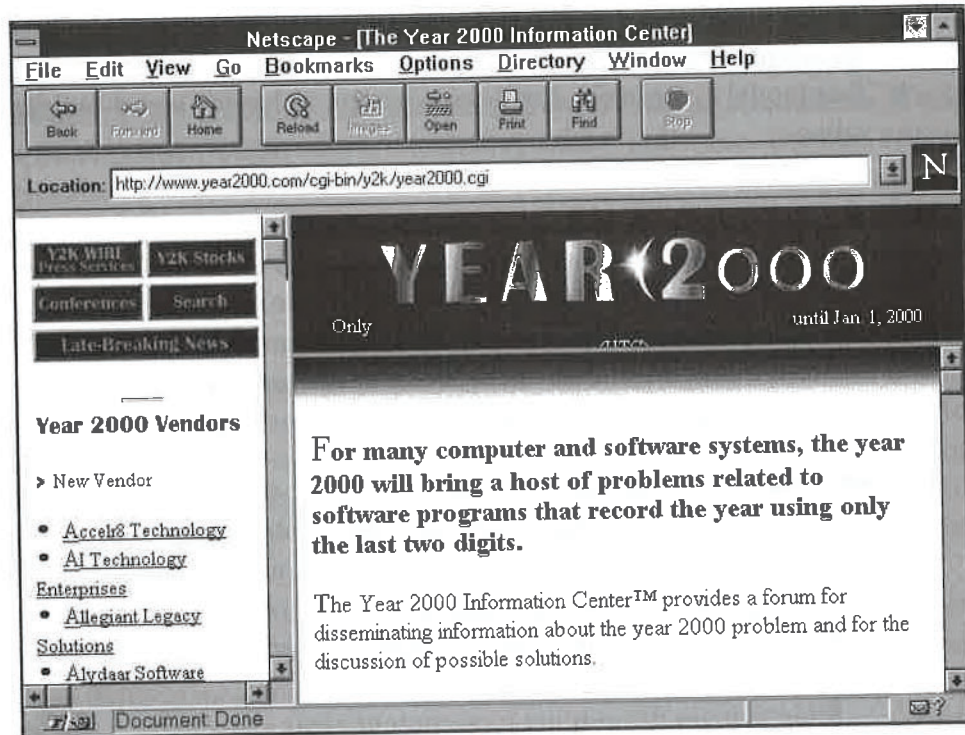


FIGURE 6.2 The Year 2000 Web site uses frames to list all 115 advertisers on the home page.

Charging a yearly fee reduces the time required to administer 115 accounts. The effort to deliver traffic reports and renew and bill advertisers on anything less than a yearly basis is not worthwhile when the advertising rate is so low (it would only be \$166 to \$500 per month). By implementing pricing policies in a manner that precludes significant administrative labor, the Year 2000 site can also charge less money. "We have been on solid financial ground since day one," reports Cliff Kurtzman, CEO of Tenagra, publisher of the site. The Year 2000 format generates a high volume of advertisers at a low fixed rate.

Premium Placements. Flat-fee pricing is also used for premium placements on a particular Web site. For example, Netscape charges a search engine a flat fee to have a button on its popular search page, illustrated in

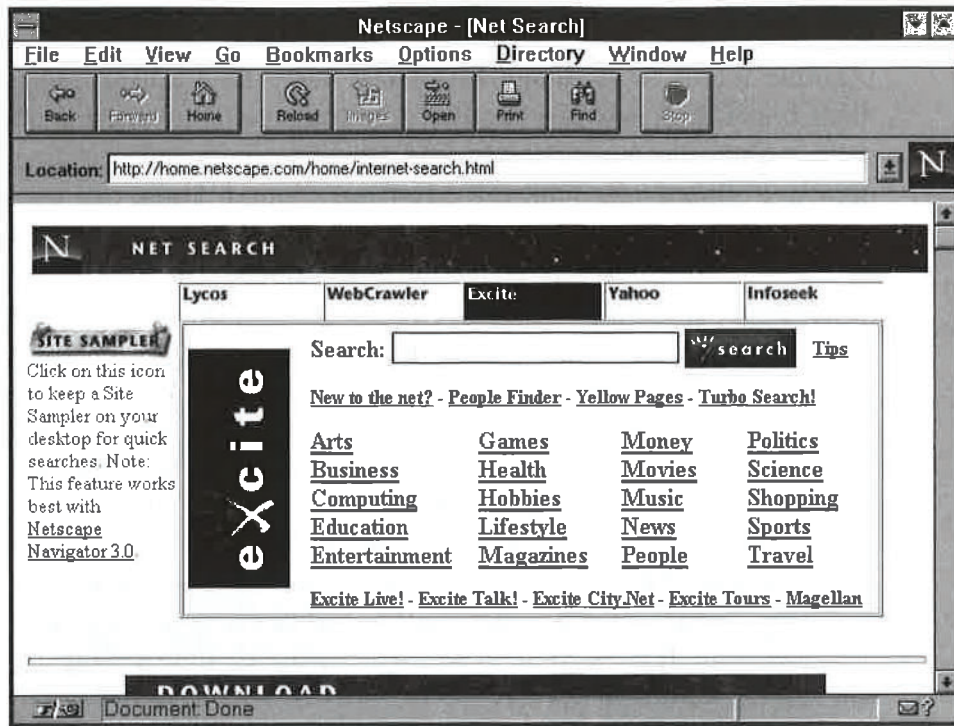


FIGURE 6.3 Excite is one of five primary search engines featured on Netscape's search site.

Figure 6.3. In 1996, Netscape charged the featured search engines \$5 million a year each for this service. Netscape did not have to justify the price; its Web site is one of the most highly trafficked on the Internet and there are few, if any, better locations for search engines to place their advertising.

It is important to realize that the search engines have no guarantees regarding traffic; in the preceding case, however, the advertising placements turned out to be well worth the investment. In June 1996, David Hayden, president and CEO of the Novo McKinley Group, maker of the Magellan search engine, now owned by Excite, reported that a "presence on the [Netscape search page with a] button bounded McKinley's searches from around 10 million a month to more than 15 times that number."

Pay per Viewer

Another model is to charge advertisers every time a user interacts with their brand. The new services that sell this type of advertising offer users money and other incentives to read advertisements and participate in interactive experiences with the advertiser's brand. Users can get paid for everything from visiting advertiser sites to filling out surveys to purchasing products. The philosophy is that the most valuable commodity on the Web is a person's attention and that the best way to acquire that is through direct incentives. As of this printing, some of these services are preparing to launch and others are still testing the effectiveness of this model.

Mind's Eye Fiction, a site that publishes short stories on the Web (<http://www.tale.com>), also charges advertisers per interaction. Here's how it works: A reader goes to the site and selects a story he or she wants to read. The first part of the story is revealed with no strings attached. But at the end of the first half, the reader must take one of two actions to access part two: pay a small fee to read part two of the story immediately or view a sponsor's ad. If the reader chooses to view the ad, the ad is displayed with a short description of the sponsor (Figure 6.4). The user is then required to

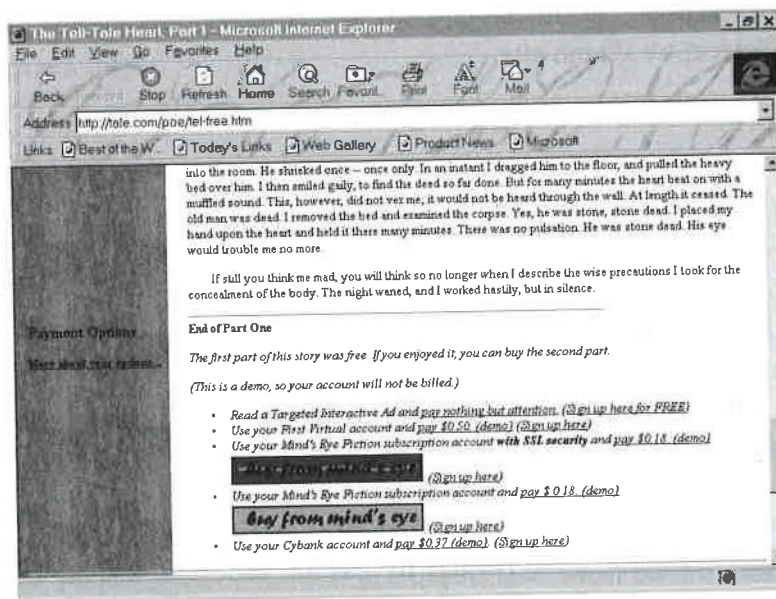


FIGURE 6.4 Mind's Eye Fiction gives its audience two options: pay for the second part of the story or view ads to find out how it ends.

answer a question about the advertising copy to demonstrate that he or she read the information. After the question is answered, the user receives the rest of the story.

Another variation of charging per view comes from CyberGold (<http://www.cybergold.com>), which pays users money in the form of CyberGold coins for viewing banner advertisements (Figure 6.5). The more ads a user views, the more coins he or she accrues. Participants can cash in their CyberGold coins by transferring the coins to a bank account, donating the money to charity, or spending the money at a designated CyberGold merchant location.



FIGURE 6.5 CyberGold pays its audience in CyberGold coins for viewing banner ads.

Pay per Purchase

Taking the payment-per-response model one step further, some advertisers have negotiated to pay only when purchases result from their advertising. This places publishers at the mercy of both the creative supplied and the consumers' interest in purchasing a particular product. This arrangement can be favorable to both the advertiser and the publisher in a few situations when the item is highly targeted, but in most cases, this model clearly benefits the advertiser. The publisher assumes all risk for the advertiser's campaign, and there is no value placed on the brand exposure that advertisers receive through ads that aren't clicked.

In 1996, Orb Communications & Marketing, an interactive agency in New York, negotiated one of the first large-scale pay-per-purchase deals, for Nabisco Direct. The arrangement placed advertising for four Nabisco holiday gifts: Oreo and Mr. Peanut cookie jars (See Figure 6.6), a holiday gift

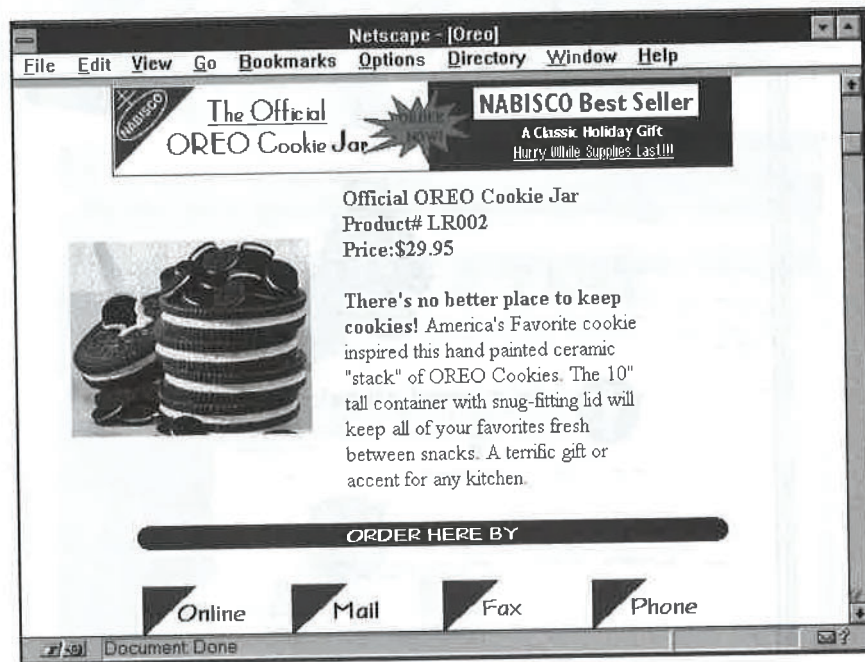


FIGURE 6.6 Nabisco experimented with a pay-per-purchase campaign. Sites that ran this Oreo Cookie Jar ad were paid based on the number of purchases that resulted from the advertisement.

basket, and chocolate-covered Oreos. The advertising ran on such sites as the Excite search engine (<http://www.excite.com>), as well as on entertainment sites like MovieLink (<http://www.movielink.com>), Comedy Central (<http://www.comcentral.com>), and Entertainment Drive (<http://www.edrive.com>). Nabisco had to pay only a percentage of sales generated by each publisher's site.

Publishers seemed reluctant to accept this deal because they felt it devalued the brand-building capabilities of advertising on the Web, but because publishers were struggling to boost their advertising revenues and had a significant amount of extra inventory, they were willing to test such an arrangement. In the November 5, 1996 issue of *Advertising Age*, Joe Gagliardi, director of advertising at Entertainment Drive, said, "For us it's a test. To be frank with you, we're not sure if it's the right thing to do, but we want to stay light on our toes and experiment."

Another variation of this model is used by virtual bookseller Amazon.com (<http://www.amazon.com/associates>), through its associates program. An associate can advertise any book sold by Amazon.com and receive an 8 percent commission if a customer purchases the book after entering the Amazon site from the link on the associate's page. This has increased the reach of Amazon's advertising at a minimal cost.

Auctions

Adbot (<http://www.adbot.com>), a Chicago-based broker of Web ad space, hopes to bring the excitement and spirit of the auction house to the buying and selling of Web advertising. As of this printing, Adbot is scheduled to hold its first auction on April 10, 1997. The site is planning to sell upward of 100 million Web site impressions drawn from a participant pool of hundreds of sites. Advertising impressions will be bundled by content categories in units called "networks." Pricing will be determined by an open-bid auction process. To participate in the auction as a buyer, advertisers must be prequalified with a "virtual presence" at the auction house or place proxy bids using an Adbot broker. An Adbot auctioneer will accept bids and award winners their bundles of impressions. As the auction house, Adbot will oversee all transactions between buyers and sellers and manage the delivery of banner ads through its centralized server. This is a new model whose success has yet to be proven.

Hybrid

For many publishers, a tiered pricing model makes the most sense. Although Web ad spending is rapidly increasing, currently there isn't enough ad revenue to cover the costs for most Web publishing ventures. While publishers wait for the Internet to become a mass-market medium, at which time ad spending is projected to dramatically increase, they need to be flexible in their pricing to get as much ad revenue as possible. For example, a site could offer one price for impressions, a higher price for click-through, and an even higher price if an advertiser pays only when the click-through results in a sale. If publishers offer only one model, they are going to lose those advertisers who are determined to use a different one.

