Targeting the online audience by search, behavioral targeting and social media use.

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Online Advertising Revenues

- 2007 - $19.5 billion in the US. (eMarketer).
- 2010 - $25.5 Billion in the United States
- $14.9 Billion in Europe, the Middle East and Africa
- $9.9 Billion in the Asia Pacific,
- $812 million in Canada,
- $512 million in Latin America

(PricewaterhouseCoopers)
What do advertisers know about you?

- Tracking of target markets
- Tracking of Unique IDs
- Targeting of micro audiences with the personalization of messages.
People Online

1. 1.1 billion of the world's estimated 6.6 billion people are on-line.

2. A third are now accessing the internet on high-speed lines (Wray 2007).
People Online

For people 15 years and older on an average day in April 2007:
122 million Europeans were online
114 million in the U.S were online (ComScore)
Proposition 1: The Audience is Active.

Boone and Gallant (2007)

- The audience has agency. The audience makes choices.
- Pew Internet & American Life has constructed scales of audience engagement based on typology of