Problems with Comparing Value

Some of the same problems that impact Web measurement also stymie advertisers who try to compare the value of advertising on different Web sites. For starters, measurement is not yet precise enough to determine an advertiser's reach. For example, if an advertiser buys 1 million impressions on Netscape's Web site, what is the reach? How many different people really see the ad? And a buy of 1 million impressions on any other site may be difficult to compare because we don't know the difference in reach. As technology improves Web measurement capabilities, reach should become more accurately comparable.

Another problem that must be solved is really one of semantics: There must be consistency in the definitions used by publishers' sites. For example, it is difficult to compare impressions if one site counts an impression only when the ad is fully downloaded before the user leaves the page, and another site counts an impression when a user accesses the page, regardless of whether the ad is fully downloaded.

There is also little comparative demographic data available, which makes it difficult to distinguish among the audiences of different Web sites. For example, what distinguishes users of the search engine Yahoo! from users of the search engine Excite? When buying traditional media, an advertiser knows the profile of the target audience—from age, gender, and zip code to such detailed information as single mothers in their thirties with average incomes over \$50,000. At this point, Web publishers are only

beginning to learn about their audiences. Moreover, these audiences are growing and expanding at such a quick rate that even accurate data would be outdated as soon as it was published.

Is the Pie Big Enough for All?

According to researcher Jupiter Communications, the bulk of Web advertising revenues are going to approximately 10 sites (See Table 6.1), which of course means the vast majority of sites accepting advertising on the Web receive little of that pie. Some analysts believe this trend will continue, while others purport that small and medium-sized sites also can be players in the online advertising game by delivering quality to targeted audiences.

Although the top publishers are attracting brand advertisers willing to pay premium prices for high-volume audiences, for some advertisers it is not how many eyes see an ad, but how many of the right eyes see the ad. Using online advertising for more targeted ad campaigns may help lower-traffic sites with loyal targeted audiences sell their inventory. However, as we discussed in Chapter 5, the Web is moving toward customized ad delivery; when that is possible, even the big sites will be able to offer precise targeting.

The large publishers are beginning to standardize their offerings (for example, most search engines charge a CPM between \$15 and \$20 for general rotation). However, in an effort to capture more advertising revenues, smaller publishers will use direct marketing pricing models. Of course, small and medium-sized publishers can't be too small (from a traffic perspective) or they won't be able to generate enough revenues without charging a CPM that's outrageous even for targeted advertising.

Flexibility Is the Key

The slate of pricing models conforms to the specific goals of an advertiser's campaign. For example, in 1996, Modem Media conducted two interactive ad campaigns for AT&T. The first was for the AT&T "1-800-CALL-AT&T" account, whose goal was brand awareness through banner advertising, so ad impressions were more important than click-throughs. The second campaign was for AT&T's WorldNet Internet access; in this case, a model that

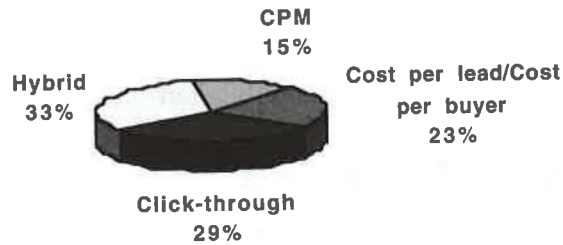


FIGURE 6.7 Pricing models used by Web advertisers (results of survey of 52 advertisers).

Source: 1996 Forrester Research

paid based on cost per lead or cost per sign-up was more in line with the campaign's objectives.

In 1996, Forrester Research, a Boston-based research firm, conducted a survey of 52 advertisers to determine pricing model preference (Figure 6.7). The results indicate that advertisers are still undecided about which pricing model they would like to see dominate the industry. So for now, the key to online pricing is flexibility.

Running an Online Advertising Campaign: Buying Online Ads

Too many marketers jump into online advertising without a clear plan of action. An online advertising campaign, like any media campaign, requires strategic planning to ensure that money is well spent and the objectives are accomplished. It's not as simple as calling Yahoo! and placing a few banner ads.

As in so many endeavors, it is best to start with the basics. In the case of an online ad campaign, this means being able to answer the following question in the affirmative: Is the targeted market online, and if so, where online? While there may be discrepancies regarding various statistics on the Internet, no one disputes that there are many millions of online users. However, if none of these surfers fall into the target market, then an online advertising campaign makes no sense; likewise if the target audience's online whereabouts cannot be pinpointed, an online ad campaign is probably doomed to fail. Thus, the advertiser's challenge is to discover, first, whether there is an online audience for the product or service, and, second, where online this audience congregates.

This chapter is a guided tour through the ins and outs of running an online advertising campaign. We begin by discussing how to set goals for a campaign. We'll then survey the type of sites where an advertiser should place advertising, and identify the online tools to use to locate ad space.

Next, we'll examine the pros and cons of placing advertising with or without the help of an agency. Finally, we'll assist you in the all-important evaluation process for determining the success of your online advertising campaign.

Establishing Campaign Goals

The first, and probably most important, step in running a campaign is establishing goals. If an advertiser doesn't know what he or she wants to achieve, there is no way of judging whether or not the advertising is successful. According to advertising folklore, a famous advertising executive once said that he wasted a million dollars a year on advertising; the problem was that he didn't know which million. With shrinking budgets, advertisers no longer have this luxury; they have to evaluate and justify all of their spending. Fortunately, the Web's measurability enables advertisers to chart quantifiable numbers to use in evaluating a campaign's success. But without goals at the outset, advertisers cannot interpret these numbers in any meaningful fashion. For the purposes of this chapter, the online campaign objectives we'll set include driving users to a Web site, building brand awareness, and generating leads and sales.

Generating Traffic

It probably need not be said that both publishers and advertisers alike want to drive traffic to their Web sites; publishers to increase their reach and the number of ad impressions they can sell, and advertisers to entice more users to interact with their brand, fill out a form, or buy something online (although advertisers who have created mini Web sites on publishers' sites and banners in which a user can conduct transactions aren't as concerned with driving traffic to their Web sites; if they accomplish their goals, they're achieved on the publishers' sites). To this end, advertisers can use most models, from banners to buttons to direct e-mail, to drive traffic to their Web sites.

Building Brand Awareness

Traditional advertising's primary objective is to build brand awareness, that is, to distinguish a product from the crowd, to create an identity for a

product, and form a relationship with the consumer. If a product has an identity for a consumer, that consumer is more likely to purchase that product than a competing brand. With so many advertising dollars poured into brand-building campaigns, Web publishers are eager to prove that the Web is an excellent medium for accomplishing this most basic of advertising goals.

Although major brand advertisers like Procter & Gamble are testing Web advertising, many analysts debate the branding value that current advertising models offer, especially in the case of banners, where some advertisers believe that there is only value in the users who click-through. Disputing this stance is the 1996 “HotWired Advertising Effectiveness Study” (discussed in Chapter 7), which determined that online advertising can build brand awareness. Despite the small size of banner ads, HotWired and Millward Brown International concluded that every ad impression contributes to brand awareness.

Advertisers interested in brand building don’t necessarily need users to click on their advertisements or visit their Web sites. They are more interested in users who simply remember their product. Brand building can be achieved through several ad models, from sponsoring portions of Web sites to nesting advertising content within Web sites to interstitials (Chapter 3 covered the different advertising vehicles and their usefulness for branding campaigns). In short, branding focuses on affecting how a user thinks more than where the user clicks. Case in point: In Chapter 6 we discussed Modem Media’s brand-building banner campaign for AT&T in which Modem Media didn’t want users to click on the banners; the goal was for users to remember an 800 number that was listed on the advertisements.

Selling Products

Campaigns with a direct marketing approach are focused on generating leads and sales. High traffic and name recognition aren’t nearly as important to these advertisers as actual purchases of the advertised product. The success of the ad campaign is not measured in impressions or click-throughs, but in revenues generated.

Online advertisers are responding to direct marketers by devising ways to more quickly move the visitor from interacting with an advertisement to purchasing a product. They are placing nested ad content on publishers’

sites, so the user can complete a transaction without jumping to the advertiser's site; and some publishers are allowing advertisers to sell products within related editorial areas. Advertisers are also testing banners from which a user can purchase a product.

The Web gives direct marketers the opportunity to move a prospect from information gathering to sale to fulfillment more quickly and efficiently than any other medium. And this progression will become even smoother as Web advertising continues to develop.

Buying Ad Space

After an advertiser has determined the goals of a campaign—to generate traffic, build brand awareness, or generate direct sales—the next step is to determine the appropriate ad models and the best locations to place the advertisement. To illustrate this step, we'll use a fly fishing equipment company to briefly identify the advantages of different advertising models. First we'll assume the company is a large, national provider of fly fishing equipment, whose goal is to expand brand awareness. In this case, one appropriate move would be to sponsor a section of a fly fishing enthusiast site, where the firm could develop a relationship with the audience by placing its name, logo, and graphics on the sponsored pages.

But what if the company were smaller, and only sold its products through mail order? In this case, the company goal would most likely be met through direct sales. For this company the right approach might be a banner that links to a page on which specific products are described and where direct sales would be facilitated. Perhaps the company could also negotiate to have its products integrated with appropriate editorial. For example, at the end of an article about fishing rods, a button might be placed for users to click if they want to buy this company's rod.

Finally, let's say that the second, smaller fly fishing company also rents fishing lodges. To generate business in this direction, it might consider a campaign that included an interactive tour of available fishing lodges.

The point is, there are an endless number of sites that accept advertising; and after deciding where to place the ads, there are numerous types of ads to choose from. As in traditional advertising it boils down to finding the best way to achieve business goals—and not getting caught up in the “sexiness” of online advertising at the expense of effectiveness.

Search Engines

If an advertiser is planning to purchase a lot of advertising, to reach as many different people as possible, the high-traffic search engines sites are ideal (Figure 8.1). CPMs on search engines are usually around \$20.

Conversely, if the advertiser's target audience isn't everyone who is surfing, or at least a majority of surfers, the high reach and low cost of search engine general rotation is probably not a good buy; a more targeted buy *within* search engines or from advertising on content sites is more in order. More targeted buys within search engines range from \$40 to \$60 CPM. These buys can include static pages, topic/category sections, or keywords. Static pages are dedicated to one niche topic. An example on Yahoo! would be a page that lists dental practices. A topic or category usually results in a greater reach. For example, if an advertiser purchases the

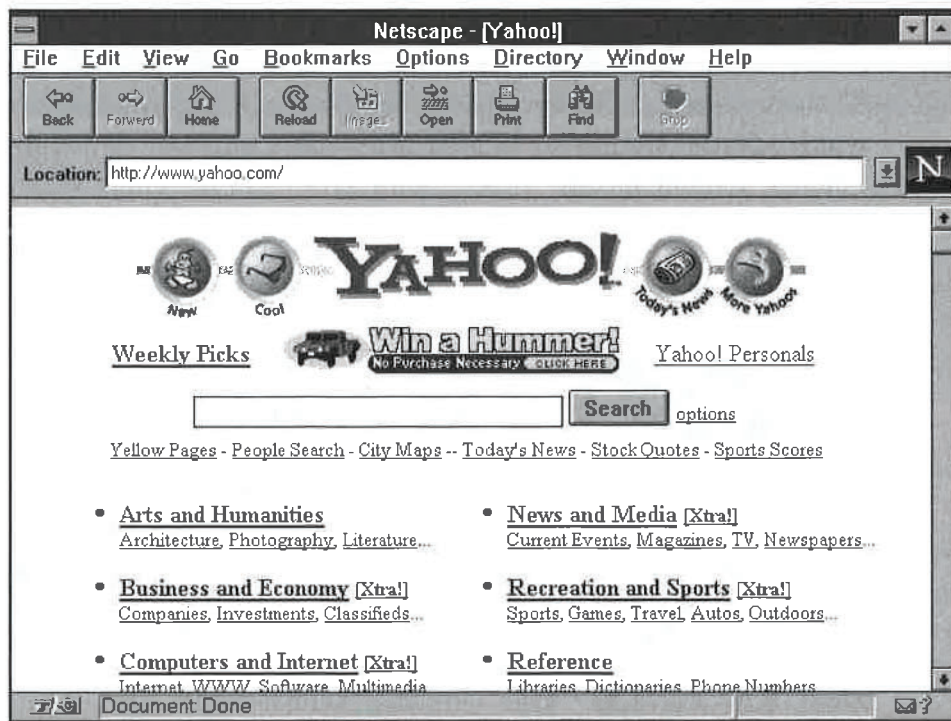


FIGURE 8.1 Yahoo! is one of the top search engines and one of the top sites on the Web.

shopping category on Excite, the banner would rotate throughout the category whether on the specific page covering shopping malls or the page listing shopping directories.

Another targeted search engine buy is keywords, which lets advertisers reach users searching for specific information. This type of targeting, when properly implemented, can yield extremely high click-through rates. For example, Time Warner's DreamShop purchased the keyword "Godiva" on a major search engine two weeks prior to Valentine's Day. When users searched on "Godiva," DreamShop's banner appeared, offering free Godiva chocolates for purchases conducted on the DreamShop site (see Figure 8.2). The targeting and timing delivered one of the best click-through rates DreamShop had ever achieved for a promotion.

Content Sites

Advertisers can also target content sites. Obviously, for example, SportsLine and SportsZone are excellent sites for reaching sports fans (Figure 8.3). The cost for advertising on these types of content sites can range from \$25 to \$50 CPM. These two sports sites are targeted by purchasing the keyword "sports," and, as such, offer many more impressions to advertisers. Popular, content-specific sites usually have more inventory than a search engine can offer in its corresponding category or keywords. However, just

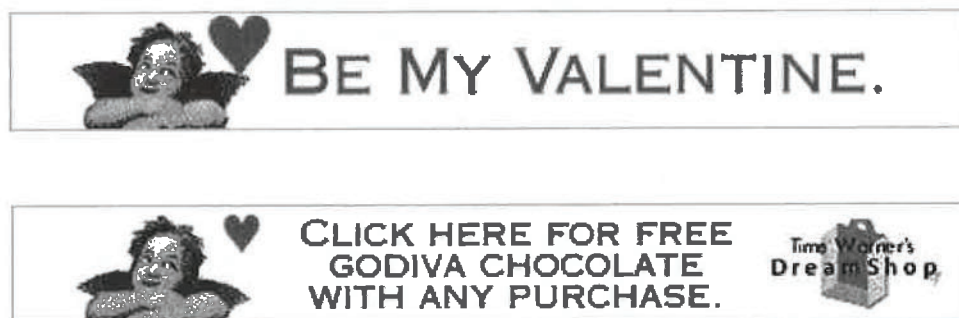


FIGURE 8.2A AND 8.2B This animated banner (both frames are shown) pulled 25 percent better than the same banner without bullet holes.

Banner provided by MediaFinder, <http://www.mediafinder.com>



FIGURE 8.3 ESPN SportsZone has a loyal following of sports fans.

because these content sites have more impressions to sell, doesn't mean that an advertiser will be able to reach more users. Because such content sites provide daily update information, many of the impressions an advertiser purchases reach the same person multiple times.

Niche Content Sites

For advertisers on limited budgets and direct response marketers interested in lowering costs, it is worthwhile to spend time searching for grassroots sites. These sites may not be as well designed or as high trafficked as their larger counterparts, but they can offer a much less expensive CPM. For example, a fanatical sports fan may create a Web site dedicated to providing a comprehensive list of sporting resources on the Web. This site probably won't be as professional looking as SportsZone, which has a staff of artists

working on the design, and there won't be as much traffic, but it still can draw significant traffic. And because of their "maverick" status, these sites often sell advertising at discounted rates. The obvious advantage: Advertisers get low-cost impressions delivered to a very targeted audience. For example, a developer of desktop publishing software would have a captured audience at the Ultimate Electronic Publishing Resource Site (<http://www.desktoppublishing.com>) (Figure 8.4). Of course, some advertisers might not want their brands associated with publisher sites that are not professionally designed. Targeting a niche site is a decision that has to be made based on goals, budget, and image-consciousness.

Advertising on "Sure" Sites. Advertising works best when an advertiser can pinpoint the customers' favorite spots on the Web. One way to gather

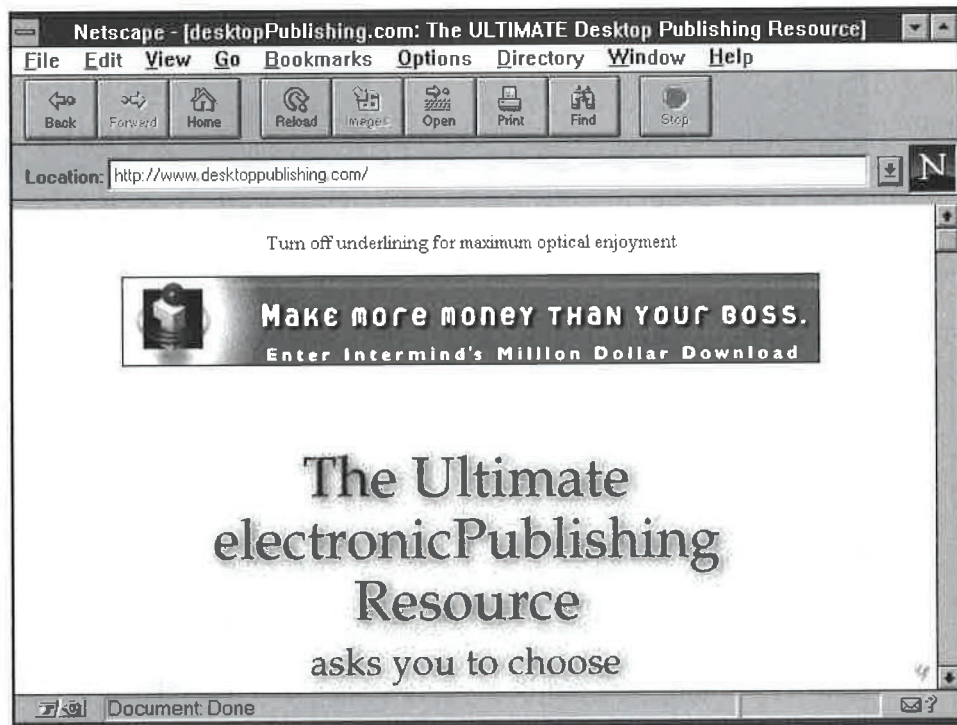


FIGURE 8.4 A niche site like the Ultimate Electronic Publishing Resource would be a good location for advertising products specific to this audience, such as desktop publishing software.

this information is through referral logs, a file on the server that hosts the Web site that reveals the URL from which users accessed the site (for more on log files refer back to Chapter 4). Using the referral log, marketers can determine where most of their users are coming from—and those may be excellent places for targeted advertising; in a sense, they are a “sure thing.” If most users are coming from search engines, a look at the log data will reveal which keywords they are using to find the site. This provides clues to the information visitors are seeking, and thus some indication of good keywords to purchase. Advertisers can also find appropriate locations for placing advertising by surfing the Web themselves. It is important to be on the lookout for places that would be ideal for the targeted market.

Advertising Networks. For advertisers whose objective it is to reach a high number of people through a variety of content sites, advertising networks are worth investigating. We’ve touched on these networks in previous chapters. To recap, they usually represent numerous sites, and advertisers buying through them can purchase space on a group of sites in a particular subject area through only one buy. For example, if an advertiser were interested in hitting as many users of business and finance sites as possible, he or she could purchase advertising on over a dozen business and finance sites through the DoubleClick Network.

One caution when going through a network: It is the advertiser’s responsibility to make sure that those sites displaying product or service banners are sites the brand should be associated with. The various advertising networks have different specialties. For example, DoubleClick Network (<http://www.doubleclick.net>) offers a large selection of high-profile Web sites; AdOne Classified Ad Network (<http://www.adone.com>) is a network specializing in classified ads; and the Link Exchange (<http://www.linkexchange.com>) is the largest with tens of thousands of sites in the network. For a full list of advertising networks, refer to the Ad Networks section in Appendix E.

E-mail Discussion Groups and Newsletters

Another consideration is the sponsorship of e-mail discussion groups (users with similar interests who “converse” through e-mail) and newsletters (electronic versions of the common print format produced by an individual, group, organization, or company and e-mailed to subscribers).

Both vehicles usually allow from 3 to 14 lines of copy from sponsors; admittedly, this doesn't make them a great way to generate brand awareness, but if an advertiser wants only a response from a targeted audience, they're worth a look-see. And because e-mail products are sent to all users simultaneously, this is also a good way to blast out a message quickly. Another reason discussion groups are good ad venues is that participants have to take an action to join, thus they are usually passionate about the topic, which makes them a receptive audience.

Prices vary to advertise in discussion groups or newsletters; discussion groups with a large following will charge a \$40 CPM, but smaller groups that have not had sponsors in the past may be eager to earn advertising revenues and so may charge a discount rate. One important word of advice before purchasing advertising on a discussion group or e-mail newsletter: Join the discussion and monitor the newsletter for at least two weeks. Not only will this enable you to determine whether the group or newsletter is a promising location for an ad, it's an excellent way to generate ideas for high-quality sponsorship copy. Sifting through the e-mail discussion groups and newsletters to find those of high quality is well worth the effort for advertisers searching for a targeted advertising buy. The following sites are great starting points for finding e-mail newsletters and discussion groups.

The List of Lists (<http://catalog.com/vivian/interest-group-search.html>)

Reference.com (<http://www.reference.com>)

The Liszt (<http://www.liszt.com>)

Locating Ad Space and Rates

After an advertiser has determined what an ad campaign should accomplish, and which types of sites and buys would be most appropriate, the next step is to determine the specific sites at which to place the ads. A good way to start is to consult indexes of Web sites that sell advertising. These indexes are available online; two of the best are Jupiter's AdSpace Locator (<http://www.jup.com/interact/data/sponsors/sponsors.shtml>) and SI Software's index (<http://www.sisoftware.com/sirate1.htm>). Both provide a categorical list of a number of sites that sell space. Listings include information about the sites, rates, and ad size specification. Figure 8.5 shows Jupiter's AdSpace Locator and how to research advertising locations and rates.

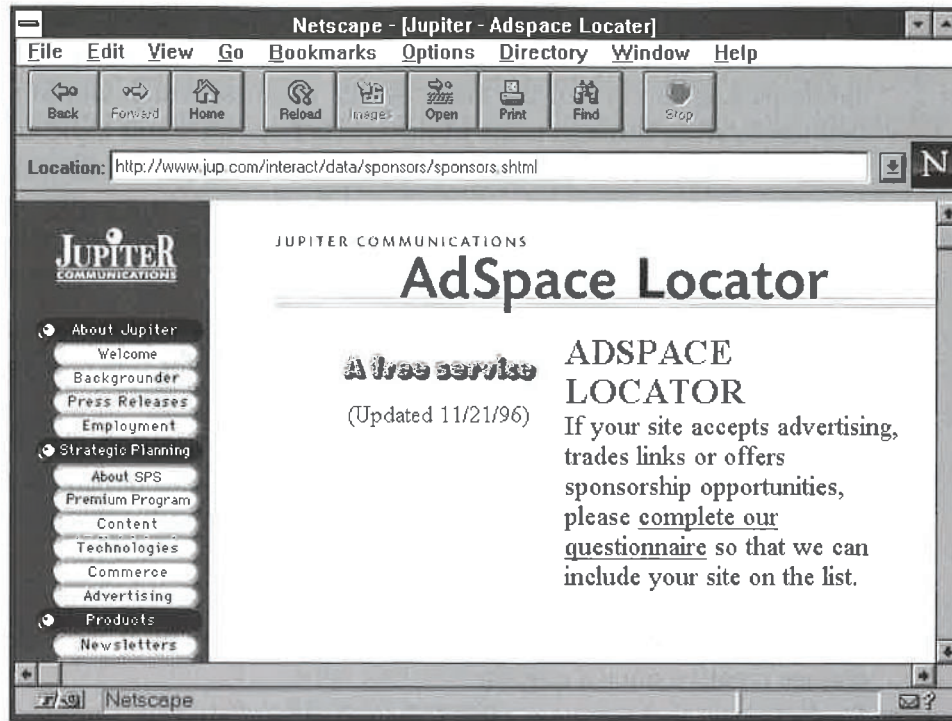


FIGURE 8.5 Jupiter's AdSpace Locator is a database of advertising space and rates.

Unfortunately, these indexes are not available in print, they are not comprehensive, and they are often out of date because publishers change their pricing structures as well as the types of advertising they offer so frequently that a print directory would quickly become outdated; keeping an online directory current is nearly impossible. Consequently, the sites must be contacted directly to obtain the latest rates and specifications. Nevertheless, as stated the online indexes are a good starting point. Sample rate cards are presented in Appendix C, and for more sites that compile rate cards, refer to the Ad Placement Tools section of the Resources Directory in Appendix E.

Negotiating the Ad Buy

After an advertiser has chosen the sites on which to place advertising, it is time to negotiate the buy. This entails calling the various sites to discuss

the advertising rates and placements. Occasionally, sites will offer package deals for specific targeting. For example, an advertiser might be offered a sports package on one of the major search engines, which would probably include rotation through some of the sports keywords and topic areas. The inventory would be much less expensive than if the advertiser were to buy each keyword and topic rotation individually. Most sites also offer discounts to advertisers that purchase large amounts of inventory (1,000,000 impressions or more).

After investigating the options, an advertiser must decide on which sites to place ads. The following are some considerations for this process:

- ▶ Advertisers must ascertain the type of reporting they will receive for the campaign. As discussed in Chapters 4 and 5, frequent reporting is the most valuable because it allows advertisers to continually tweak campaigns for maximum results.
- ▶ Advertisers must be told how much time the publisher requires for creative changes. Daily reporting will be for naught if an advertiser can only change creative once a month.
- ▶ Studies show that response rates to banner advertising are significantly higher when advertisers use more than one piece of creative, so those sites that allow the use of multiple creatives are going to improve response rates.
- ▶ Advertisers should ask whether impressions are guaranteed; this is certainly preferable, since if the publisher doesn't deliver, the advertiser usually gets a "make good," an impression credit for use at a later date.
- ▶ Advertisers also need to know where their banners will be rotating. The top of the page usually pulls better than the bottom. And placement on both the top and bottom of specific pages pulls the best.
- ▶ Advertisers must know when payments are due. If the site is small, an advertiser may not want to pay in advance, because there's not much an advertiser can do if the publisher doesn't deliver. Advertisers should try to negotiate for payment after the ad runs, or to pay 50 percent before and 50 percent after the ad appears.
- ▶ Advertisers should submit an insertion order that spells out the expectations for the media buy. The insertion order lists the advertiser, the type of ad placement (which site and which category on the site), the flight dates (the days the ad will appear), the number of impressions purchased, and

the rates. The insertion order also states the person responsible for payment. A sample insertion order is presented in Figure 8.6.

- A banner ad campaign is made up of myriad details that are easy to overlook in the hustle to deliver the creative. Therefore, it's a good idea to formulate a checklist as a way to verify coverage of all steps. Figure 8.7 shows the delivery checklist i-frontier uses to ensure that it doesn't forget any details when trafficking a client's creative.

BANNER AD DELIVERY CHECKLIST

- ☐ Get banner from client.
- ☐ Confirm that URL is running & proper promotional info is up.
- ☐ Deliver Banner to site. Be sure to include this info:
 - ☐ which client creative is for
 - ☐ URL to link banner to
 - ☐ alt text
 - ☐ dates banner should run
 - ☐ # impressions it should receive
 - ☐ specify campaign name
 - ☐ request reports, specify who should receive them and specify that they should clearly state client & campaign
 - ☐ ask for confirmation & date banner goes live
- ☐ Confirmation received from site.
- ☐ Confirm banner is up by actually checking site.
- ☐ Confirm that the link works.
- ☐ Call site if not receiving reports or if there are problems.

FIGURE 8.6 The i-frontier banner ad delivery checklist.

i-frontier Internet Marketing Web Site Design 2043A Arch Street Philadelphia, PA 19103 (215) 568-4179 Fax: (215)-568-4254 http://i-frontier.com	Insertion Order Date: January 5, 1997 Advertiser: Company XYZ Placement on: Rotation through Excite Keyword "computers" Flight dates: One week beginning February 18, 1997 Impressions: 1,000,000 Rates: \$XXXX Net Person responsible for invoice payment: Brad Aronson i-frontier 2043A Arch Street Philadelphia, PA 19103 Authorization: _____ Brad Aronson Impressions are guaranteed, and Company XYZ will receive a make good, if 1,000,000 impressions are not delivered within specified time period. Banner advertisement will appear at top of the page. Advertisement will be delivered five days before start date. Usage reports should be e-mailed to Jeremy Lockhorn, jrome@i-frontier.com. If you have questions about this insertion order, please call Brad Aronson at (215) 568-4179.
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FIGURE 8.7 Sample insertion order from i-frontier to Excite.

Finally, when all is said and done, the advertiser must go to the site and confirm that the banners are “waving.” Horror stories abound of ads that never went live. Activity reports will tell an advertiser after the fact, but then it’s too late.

Additional Costs. There are always costs in addition to buying the actual impressions, and these must be factored in when planning a campaign:

- ▶ **Creative costs:** Simple banners will run from \$500 to \$1,000 each. This fee will usually include a few different sizes of the same banner—a necessity given the wide variety of sizes that are required for campaigns that run on numerous sites. If the banners link to special Web pages that are related to the campaign, an advertiser may need to pay for the development of those pages. If an advertiser is using models other than banners, those creative costs must be tallied as well.
- ▶ **Technological costs:** If an advertiser is running a campaign to generate sales or leads, back-end technology will be necessary to support the campaign. For example, say an advertiser runs a banner that offers a free trial issue of a magazine. Interested users click on the banner and arrive at a form they need to fill out to receive the free issue. To follow through on such a promotion, the advertiser needs a method for importing into a database all of the information resulting from requests for a free issue. In this example, a program to input all forms directly into the database would probably be in order, and would cost around \$4,000.
- ▶ **Staff time:** After advertisers deliver creative, they must follow up to make sure the promotion runs where and when it is scheduled. This is important; mistakes are common. Advertisers also need to track the campaign’s progress. The sites on which advertisements are placed will deliver reports in a variety of formats, which should be collated for interpretation. These reports differ widely, so this time factor should not be underestimated.
- ▶ **Adjustments:** Some advertising dollars should be reserved for new creative. If an advertiser determines midway through a campaign that some of the creative is performing poorly, the budget should allow for a re-design of the artwork.

Negotiating for Rates

When advertisers negotiate with sites for rates, they must remain very focused on their objectives. For example, one site may offer a great deal that would require an advertiser's entire budget, which is fine if the advertiser's plan consists of focusing on one site. However, if the advertiser's goal is to reach as many users as possible, or he or she is just testing to see how Web advertising works, it would be foolish to accept such a deal.

Using an Interactive Agency

Even though an advertiser is looking to spend money, finding site owners or sales reps to accept advertising dollars can sometimes be as difficult as pulling teeth. In one instance, an interactive agency wanted to purchase a significant number of impressions on HotBot (one of the top 10 search engines) for a Fortune 500 company. The agency sent several e-mails to the address HotBot listed for advertising information, but did not hear back from HotBot for a month. Ironically, considering we're talking about online advertising, it is sometimes more efficient to find a publisher's phone number and navigate through the phone menu system to talk to a real human being in the advertising department.

The difficulty in getting through to publishers, especially if an advertiser is not purchasing over \$10,000 in advertising, is one good reason to use an interactive agency. Interactive agencies purchase advertising for a multitude of clients, and know who to call to discuss advertising rates; they are also more likely to be called back because they buy a lot of advertising from the publishers.

Interactive agencies have a lot to offer to Web advertising campaigns, and generally perform two major services: coordinating the campaign and designing the creative.

Campaign Coordination

Agencies will negotiate with publishers on the advertiser's behalf for good positioning of the creative as well as for lower prices, when appropriate. An

agency will also be able to suggest sites that match the advertiser's campaign goals and recommend campaign strategies. Agencies traditionally get a 15 percent discount from the publisher on the advertising they purchase, which is what they take as payment. Since advertisers can't usually get the 15 percent discount (there's a reason it's called an agency discount), many advertisers can save time and get the benefit of an agency's expertise while the publisher foots the bill. The bad news? Because the agencies are paid 15 percent of the bill, there is not always an incentive for them to negotiate the best price.

Some agencies will also traffic your creative, tracking campaign results daily in case there is an opportunity to boost response by adjusting the campaign, and delivering a traffic report that details all of your campaign results.

Creative Development

For additional fees, agencies will develop the creative for an advertiser's campaign. If an advertiser doesn't have an in-house staff, an agency will produce the creative using what they have seen work for their other clients.

A number of interactive agencies are listed in Appendix E. Most of these agencies have a minimum that clients must spend on advertising before they will take an account. If you're not spending over \$100,000, the top 10 interactive agencies may not accept your business, but it's worth giving some of the smaller agencies a try.

Creative Testing

It is important to test every campaign before committing to a large advertising buy. Testing ensures that when an advertiser does commit to a large buy, he or she receives maximum value for the money. Advertisers should test everything from the offer to the creative to the sites on which the advertising appears.

Creative should be tested before and during campaigns. There are a few ways to test creative before launching a large campaign. During the buy negotiations, an advertiser can ask the publisher to create a break between the first week of the campaign and the rest of the campaign. After determining how well the creative pulled the first week, the advertiser will have time to adjust the creative and choose the banners that work best for the rest of the campaign.

An advantage of placing an ad buy on an ad network is ease of testing. For example, advertisers can use the DoubleClick Network's Test It! service. An advertiser can run 25,000 impression tests on any number of banners and get results within 48 hours. If the advertiser is not planning to place the larger buy on the DoubleClick Network, this test may not be as accurate as one on the sites on which he or she is planning to buy; however, the DoubleClick Network covers enough sites that an advertiser should get a good general idea of which creatives work best—and in two days. The minimum test is two banners, which costs \$38 CPM. If the advertiser places an order with DoubleClick of \$20,000 or more within seven days of the test, he or she receives a 50 percent credit on the test.

An advertiser should also monitor performance throughout the campaign. Most publishers will change creative 48 hours after they receive new artwork and instructions, so unlike other advertising vehicles, advertisers have the opportunity to change the course of a campaign midway through it. Advertisers can monitor a campaign through publisher-provided reports as well as through their own log files. When publishers don't deliver daily reports, there are other options for closely tracking an advertising campaign:

- ▶ When the creative is displayed on the publisher's site, an advertiser can request that the site pull the graphic from his or her server. This means that every time the advertisement is displayed, the advertiser's log files will record an impression. If anyone clicks on the banner and arrives at the site, the log file records that action. If each banner points to a slightly different Web page—for example, www.i-frontier.com/index.html and www.i-frontier.com/index1.html—the advertiser will be able to measure each banner's success. The number of times a specific page was accessed, divided by the number of times the banner that led to that page was requested, will provide the response rate. This requires extra effort on the advertiser's part—running log files through software to make them readable and creating extra Web pages—so finding sites that provide reports can save time.
- ▶ Some publishers don't generate enough traffic to warrant delivering daily reports, in which case you should request weekly reports that you can use to improve your campaign.

It goes without saying that testing an advertisement's effectiveness is essential, as design and copy can have an impact on response rate. In some

cases, changing a single word or a color can increase the number of users who click on a banner. Appendix F presents multiple banner advertisements and their click-through rates to illustrate this point. It is almost always impossible to predict what those differences will be unless creative is tested.

Testing Site Selection

Creatives will only pull as well as the sites on which they are placed. An advertiser might think advertising on a Web site that provides up-to-the-minute stock quotes would be a good way to reach wealthy business executives, but a test of this site might reveal that response is poor. Perhaps the same users are accessing the site several times a day to quickly check their stocks and then are returning to their other activities, thus limiting the advertiser's reach and the audience's interest. Again, an advertiser needs to test the sites he or she is planning to invest in to discover how well they perform *before* spending a large portion of the ad budget.

Publishers will usually let an advertiser test their sites if the advertiser is serious about Web advertising and willing to commit if the test proves successful. If an advertiser is not planning to spend upwards of \$10,000 on a particular site or to spend more than that amount in the long term, it will be difficult to find sites willing to allow a test. Usually, publishers charge premiums for advertisers that buy very small quantities of impressions—as low as or less than rate-card minimums—but they will usually sell those small quantities of impressions at a lower rate to advertisers buying them as a test.

Measuring Campaign Effectiveness

Clearly defining your yardstick for success will save you time by providing much needed direction in choosing sites and negotiating agreements with those of interest. Without a well-defined plan it's easy to get lost in the many pages of data that are produced from your log files and provided by publishers after a campaign. And every good plan is also a flexible plan—it is important to be able to adjust your campaign based on the knowledge that results from every advertising endeavor.

Selling Online Ads

Everyone wants to support their Web sites by selling advertising, but don't assume the easy user interface means conducting business on the Internet is just a matter of point and click, too. Planning, persistence and hard work are essential, but still no guarantee that you will be able to sell your inventory. There are thousands of sites selling advertising and to succeed, not just show up, you must:

- ▶ Stand out from the multitude of publishers selling advertising.
- ▶ Offer something more than banner impressions.
- ▶ Work to build long-term relationships with advertisers.
- ▶ When necessary, offer discounted inventory to get appropriate advertisers to test your site.
- ▶ Above all, be flexible and creative.

Whether or not you have experience in advertising, the suggestions in this chapter will help you make your site advertising friendly and successful. The selling strategy upon which we base these guidelines is simple: add value through quality: quality in measurement, management, targeting, and delivery. Whether your site receives 10,000 or 1,000,000 visits per week, whether you cater to college students or fly fishermen, following

Table 9.1 Checklist for Selling Advertising on Web Sites

- ☐ Be able to demonstrate/document your audience.
 - ☐ Develop a rate card.
 - ☐ Advertise your advertising opportunities.
 - ☐ Provide reports on a timely basis to advertisers on their campaign's activity.
 - ☐ Make reports comparable across different pages on a site and different sites.
 - ☐ Constantly work to increase traffic to your site.
 - ☐ Differentiate your site from others by adding value (keywords, bonus impressions, etc.).
-

these suggestions will have your site well on the way to representing the perfect advertising vehicle to tap a target market. Table 9.1 provides a checklist for selling advertising on your site.

Prepare Your Site for Paid Advertising

Before you begin accepting advertising, you must set up your site's infrastructure. This means making certain you have the technical applications on your site to fulfill the needs of the professional advertising community, which include monitoring and measuring your site's traffic, auditing your numbers, managing ad placement, providing activity reports, and building your audience.

Monitor and Measure Site Traffic

The first step in preparing your site for advertisements is to implement effective measurement tools so that you can precisely calibrate the traffic to and from your site, as well as gauge the traffic patterns within your site. Being able to monitor and measure how many users are visiting your site, where they come from, and what they are doing once they get there will provide you with a blueprint for determining the best pages for placing paid advertising. For a full discussion of measurement software, revisit Chapter 4.

Auditing

If you hope to secure top-billing advertisers be prepared to provide them with the services they have come to expect in traditional advertising. This means supplying audited reports to advertisers for the media they purchase. Audit reports document the credibility of results in the form of an independent third-party analysis. Although, currently, most online publishers do not provide audits, in the near future, this will no doubt become standard practice. More about auditing is available in Chapter 4.

Ad Management

Media buyers want to be confident that when they buy advertising on a site, the creative will go live at the designated time; it will remain online for the proper period of time; and that they will receive performance reports as often as possible in an understandable format. Advertisers also like to be able to rotate different pieces of creative simultaneously. Fulfilling advertisers' ad management needs is a daunting task to perform manually, even for the most organized individual. To ensure that the ads you sell are delivered professionally, it is wise to employ ad management tools. For a full discussion of ad management, refer back to Chapter 5.

Ad Models

In designing your site, you must decide which ad models you'll accept: banners, buttons, product placement, interstitials, sponsorship, and so on. You can accept one or several ad types. Or why not institute your own innovative ad models to intrigue cutting-edge advertisers? When Microsoft was rolling out its Internet Explorer 3.0 campaign, Jay Goldstein, Microsoft product manager, reported that they actively sought inventive advertising ideas from publishers.

If your primary ad model is the banner, then you need to decide what size (or sizes) banner you'll use. There is a big push for using the standardized banner sizes recommended by the Internet Advertising Bureau (IAB) and CASIE (refer to Table 3.1). In October 1996, when there were over 200 banner sizes in use on the Web, an advertiser had to spend more time, energy, and money resizing the banner creative than in designing better banners

and increasing media buys. The acceptance of the standardized banner sizes is voluntary and is not meant to limit the creativity of site developers; rather, they are intended to aid in securing more advertising for everyone. Most major publishers are adopting the recommended banner size standards so accepting them will remove one more hurdle—resizing creative—for advertisers considering your Web site.

Know Your Audience

The true advertising asset of your site is its audience. If your site generates tremendous traffic—100,000 to 1 million-plus visits per month—then your site's asset is its traffic volume. Currently, sites with the most traffic receive the bulk of online advertising dollars. Thus, you need to work continually to increase the traffic to your site. Consistent traffic sends two messages to an advertiser. First, it says that the site is popular and servicing the needs and interests of its audience. And second, high traffic ensures the media buyer that he or she will be able to increase reach, that is, hit more users with advertising. It goes without saying that you lose credibility if you cannot deliver what you sell.

But if your site is not in the top 1 percent or even 10 percent in traffic, you can still find buyers for your ad space if your site's visitors represent a target market. By catering to a target audience, you can present yourself as the premiere marketing opportunity for a specific consumer product or service. For example, if your site is designed for tennis enthusiasts, then it would be a prime location for advertising that sport's products. If your site provides information about a particular disease, such as diabetes, or a condition like high blood pressure, your site would be an excellent location for a pharmaceutical company to promote its new medications.

Advertisers want to know—indeed, they must know—who they will reach by advertising on your site. Consequently, you need to be able to provide a profile of your audience. This profile can be compiled through interactive strategies such as registration, surveys, or even games and contests. You can also implement many of the new technologies available for greater targeting and personalization of ads. The more detailed audience profile you can draw, the more valuable your advertising real estate. If your site

can deliver an already targeted consumer market, your real estate has a higher value than generic “land” on another site.

Rick Boyce, VP and director of advertising sales at HotWired, studies all aspects of his audience. On what distinguishes the HotWired audience Boyce notes: “The key differentials don’t have to do with demographics but with ‘Webographics.’ The median modem speed to HotWired is 28.8, and we have more coming in on T1 lines than on 14.4 modems.” Translated this means, know how techno-savvy your audience is. If you know that “power users” frequent your site, build a site that meets their needs. Moreover, deliver advertisers and ads that fit the audience. HotWired knows the right advertisers for its site. “Advertising on HotWired is appropriate for many companies with leading-edge products,” says Boyce. “HotWired is a Web-centric crowd.”

Pricing Ads

The most pressing question you probably have is how to price the advertising opportunities on your site. As discussed in Chapter 6, there are several pricing models to choose from: CPM, flat-fee, and click-through are among the most common. To decide this important issue, publishers need to take a realistic look at the value of the advertising they’re offering. If you are building a site that will be in the top 1 percent of traffic generators with several million impressions per day, you can charge a lower CPM. For these high-traffic sites with broad appeal, the attraction to advertisers is simply volume. But most sites do not fall into this category. Most cater to an identifiable group: teens with expendable income, golfers, model rocket hobbyists, doll collectors, and so on. And this is what the Internet does best: provide niche information. Such targeted sites need to charge a higher CPM since they don’t have as much inventory to sell, but they can charge a premium if they are the best for serving a particular audience.

If you are still in the process of building your site and need sponsors to provide working capital, then a flat-fee model would work best. Rob Frankel, marketing executive at Frankel & Anderson (<http://www.frankel-anderson.com>), sees a clear advantage for small sites to accept fixed pricing. “Fixed pricing gets you paid. Impression-based takes forever to calculate and get paid. And is almost never worth the same as fixed price. Take

the money up front, not 'on the come.'” The flat-fee model also works best for small sites that don't generate enough traffic to charge reasonable CPMs. A flat fee of \$250 will seem more reasonable than a \$125 CPM.

If your site generates a lot of response, you may be able to charge on a click-through basis. Of course, this puts you at the mercy of the advertiser's creative. For sites that are having trouble selling inventory, offering per-click-through advertising is usually a good way to get advertisers to test your Web site.

As noted earlier in the book, the market rate for impressions and click-throughs constantly changes. Therefore, the best way to find out the going rate is to compare your site with the rate sheet for similar sites. These should fall within a recognizable pricing window.

If you are a small to medium-size site, the best pricing model might be an individual arrangement with each advertiser. For the larger sites, this might be something you can do only for your major advertisers. As with any sales deal, be flexible with your pricing and be prepared to customize on demand. However, if you offer someone a great deal to test your Web site, make sure he or she is aware that this is a one-time pricing break. You don't want to start a trend in which you lose out on revenues.

Honoring the 15 Percent Agency Discount

Media buyers traditionally make their money by earning a 15 percent commission on all advertising they place. Publishers give agencies this discount on the cost for the advertising, which is not available if an advertiser goes directly to the media source. In this way, the advertiser pays the same whether placing an ad with or without an agency. Most of the top sites, with the exception of Yahoo!, follow this accepted advertising practice. Remember, media buyers are your best vehicles for reaching the advertisers, so don't give them a reason not to purchase with you. In other words, media buyers bring customers to your door. Don't slam that door in their faces by not abiding by the industry's 15 percent commission to buyers.

Spread the Word

There is no “drive-by” traffic on the Web, so you need to promote the advertising opportunities on your site in as many technologically compatible ways as possible. It is your responsibility to let media buyers know about your site.

For starters, prominently promote the advertising opportunities on your own site—on your home page and on every page. Make certain that a media buyer can easily find your rate card and contact information. If a prospective advertiser requests information, have a sales representative personally follow up with a phone call. (In spite of—or maybe because of—e-mail and voice mail, people appreciate when someone takes the time to establish personal contact; and it’s especially valuable when you want to secure a sale.) In listing your advertising opportunities, itemize the creative opportunities you offer, from banners to full-section sponsorship; inform potential advertisers of all that your site can do for them. And most important, make sure you follow up in a timely manner.

There are several rate card databases on the Web used by media buyers to research advertising opportunities. Three of them are Jupiter’s AdSpace Locator (<http://www.webtrack.com/sponsors/sponsors.html>), SI Software’s site (<http://www.sisoftware.com>), and the one offered by NetCreations (<http://www.netcreations.com>). Make sure you are listed in these databases and that the information is current. If you change your rates or have special deals, send an update immediately.

Use Signature Files

A feature of most e-mail software is a signature file (commonly referred to as a “sig” file), the electronic equivalent of handing out your business card. When activated, this file automatically attaches specified text to the end of every e-mail message you send. Businesses use this feature to provide contact information such as company name, phone number, e-mail address, and URL. The analogy to a business card is even more appropriate when you are deciding what to include on your sig file. Ask yourself whether the information would fit on a standard-size business card. If not, you’re probably including too much. Include contact information (your name,

company name, e-mail address) but tread lightly in the use of elaborate graphics, long mission statements, or direct quotations.

That said, keep in mind that, like a business card, sig files can be used as advertising opportunities—from announcing products and services to promoting Web site advertising opportunities. For example, Dennis Deacon of Dennis's Travel Link makes the most of his sig file not only by describing his site and service, but by soliciting for advertising. Figure 9.1 shows an e-mail message from Deacon with a sig file on the bottom announcing advertising opportunities on his site.

Selling Ads

With thousands of sites offering advertising opportunities, if you want to get noticed, you need to take extra steps to put your advertising opportunities on someone's radar screen. You can do this by:

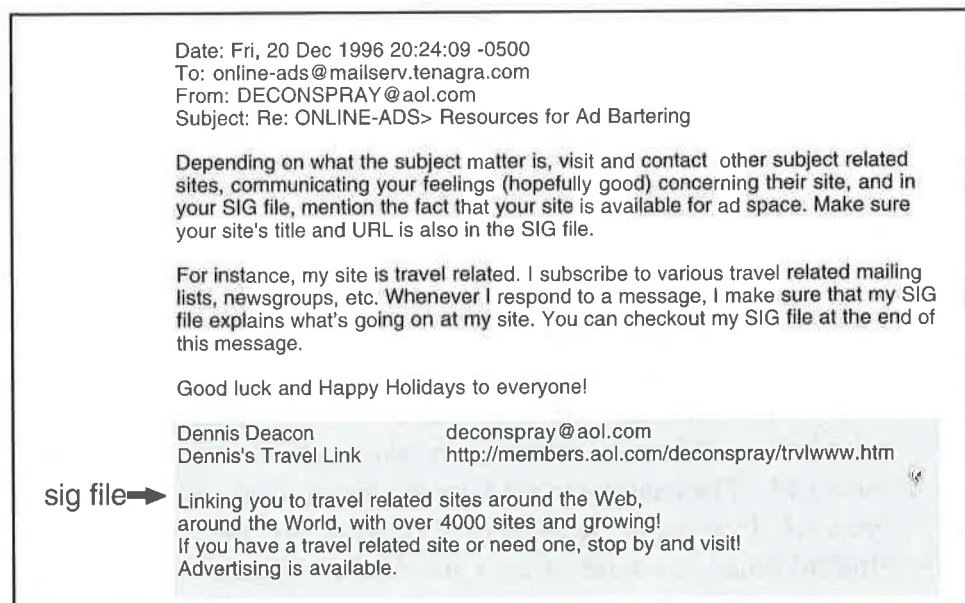


FIGURE 9.1 Sig file announcing advertising opportunities.

- ▶ Listing ad opportunities on your site and in appropriate rate card indexes.
- ▶ Participating in ad networks.
- ▶ Hiring a Web rep.
- ▶ Putting together your own salesforce.

There is no silver bullet in sales. Any veteran salesperson will tell you that sales is based wholly on relationships. Since the Web is a relationship technology, use all the resources at your disposal—both technological and personal—to give your site that “extra something” that will set it apart from the rest. And that “extra something” might just be that your advertising space is listed everywhere.

The Credibility Issue

Credibility is transferable, by which we mean advertisers intend that the goodwill and community you foster on your site will inspire click-throughs, leading to sales for their products. A site with a loyal following sends a strong message to advertisers. But don't forget: Credibility is reciprocal; by allowing an advertisement on your site, you are tacitly endorsing the product. In most cases, this is a nonissue, but if you anticipate a problem, rethink accepting an ad. Remember, you don't have to accept every ad just because someone is willing to pay for the impressions. Credibility is easier to earn than to regain. And if you lose credibility with your audience, you may lose traffic and, subsequently, inventory.

Sales Staff

Selling is an art form, and nothing can replace raw talent, but with proper training, a young salesforce can be groomed to become a dynamic team. A key component of this training is learning the medium itself. “To sell online ads, a salesperson needs to know not only sales and online advertising, but to have a solid grounding in Web technology,” says Richy Glassberg, VP/general manager, Turner Interactive Marketing and Sales.

“Everybody coming out of business school will [still] need some kind of online advertising expertise,” says Debra Aho Williamson, interactive editor of *Advertising Age*. The field of online advertising is so new that few business schools have courses, let alone textbooks, to train the online

advertising salesforce of today. Gaining this knowledge and expertise is very much a self-educating process at this point.” The best place to start is by reading industry publications such as *Advertising Age*’s interactive daily edition (<http://www.adage.com/interactive/daily/index.html>), the *Internet Advertising Report* (<http://netday.iworld.com/IAR/>), as well as key reports such as those published by Jupiter Communications (<http://www.jup.com>). A full list of online advertising periodicals is given in Appendix E. You also need a solid grounding in the technology, and for this, just prowl the bookstores; hundreds of books and training courses are available on everything from Web design to Web marketing.

Selling Strategies

Selling can be the most exciting part of the advertising process, but it is also the most difficult to do right. In addition to readying your site to ac-

Domain Names

The value of a domain name is recognition, to both users and advertisers. Top-level domains are the two- to four-letter extensions after the “dot” on an e-mail or Web address. In the United States, the top-level domain points to the type of entity behind the address (see Table 9.2). Outside of the United States, the top-level domain usually represents the country’s code (a full list of top-level domains is provided in Appendix B). Until 1996, there were six primary top-level domains in the United States. In the past two years, as businesses have raced to build a presence on the Web, many realized their first-choice domain name was already registered with InterNIC (<http://is.internic.net/>), the official registering body in the United States. In some cases, this occurred because an acronym was shared by two entities. For example, *asae.com* belongs to the American Society of Agricultural Engineers, and ASAE is used by the American Society of Association Executives, which because it registered second with this domain name, had to use *asaenet.org* instead. In other cases, these names were registered to individuals not associated with a company at all. InterNIC now has a policy to give trademarked names to

Table 9.2 Original Top-Level Domains

.com	commercial
.edu	educational institutions
.gov	government departments, agencies, and employees
.mil	military
.net	networks
.org	organizations and associations

cept advertising, you need the right people to sell the ads. Those people may be an in-house salesforce, ad networks, or auctioneers. It may even be all of them. To determine what will work best for you and your company, examine the benefits of all the different sales strategies and remain flexible so you can implement an alternative approach if one proves to be ineffective for you.

the trademark holder. But for nontrademarked names, it is still first come, first served.

Some companies or organizations have chosen to directly purchase the domain name from the person who first registered the name. How much is a name worth? Stories abound about huge sums of money exchanging hands for marquee domain names. In fact, the lure of big bucks inspired some to rush to register marquee domain names in the first place. Many domain name transactions are done amicably and for a lot less money than rumor would have us believe. For example, the Professional Golfers Association paid \$35,000 Canadian (about \$26,000 U.S.) for <http://www.pga.com> from the Potato Growers of Alberta. The *Toronto Star* reported "The deal was negotiated in less than six months. . . the money covers expenses such as revamping electronic pages, paper letterhead and other costs." Golfers were able to access <http://www.pga.com> as of December 1, 1996, where they were no longer greeted by information on how to cook French fries.

With over 3 million .com domains and the number still growing (see Table 9.3), the Internet community has added domain names to accommodate the ever-increasing demand. In 1997, seven new top-level domains were adopted. These are presented in Table 9.4.

Table 9.3 Growth in Internet Domains

	September 27, 1996	July 5, 1996	Increase	Percent Increase
.com	548,638	397,690	150,948	37.9
.org	36,808	27,358	9,450	34.5
.net	23,539	16,027	7,512	46.8
.edu	2,875	2,643	232	8.7
TOTAL	611,860	443,718	168,142	37.8

Source: 1996 Internet Information

Ad Networks

Everyone seems to be either forming, thinking about forming, or joining a network. On the Web there are shopping networks, news networks, and—of interest here—ad networks. We've touched on ad networks briefly in several other places throughout this book. To recap, an ad network brings together a group of sites with advertising inventory to sell in order to offer greater access and ease to publishers and advertisers alike. For publishers, this means access to more advertisers through the network's salesforce; for the advertisers, this means that with one buy they can purchase impressions on a host of sites. As the cliché promises, there is power in numbers, and ad networks bring the power of a selling block to individual sites.

So that's what networks can do for publishers and advertisers. But what are networks looking for in their members' sites? First, they want sites that service an identifiable audience, in other words, affinity groups from financial sites to high-tech to parenting. They also go after sites with large

Table 9.4 New Top-Level Domains

.firm	for businesses
.store	for businesses offering goods to purchase
.web	for entities emphasizing activities related to the Web
.arts	for entities emphasizing cultural and entertainment activities
.rec	for entities emphasizing recreation/entertainment activities
.info	for entities providing information services
.nom	for those wishing individual or personal nomenclature

monthly impressions of a half-million and up, although this depends on the network. This volume of traffic signifies that the site has the draw and can deliver an audience. Third, networks want to know whether the site's audience will respond to ads. And finally, networks are looking for brands for the advertisers who buy brands. They are also looking for sites with strong pull for those advertisers interested in click-through performance.

Targeting. Ad networks offer greater reach for the spectrum of targeting options (Figure 9.2 shows DoubleClick's selling features). The options range

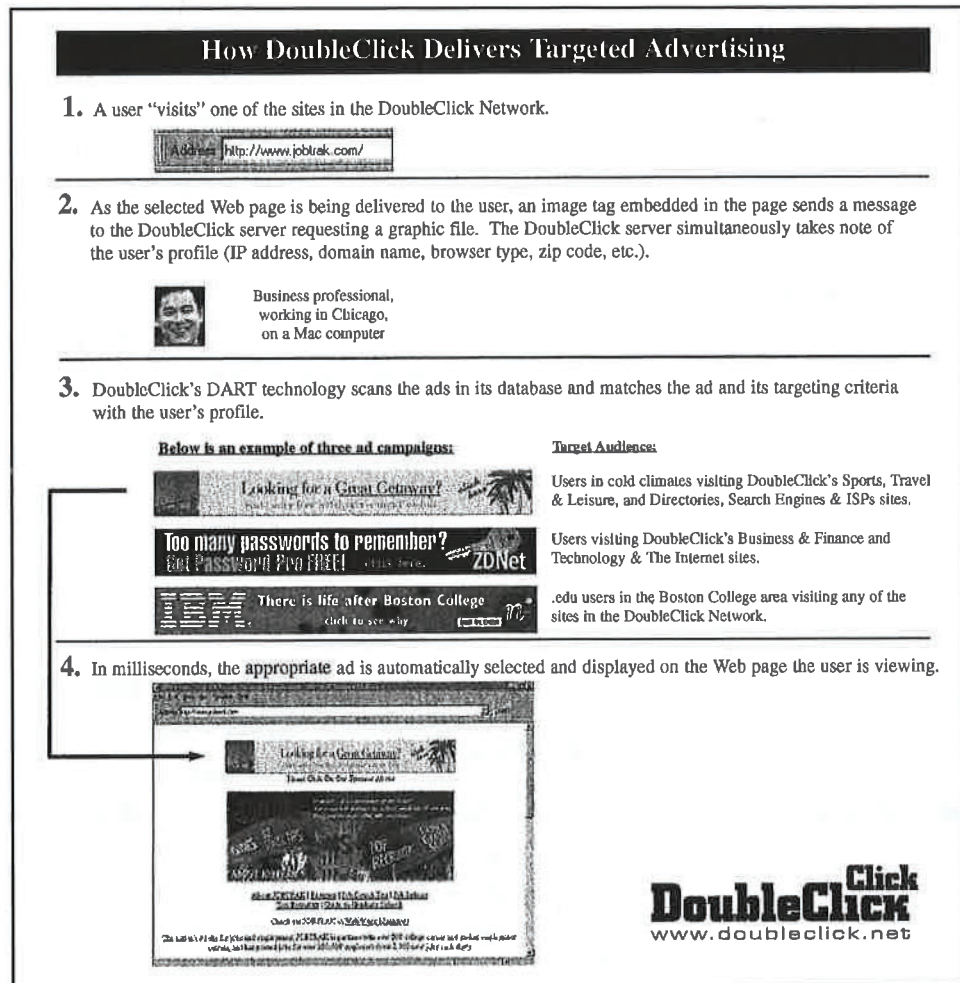


FIGURE 9.2 DoubleClick Network targeting options.

Source: Courtesy of DoubleClick

from specific sites and particular pages on a site to domain (.edu, .com, .org, .gov, etc.), platform (Windows or Macintosh), browsers (Netscape or Internet Explorer), time of day or day of week, and country (for international domains). Appropriately targeting ads means achieving greater response for the advertisers and the ability to charge a higher CPM for publishers. Because networks manage more inventory, they can offer advertisers better reach for specific targeting criteria. Consider, how many Macintosh users in Asia could an advertiser reach through one site compared to a large network?

Targeting options on the Infoseek network (Table 9.5) include targeting specific to the Infoseek site itself, as well as networkwide targeting. On the Infoseek search engine, you can place ads targeting such categories as run of the site (ROS, which is random rotation throughout the site), targeting based on context (for example, searches for shopping-related information would be in the shopping context), topics, and keywords (see Chapter 6 for a full discussion of search engine categories). The targeting options across the network include domain and channels (such as themed content).

Benefits of Ad Networks. As already described, participating in an ad network has benefits for the advertiser and publisher alike. Do the math: Media buyers need to purchase enough ads to reach the target audience enough times to get the desired response and be able to measure that response. The typical ad agency represents dozens of clients with dozens of products and dozens of target audiences. An ad network provides a means to buy in large enough volume while controlling the segmentation of the audience, and in some cases controlling the frequency and reach for maximum penetration. With an ad network, the media buyer can call in the

Table 9.5 Infoseek Network Targeting Spectrum

Infoseek Site	Levels of Targetability	Infoseek Network
Run-of-site	Branding, Image, Awareness	All-Channel Investment
Context/Domain	Affinity Environment	Domain
Topics	Vertical	Channels (themed content)
Keywords/Ultramatch*	Narrowcast	Ultramatch*

*Ultramatch technology implemented in Network by end of Q1, 1997

morning and have an ad running on a slate of sites that same day. For the advertiser's media buyer, networks serve to help navigate through the high volume of sites offering advertising.

Experienced Salesforce. Buying ads separately on the ever-growing number of sites can be a daunting task; you have to make your way through separate salesforces, individual rate sheets, and myriad audience demographics. When you work with a network, you are in contact with just one experienced salesforce made up of people who know the online advertising business. And the ad space offered on the network usually represents prime online real estate.

Inventory. Instead of buying piecemeal, an advertiser or an agency can buy large quantities of ad space over several sites. Studies show that results are better for ad placement over a wide variety of sites in contrast to placing advertising within many layers of the same site. Networks provide a convenient way to implement these far-reaching yet targeted buys.

The benefits to the publisher are equally great. By participating in a reputable network, a site is in the hands of an experienced salesforce. Thus, the publisher is free to devote time and resources to producing the best content possible. In response, some sites choose not to retain an in-house salesforce to curb costs of hiring, training, and maintaining a sales team. Naturally, other costs are incurred, because networks command a hefty commission on all advertising space that they sell.

Network Caution

All networks are not created equal. As in every business, some provide poor service and can do more harm than good to your reputation. It behooves you to investigate thoroughly any networks that you are considering joining prior to signing an agreement. And beware of exclusivity agreements. If you do sign one, make sure that you are still allowed to sell your own advertising—just in case the network's salesforce doesn't perform well.

Barter Network. Ad networks that work on a reciprocal exchange program, such as the Internet Link Exchange (ILE), shown in Figure 9.3, are called barter networks. The ILE, with the largest membership of any network, represents 100,000 sites making it the largest ad network. Members of ILE can either purchase ad space on the network or participate in the banner exchange program. Exchange members receive an ad placement on the network for every two ads displayed on their site. ILE is the only network with a broad inventory of small, medium, and large sites, allowing for remarkable targeting of niche market Web sites.

The ILE is one of the few places it is possible to spend a Web advertising budget of from \$25 to \$1,000 per month. What, you might ask, can someone get with just \$25? At the Internet Link Exchange, 2,000 impressions. According to Tony Hsieh, cofounder and director of Business Development of ILE, "If you compare that with a \$5,000 buy on Yahoo!, the CPM is a better

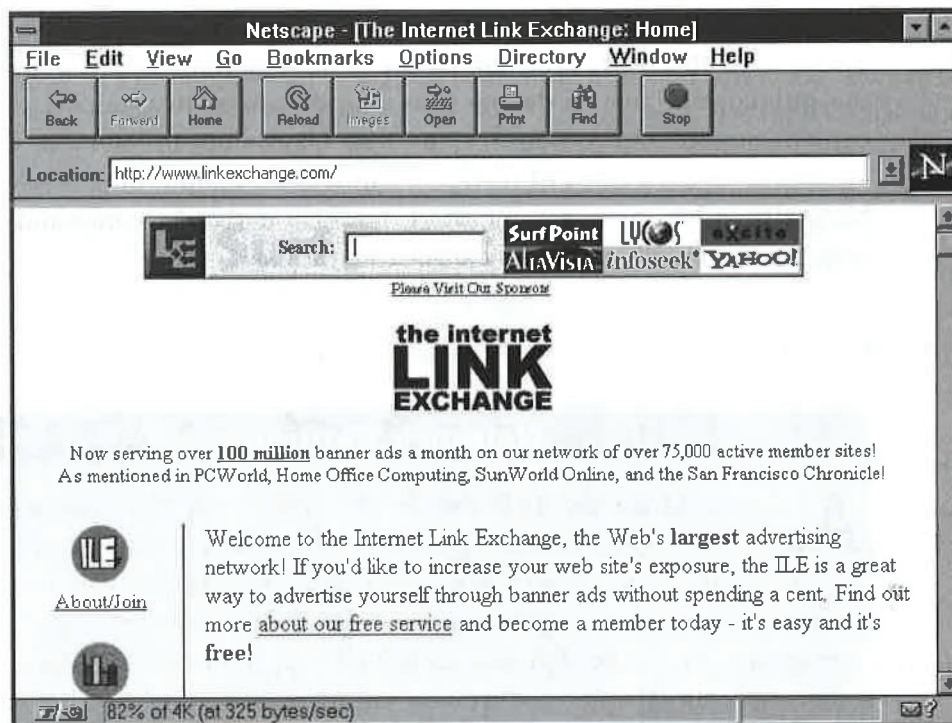


FIGURE 9.3 Internet Link Exchange.

buy on us.” The ILE can keep its prices low because it concentrates on services and processing ads. ILE does not have a sale staff; most sales are done directly on the ILE Web site.

Using Auctions

Another means to sell inventory is to auction impressions. Adbot (<http://www.adbot.com>), introduced earlier in the book, is a Web advertising auction house that arranges the auction, facilitates the transaction of funds between the publishers and bidders, and manages the delivery of the Web ads through its centralized server. Adbot’s own promotion asks: “Why should you pay \$50-\$70 CPM for targeted ads on Internet networks?” Then answers: “You probably shouldn’t. With Adbot, bidding starts at only \$5 CPM.” Auctions could prove to be a good resource from which to sell inventory.

Discounts and Special Deals. As in retail, discounts and special deals work in selling advertising space. Just before WebCrawler was purchased by Excite, it offered discounted rates on its banner advertising. It was a very successful strategy. Word spread that the ad deal of the month was space on WebCrawler. And in February 1997, when AOL was trying to deal with the technical and public relations problems caused by its switch to flat rate, the service provider cut the price of its CPM in half from \$60 to \$30. AOL made the move to bring new, previously tentative advertisers into its stable. It should be noted that AOL’s new rate was similar to the going rate charged by the Microsoft Network.

It is not uncommon for a site to have remaining impressions at the end of a month. Richard Hoy, moderator of the Online Advertising List, says, “A ‘PR-centered’ answer is to overdeliver. Client feels like they got a little something for free, and you aren’t really losing anything. I mean, what the heck are you going to do with those extra impressions anyway?” For example, if you have 100,000 impressions to sell, you might want to sell only 95,000. Then, at the end of the month, you can give a client the 5,000 remaining impressions for “free.” Because you keep track of the traffic to your site, you know you will have the impressions to deliver your minimum and more. Overdelivery builds goodwill and loyalty, or can be a safety net if something unexpected should occur.

Sign on the Dotted Line

Consult your legal counsel to draw up a contract for your advertising space. The contract should include the specifications of the ad placement: name of advertisers, duration of ad, cost, start and stop dates, and any other special orders. The contract should also include payment schedule, as well as any other terms and conditions of particular importance to you and your business. A sample contract is given in Figure 9.4, but it is not meant to be a boilerplate; it would be foolish not to have one composed specially for you.

LETTERHEAD	
November 4, 1996	
Mr. John Doe ABC Website P.O. Box 12334 Sometown, CA 92345	
Dear John:	
Thank you for your interest in Starting Point. We look forward to a successful business relationship with you now and in the future. To accept this proposal, please sign and return this fax to 123.456.7890; otherwise please contact us to discuss questions you may have regarding this order.	
INSERTION ORDER	
Sponsor:	ABC Website - www.abcwebsite.com
Duration:	November 7 - December 7, 1996
Minimum Impressions:	1,000,000 impressions
Keywords:	word1, word2, word3, word4, word5, word6, word7, word8, word9, word10, word11, word12, word13, word14, word15, word16
Cost:	\$12,500.00
Start Date:	November 7, 1996

FIGURE 9.4 Sample banner advertising contract provided by Starting Point (<http://www.stpt.com>).

Starting Point, L.L.C. Terms & Conditions: 1. Payment of \$12,500.00 for sponsorship is due before start date. All checks should be made payable to Starting Point, L.L.C. We also accept MasterCard, Visa and Discover. 2. All advertisements supplied by the sponsor shall consist of a warranty to the effect that the sponsor has obtained all the required authorization and permission with respect to the use of such advertisements on all logos, pictures, and copy. 3. Sponsors are required to ensure that the content of their advertisement complies with all legislation currently in force affecting such matters. They shall further indemnify Starting Point, L.L.C. with respect to any claims, costs, or expenses that may arise from anything contained within their advertisement and advertised on their behalf by Starting Point, L.L.C. 4. Starting Point, L.L.C. makes every effort to uphold the highest standards of etiquette on the Internet, but will not be held liable for any losses incurred through promotional activity. John Doe ABC WebSite

FIGURE 9.4 (Continued)

Conclusion

Ideally, this chapter presented the challenges of selling Web advertising in a way that encouraged responsible planning while clarifying the many opportunities available in this new medium. One final reminder: Be flexible and ready to work with buyers; you could be—and should want to be—building the foundation for a profitable long-term advertising relationship.

Rate Cards

The rate cards in this appendix represent the market price at the time this book went to press, and are intended to give you an idea of the asking price for ad space and provide a useful guide whether you are thinking of buying or selling online advertising now or in the future. But the speed at which things change on the Internet makes it impossible for the print world to stay current with the digital, so be sure to contact sites directly for the most current price offerings. All the cards and card formats are from the Jupiter AdSpace Locator (<http://www.jup.com/interact/data/sponsors/sponsors.shtml>), and are reprinted with permission.

Rate Cards

C/Net
Cool Site of the Day
DoubleClick Network
Excite
HotWired
JOBTRAK

Los Angeles Real-Time Freeway
Traffic Map
Netscape
Quote.com
Riddler
Women's Wire
Yahoo!

Site Name: C/Net**Site URL: <http://www.c/net.com>****Site Description**

C/NET Online is the largest original content site on the World Wide Web, featuring information and deep resources about computing, online services, and digital technologies. Through C/NET Online, the C/NET community is able to share information and opinions; find out about new products through C/NET's exclusive lab reviews; catch up on the latest computer industry news; download software; talk to guests, hosts, and producers; participate in contests and polls; get technical help from vendors and other members; and learn about and buy products through C/NET Online's marketplace.

C/NET Online is a property of C/NET: The Computer Network. C/NET's other online properties include: SHAREWARE.COM, a Web resource that allows consumers to locate and download software titles from the Internet's largest archives; and SEARCH.COM, a powerful new Web search service that organizes and provides direct searches of more than 250 of the Internet's biggest, best, and most useful search engines in one easy-to-navigate location. C/NET Television's properties include: C/NET Central, a fast-paced magazine-style series devoted to exploring the exciting world of computers and digital technologies; The Web, an hour-long show created to keep consumers up to date on new Web sites, technologies, and personalities; and The New Edge, a half-hour series covering the goings-on in both elite technology labs and inventors' garages. These three television components make up C/NET's Digital Domain, which airs nationally on the Sci-Fi Channel. C/NET Central is also broadcast nationally on USA Network.

Paid Advertisers

AT&T, Apple, Computerland, Farallon, Gamespot.com, Gyration, IBM, iCAT, Individual, Inc., InFocus, Infonautics, Insight, MicroXperts, Microsoft, NEC, Netscape, Onsale, Open Market, Pacific Bell, Progressive Networks, Quarterdeck, Sybase.

Rate Card Information:

Monthly CADs*: 3 months 6 months 12 months
200,000: \$15,000, \$14,250, \$13,535

400,000: \$28,500, \$27,075, \$25,721

600,000: \$38,475, \$36,551, \$34,724

*Rates shown refer to monthly gross cost/three-month minimum. CAD stands for confirmed ad deliveries. Also, there is a 5 percent flat-rate discount off gross for concurrent advertising programs on C/NET Online, SHAREWARE.COM, and SEARCH.COM.

Site Traffic

12.4 million pages served per month (on average)

650,000 members (through voluntary registration)

Audience Profile

C/NET Online members are upscale, with high income and education levels. They are predominantly male, age 25-49, with a professional and personal interest in computing. They have online access at work and at home, and use the Internet to communicate with colleagues, collect information about new products and services, and keep up with industry news. Both at work and at home, C/NET consumers are the key drivers in computing-related purchases.

Upcoming Features

C/NET: The Computer Network will remain on the cutting edge of new technologies with continual site enhancements. For access to C/NET's media kit online, please send e-mail to sponsor@C/NET.com.

Agency Commission

Five percent flat rate discount off gross for concurrent advertising programs on C/NET Online, SHAREWARE.COM, and SEARCH.COM; 15 percent commission to recognized agencies.

Site Name: Cool Site of the Day**Site URL: <http://cool.infi.net>****Site Description**

Cool Site of the Day (CSotD) is the first and only cool site on the Internet. Every day, CSotD brings online users a link to a new site on the World Wide Web, the coolest site on the Internet that day.

The site is one of the most popular and frequently visited sites on the Internet, and considered by many to be the “guide to what’s cool on the Web” in the Top 25 among more than 50,000 indexed Internet pages in terms of cross-promotional links. The site is regularly mentioned in publications such as *Newsweek*, *USA Today*, *Esquire*, and *Internet World*. The *New York Times* called Cool Site of the Day the equivalent of “the Oscars of the Internet,” a status symbol that honors Web site proprietors. These proprietors often display the Cool Site logo as an award on their pages, offering cross-promotion back to the Cool Site page. Cool Site is an immediate and significant “traffic builder”; advertisers have reported more than 50 percent increases in visits to their pages.

Paid Advertisers

C/NET, IBM, Netscape, DealerNet.

Rate Card Information

CSotD home page exclusive: \$30,000/month

CSotD home page (half-rotating): \$15,000/month

Categorically Cool home page exclusive: \$10,000/month

Categorically Cool home page (half-rotating): \$5,000/month

Still Cool home page+directory exclusive: \$5,000/month

Still Cool home page+directory (half-rotating): \$2,500/month

Site Traffic

CSotD home page: 750,000 impressions/month

Categorically Cool home page: 225,000 impressions/month

Still Cool home page+directory: 100,000 impressions/month

Audience Profile

Contact for details.

Upcoming Features

Contact for details.

Agency Commission

Contact for details.

Site Name: DoubleClick Network

Site URL: <http://www.doubleclick.net>

Site Description

DoubleClick, the recognized leader in Internet advertising sales and management, has developed the first Internet advertising network, known as DoubleClick Network. Consisting of a group of ad-based Web sites ranging in content, the advertising network gives advertisers the unique capability to customize messages to the users who are most appropriate for their products and services.

When a user accesses a Web site that is a network member, DoubleClick dynamically displays the ad banner that best matches the user's or organization's profile, as specified by the advertiser. This revolutionary system provides advertisers with the ability to conduct a highly targeted and cost-effective Internet advertising campaign.

Paid Advertisers

AT&T BizNet, Auto-By-Tel, AutoWeb, Avis, C/NET, Rawspace Network, *Chicago Tribune*, CFI Travel, CPI, Inc, Cybercash, Cyberian Outpost, DigitalDesign, Electronic Newstand, *Encyclopaedia Britannica*, Firefly, Golf Online, Golf Web, Greet Street, HeadBone Interactive, HomeArts, Hotel Discounters, IBM, IMGIS, Infonautics Corporation, Inns&Outs, Intel, IntelliMatch, Amazon.com, ISN, JCPenney, Lundeen & Associates, MarketplaceMCI, MasterCard, MetLife, Microsoft Explorer, Microsoft FrontOffice,

Microsoft Network, *Mutual Funds Magazine*, NECX Direct, NetCom, Net-Media, Netscapeworld, Netscape Communications, NetworkMCI, NYNEX Interactive Yellow Pages, PC Flowers, Politics USA, QuarterDeck, Rent Net, Singapore Travel/Newsweek, Starwave, South Florida, Travel Now, Golf Travel Online, Toshiba, Urban Desires, VocalTec, Webgenesis.

Rate Card Information

	Base*	Focus 1*	Focus 2*	Unlimited*
NETWORK				
The DoubleClick Network	\$25	\$30	\$34	\$36
DoubleClick Brands				
Dilbert	\$70	\$84	\$95	\$102
Gamelan	\$70	\$84	\$95	\$102
Macromedia	\$70	\$84	\$95	\$102
Billboard	\$50	\$60	\$68	\$73
QFN/Network	\$50	\$60	\$68	\$73
USA Today	\$50	\$60	\$68	\$73
Travelocity	\$40	\$48	\$54	\$58
DoubleClick Affinities				
Technology and the Internet	\$60	\$72	\$81	\$87
Business and Finance	\$40	\$48	\$54	\$58
News, Information, and Culture	\$40	\$48	\$54	\$58
Sports, Leisure, and Entertainment	\$30	\$36	\$41	\$44
Untargeted Search	\$20	\$24	\$27	\$29
Keywords				
Keywords (Search & Context)	\$75			
3-month minimum				
Minimum order \$3,000				

Focus 1: Allows the advertiser to select one criterion from the targeting menu.

Focus 2: Allows the advertiser to select two criteria from the targeting menu.

Focus 3: Allows the advertiser to select three criteria from the targeting menu.

Unlimited: Allows the advertiser to select unlimited criteria from the targeting menu.

* Rates are per-month. For further details about advertising on DoubleClick Network sites, contact David Nadel or Robert Kadar at 1.888.727.5300 or your local sales representative.

Site Traffic

Contact for details.

Audience Profile

Contact for details.

Upcoming Features

Contact for details.

Agency Commission

Five percent discount from gross to advertisers contracting for 3-5 months.
Ten percent discount from gross to advertisers contracting for 6-12 months.
Fifteen percent discount from net to recognized agencies.

Site Name: Excite

Site URL: <http://www.excite.com>

Site Description:

An Internet navigational tool and directory with a suite of services not found at any other single Web site. Excite is a complete informational resource and guide. The Web database is the largest full-text index with over 11.5 million Web documents, 55,000 (and growing) professionally reviewed Web sites (organized into 16 subject headings) and classifieds. Also, Excite allows searching of the last two weeks' USENET Newsgroups to find and connect users with similar interests. Additional services include timely headline, sports, business, international, entertainment, and

political news provided by Reuters, as well as political cartoons to tickle the funny bone.

Links to Excite can be found at several high-traffic locations on the Internet including Netscape's NetDirectory, Netscape's NetSearch, as well as C/Net's and NetCom Web sites' search pages. In addition, Excite's search technology (Excite for Web Servers, or EWS) is used by many high-profile Web sites, such as HotWired, Sega, Netscape, Sun, and Spry, as well as over 3,000 other sites across the Web, all with links directly back to Excite. This is the largest installed base of search technology on the Web today.

Excite has also expanded its reach beyond the Net by forming comarketing agreements that place a prominent link from several pay services such as CompuServe, America Online, and Microsoft Network's default page for Internet Explorer, the second most used browser on the market today.

Paid Advertisers

AT&T BizNet, Auto-By-Tel, AutoWeb, Avis, C/NET, Rawspace Network, *Chicago Tribune*, CFI Travel, CPI, Inc, Cybercash, Cyberian Outpost, DigitalDesign, Electronic Newstand, *Encyclopaedia Britannica*, Firefly, Golf Online, Golf Web, Greet Street, HeadBone Interactive, HomeArts, Hotel Discounters, IBM, IMGIS, Infonautics Corporation, Inns&Outs, Intel, IntelliMatch, Amazon.com, ISN, JCPenney, Lundeen & Associates, MarketplaceMCI, MasterCard, MetLife, Microsoft Explorer, Microsoft Front-Office, Microsoft Network, *Mutual Funds Magazine*, NECX Direct, NetCom, NetMedia, Netscapeworld, Netscape Communications, NetworkMCI, NYNEX Interactive Yellow Pages, PC Flowers, Politics USA, QuarterDeck, Rent Net, Singapore Travel/Newsweek, Starwave, South Florida, Travel Now, Golf Travel Online, Toshiba, Urban Desires, VocalTec, Webgenesis.

Rate Card Information

Excite offers advertisers a flexible and targeted rate structure. Due to its aggressive pricing and discounts, actual cost per thousand impressions will vary. In addition, because of tremendous growth and acceptance in the Web community, a certain level of overdelivery can be expected.

Rate Structure:

General Rotation: Open Rate CPM, \$24

Banners rotate randomly, with each query performed, through Excite's Net-Search results pages.

Impressions	Gross Cost
250k	\$6,000
500k	\$12,000
1 million	\$24,000
1.5 million	\$36,000
2 million	\$48,000

Regional and Local Targeting: Open Rate CPM, \$30

Excite offers advertisers the option of targeting users of its City.Net service. They can choose from either rotation through the top-level pages including Home Page, Search, Regions, Countries, and United States; or customize a package of selected city, state, country, and destination pages that best leverage their online media strategies.

Content/Subject Targeting: Open Rate CPM, \$40

Excite offers advertisers the flexibility to purchase specific NetDirectory Pages targeting 16 different topics. They can match their message with the most appropriate content in categories such as Arts, Business, Computing, Education, Entertainment, Health & Medicine, Hobbies, Life & Style, Money & Investing, News & Reference, Personal Home Pages, Politics & Law, Regional, Science, Shopping, and Sports. There are over 3,500 pages to choose from. Monthly impressions range from 100 to over 1 million.

To retain this exclusivity of NetDirectory pages, contracts must be renewed at least 30 days prior to end date of the current contract.

Keyword Program: Open Rate CPM, \$60

Additional keywords can be purchased in combination with either NetDirectory positions or general rotation. This highly targeted feature offers the most accurate target marketing available on the Web today. Monthly impressions range from 100 to over 1 million.

E-mail Excite for further details by filling out the online form provided at its site; or send e-mail to rick@excite.com.

Site Traffic

Contact for details.

Audience Profile

Contact for details.

Upcoming Features

Contact for details.

Agency Commission

Contact for details.

Site Name: HotWired

Site URL: <http://www.hotwired.com>

Site Description

HotWired is the premiere site for original content on the World Wide Web, an online successor to a TV network. By adding a multimedia mix of sounds, images, text, and video to sharp reporting, HotWired is developing a new means of storytelling, with an excitement and immediacy shaped by the Net. Always changing, with new articles and features each time a user logs in, HotWired is alive, with links to hotspots Webwide, breaking news, an engaged community of members, and a strong editorial perspective that gives users an informed overview. Although HotWired is inspired by *Wired* magazine, it's editorially independent and produced exclusively for the Web.

Paid Advertisers

Apple Web Servers, AT&T Calling Card, AT&T Consumer Products Division, AT&T Business Communications Services, Cathay Pacific, Chrysler, Club Med, Individual Newspaper, IBM Corporate, IBM OS2/Warp, Inter-

net Shopping Network, JBL, Metricom, Microsoft, Network MCI, Netscape Navigator, MCI Developers Lab, Motorola Modems, Nissan Motor Corp., USA, 1-800-COLLECT, Personal Library Software, Saturn, Sony Pictures: *The Net*, *Johnny Mnemonic*, Sprint Business, Sprint Corporate, Stolichnaya, Toyota Motor Company, Ticketmaster, Toshiba TIMM, Volvo, Wells Fargo Bank, Xircom, and Zima.

Rate Card Information

Rates are gross and based on four-week flights. Discount levels are given in parentheses. Rates based on advertising in print publication *Wired* 0-5 pages/year.

Weeks	Cost Per Week*
4	\$15,000
8–12	\$14,550 (3%)
16–20	\$14,100 (6%)

*Rates effective third and fourth quarters, 1996.

Further discounts are available to advertisers advertising in *Wired* on more than five pages per year. E-mail Mitchell Kreuch at mitchell@hotwired.com or call David Kurman/ Peter Naylor at 212.822.0216 for further details about frequency discounts and sponsorship opportunities.

Site Traffic

HotWired membership totals nearly 300,000.

Audience Profile

HotWired members are well-educated, affluent, young, and Net-savvy consumers with a wide array of backgrounds and interests. HotWired has established an important relationship with consumers as the source for news, information, and entertainment.

Advertisers have a significant opportunity to communicate with members, as nearly one-third (28 percent) report visiting HotWired “to view product information and/or advertising.” Indeed, 36 percent report bookmarking

an advertiser's home page, and 11 percent report purchasing a product that HotWired recommended.

Upcoming Features

Contact for details.

Agency Commission

Contact for details.

Site Name: JOBTRAK

Site URL: <http://www.jobtrak.com/>

Site Description

When it comes to reaching college students and recent graduates, no site on the Net comes close to JOBTRAK. Why? Because according to recent studies, the number one concern among this demographic is finding a job.

Having formed partnerships with over 500 college and university career centers nationwide, from UCLA to Harvard, JOBTRAK provides the information that students and recent graduates need most—full-time, part-time job openings and internships. In fact, over 280,000 employers have utilized JOBTRAK to target their job openings to these highly qualified candidates.

Instead of searching through binders filled with job listings, students and alumni are now directed by their career center staff to visit the JOBTRAK Web site. Over 600,000 job seekers visit JOBTRAK each month.

Paid Advertisers

Consumer Advertising Banners: AT&T, Hyundai, Intel, IBM, PC Financial Network, USA.Net, and more.

Recruitment Advertising Banners: Allstate, Hewlett-Packard, Hughes, Peace Corps, PetsMart, Procter & Gamble, Ryder, Rockwell, Sun Microsystems, UPS, Texas Instruments, and more.

Rate Card Information

Banner advertising: \$40 per thousand impressions.

College-specific banners: \$250 per week per campus.

Top recruiters link: \$4,500 per year. Includes a logo/link to your corporate Web site and a year-long national job listing.

Job listings: From \$15 for one campus to \$395 per month for all 500+ colleges.

Rate card information can be accessed online at <http://www.jobtrak.com/adrates.html>.

Site Traffic

Some 20,000 visitors per day; 70 percent come from .edu domains. Over 250,000 impressions per day.

Audience Profile

College students and recent graduates. JOBTRAK posts approximately 40 percent part-time jobs (for students while they're in school) and 60 percent full-time jobs (for graduating seniors and young alumni).

Upcoming Features

Contact for details.

Agency Commission

Rates are net.

Site Name: Los Angeles Real-Time Freeway Traffic Map

Site URL: http://www.scubed.com/caltrans/la/la_big_map.shtml

Site Description

Award-winning sites (Point Top 5 percent and Magellan 4-Star) that offer free, graphical, real-time traffic information to thousands of southern California commuters every day. Not only are the sites popular with the southern California Web community with over 115,000 visits/month, but the local print community, including the Orange County Register and Riverside

Press-Enterprise, carry the URL daily, Monday through Sunday, in freeway traffic-related sections. URLs will soon be in over 2 million daily newspapers.

Paid Advertisers

Toshiba America Information Systems.

Rate Card Information

Banners: \$60 CPM; deliver 25 percent of impressions/month to each sponsor. Rotation: maximum of four sponsors/month through one slot atop each map. Banner size: 1" × 7".

Integrated Graphics: 20 CPM; deliver 100 percent of impressions/month to each sponsor; six integrated message spots placed on each map. Graphic size: approximately 1" × 1".

Site Traffic

Visits/Day: 6,500 southern Californians on average, Monday through Friday. Usage statistics currently are generated using automated log file analysis software. Currently all IP addresses are counted that request the Traffic Map advertising pages.

Audience Profile

Southern California commuters (similar demographics as radio/TV traffic reports) who are interested in preroute planning to work, home, sporting events, sales calls, meetings. Visitors are typically 25 to 34 years old, employed as professionals (executives, administrators, and managers) making above average earnings and are an active part of the southern California Internet economy.

Upcoming Features

Contact for details.

Agency Commission

Qualified agencies will be awarded an agency commission or discount.

Site Name: Netscape

Site URL: <http://www.netscape.com>

Site Description

Opportunities abound for promotion of your company's products or services on the most frequently visited site on the Web—the Netscape site. The Netscape Internet site receives more than 70 million hits a day and is a showcase for Internet information and technology.

For advertisers in this new media environment, advertising at Netscape is simple, the value unquestionable: Netscape is the premiere foundation buy. It provides:

- ▶ The broadest coverage of the Internet.
- ▶ A way to affect brand opinions and reach experienced users as well as tap into the flood of new users.
- ▶ A way to deliver brand messages quickly and concisely.
- ▶ The best way to fulfill interactive marketing objectives and link promotions to entire sales messages.

If you are interested in learning more about the benefits of advertising on the Netscape site, visit <http://home.netscape.com/ads/index.html> or call 415.824.1575.

Paid Advertisers

AT&T Business Network, BigYellow, Caravelle-WebWather, Digital EDS, Excite, Firefly, GNN, Honda, Infoseek, Innovative Solutions, Kodak, McKinley, Music Boulevard, Netcom, Newspaper/Individual, PointCast, RealAudio, Security First, Silicon Graphics, Sportsline, Sun Microsystems, SuperPages, WebCards, MVISAR, Wall Street Journal Interactive.

Rate Card Information

Platinum Program: \$20,400

Guaranteed impressions/month: 1.0 million

For further details, visit <http://home.netscape.com/ads/index.html> or call Network 1.0 at 415.824.1575.

Site Traffic

More than 70 million hits a day.

Audience Profile

Contact for details.

Upcoming Features

Netscape Communications Corporation recently announced a comprehensive program, the Netscape New Media Initiative, designed both to attract new advertisers to its highly popular Internet site and to provide more in-depth information and more sophisticated display services to its current advertisers.

Agency Commission

Contact for details.

Site Name: Quote.com

Site URL: <http://www.quote.com>

Site Description

Founded in 1993, Quote.com was a pioneer in subscription-based Web services, and is now the Internet's premiere provider of financial news and information for serious investors. Through the strength of its brand and content network of alliance partners, Quote.com delivers the greatest depth and breadth of financial market data over the Internet, providing information on more than 12,000 stocks, 100,000 options, 300 indexes, 500 commodity futures, and 4,800 mutual funds, 500 news sources, as well as real-time quotes.

Quote.com is one of the most successful and fastest-growing subscription service sites on the Internet. Surveys show Quote.com's subscriber

base of 170,000 registered users comprise a high-end audience of sophisticated, technology-savvy, affluent, and serious investors; many are key decision makers in corporate management positions.

Quote.com's user profile represents a quality target audience for high-end advertisers, while the network of content partners extends the niche market reach to millions of users across the Internet.

Through strategic alliances with Internet and financial brand leaders, Quote.com content and advertising is accessed from more than 65 high-traffic, cobranded Web pages, including Charles Schwab, Prudential Securities, the *Los Angeles Times*, the *Boston Globe*, E*TRADE, Infoseek, Netscape, Excite! and PointCast.

As an Internet leader, Quote.com's Web site is heavily trafficked, reaching highs of 1.2 million visits per day and 20 million page views per month.* Quote.com has built a strong content network through its strategic alliances, offering information, products, and services that attract a high-end audience.

Vendors recognize the value of the audience that Quote.com delivers, a wide-reaching, highly targeted market of sophisticated individuals. The extended reach of the network delivers high volume impressions to qualified prospects, every hour of every day.

Through a combination of registered users and cobranded sites, Quote.com will deliver sales messages to qualified prospects across the Internet. This unique service will result in profitable sales to your company.

Paid Advertisers

AT&T, Charles Schwab, E*Trade, Dreyfus, Individual's Newspaper, and others.

Rate Card Information

Quote.com's CPM: \$55

Discounts are offered to loyal Quote.com sponsors for 3, 6, 9, and 12 consecutive monthly sponsorships.

3×: less 1.5 percent of gross

6×: less 3 percent

9×: less 6 percent
12×: less 10 percent
Quote.com's CPM: \$55.00
1 million impressions: \$55,000
500,000 impressions: \$27,500
250,000 impressions: \$13,750
100,000 impressions: \$5500
50,000 impressions: \$2500

- ▶ Rotation: Sponsorships rotate evenly throughout Quote.com pages. The home page is utilized for special sponsorship promotions.
- ▶ Banner Placement: All Quote.com sponsors will be placed at the top page on a rotational basis.
- ▶ Tracking: Quote.com utilizes NetGravity's AdServer for all ad banner scheduling, placement, and rotation.
- ▶ Reporting: Quote.com sponsors receive weekly reports that give it data on ad impressions (number of times your sponsorship will be seen), click-throughs (number of times a user clicks on your banner entering your world), and yield (click-throughs to impressions).
- ▶ Audits: Audited traffic reports and detailed demographic information are supplied by Internet Profiles Corporation (I/Pro: <http://ipro.com>).

Specifications:

Banner size: 468 × 60 pixels
File size: 10K maximum, 8K suggested
GIF, GIF89, Java or Shockwave
No more than one cycle every two seconds
Text under banner required: 40-character maximum
Copy Changes: Submit or change advertising banners Monday-Friday from 9:00 A.M. to 5:00 P.M. PST
E-mail: E-mail banners to btu@quote.com.

Site Traffic

170,000 registered users

Audience Profile

1.2 million visitors a day
 20 million page views per month
 Richest content from the widest number of sources
 Flexible pricing to meet the needs of three tiers of investors
 A loyal base of 170,000 registered users

Quote.com subscribers are serious investors*:

- ▶ Average Hours: Quote.com users spend an average of 3.5 hours on the site each week, in addition to proactive e-mail delivery of news and stock alerts.
- ▶ Average Trades: Quote.com's registered users make an average of 40 trades annually, of \$14,043 each.
- ▶ Quote.com users classify themselves as 17 percent "casual or hobbyist" investors, while 77 percent are "serious personal" investors, and 6 percent are "professional" investors.

*Source: Quote.com: SocraticTechnologies Research, August 5, 1996

Upcoming Features

Contact for details.

Agency Commission

Contact for details.

Site Name: Riddler

Site URL: <http://www.riddler.com>

Site Description

Entertainment-based publishing company that provides free games to registered players who win cash and prizes by playing games of skill. The games are sponsored by advertisers whose home pages are woven into the games and who receive branding throughout the site.

Paid Advertisers

AT&T, Apple, Atlantic Records, Capitol Records, Microsoft, Snapple, Toyota.

Rate Card Information

Riddler sells full-page ad space (as opposed to banners). All advertisers receive additional branding throughout the site as added value.

Pricing Model:

\$.15 per targeted full-page delivery

6-10 additional impressions per full-page delivery

Total approximate: \$.034 per impression

Site Traffic

53,055 average visits per day

8,009,900 pages accessed per month

Source: I/PRO, June 1996

Audience Profile

Riddler's audience is:

71 percent male

65 percent aged 18-34

27 percent professional/managerial

28 percent students

Source: Ridmark

Upcoming Features

Contact for details.

Agency Commission

Yes: 15 percent

Site Name: Women's Wire**Site URL:** <http://www.women.com>**Site Description**

Women's Wire is the hip and intelligent interactive magazine with everything from news to entertainment, career, style, and more. Inspirational profiles of cool women and how they got to where they are. Visitors vote in the backtalk section, featuring a hot topic of the moment. The site covers fashion, health, fitness, and personal finance—the best, award-winning site for women on the Net, reaching the upscale and affluent female.

Paid Advertisers

Chase, Ford Motor Company, General Motors, John Hancock, Levi Strauss, JCPenney, Bank of America, Individual Inc., Wells Fargo, Avon, Big Yellow, Strong Mutual Funds, Microsoft, Intuit, Toyota.

Rate Card Information

Run of Site: \$5,000 per month for 100,000 page views minimum

Feature Sponsorship: \$6,000 per month banner for 100,000 page views minimum

Promotions, custom content production, and direct marketing opportunities also available

Site Traffic

Over 500,00 unique visitors per month

Audience Profile

Ninety-six percent of Women's Wire's visitors are women, "solvent and savvy," representing a powerful consumer.

Upscale: Average household income \$59K, 23 percent household income of \$80K+

Educated: 90 percent college/grad school

Professional/managerial/administrative: 63 percent

Average age: 35

Upcoming Features

Small Business Incubator

Interactive Nutritionist

Interactive Shopping Guide

Celeb Profile

Forefronts (travel guide)

Stock Quotes and Personal Portfolio

Agency Commission

15 percent

Site Name: Yahoo

Site URL: <http://www.yahoo.com>

Site Description

Yahoo! is one of the most widely used and recognized guides to information and discovery on the World Wide Web. Yahoo! provides a context-based directory structure for Web resources, as well as a Webwide search engine that is seamlessly integrated with the Yahoo! directory service. The company is developing a global family of Yahoo! branded media properties in targeted subject matter, demographic, and geographic areas. The family includes: Yahoooligans!, Surf Shop, Yahoo! Japan, and Yahoo! Internet Life.

Paid Advertisers

Samsung, C/NET, many others.

Rate Card Information

The popular Yahoo! directory and search engine offer flexible on-line advertising options designed to promote Web sites to a large, targeted audi-

ence. Net rates are based on banner positioning and monthly page views. Each banner advertisement is linked directly to an advertiser's Web site.

Page Views per Month	Run of Yahoo!	Run of Category	Fixed Category Pages
500,000+	\$20.00	\$20.00	\$30.00
250,000+	n/a	\$30.00	\$40.00
100,000+	n/a	\$40.00	\$45.00
Up to 100,000	n/a	n/a	\$50.00
Search Words range from \$1,000 to \$3,000			

For further details, e-mail advertise@yahoo.com.

Site Traffic

Average individual visitors: 735,000 individual visits per day. (Data provided is from fourth quarter, 1995.)

Audience Profile

Contact for details.

Upcoming Features

Contact for details.

Agency Commission

Contact for details.

The first complete how-to guide to advertising on the Internet

With an annual revenue growth of 75% to 100%, the Internet is the fastest-growing advertising medium in history and appears to be the most measurable and targetable of all advertising vehicles. This book tells you what you need to know to take advantage of the seemingly limitless opportunities now available in Internet advertising.

Whether you have a product or a service to sell, work at an advertising agency, are a marketing professional developing a media plan, a Web developer, graphic designer, or copywriter who'd like to break into the online advertising arena, or have a Web site with ad space to sell, this book is for you. Written by a team of online advertising experts, *Advertising on the Internet* covers absolutely all the bases—from pricing to graphics to planning an online advertising campaign to finding a job in the industry. A crash course for newcomers and a priceless source of facts, figures, and contact information for experienced Internet advertisers, it fills you in on what you need to know to:

- Get up to speed with the state of the art in online advertising
- Learn how to measure the success of your ad campaign
- Sell advertising space on your own Web site
- Negotiate contracts, set prices, and work with ad networks
- Budget, plan, produce, and implement a successful Internet advertising strategy
- Design great online ads

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"If you're considering running an Internet ad campaign, this book is an excellent way to kick off your education process."

Debra Aho Williamson

Editor, Interactive Media & Marketing
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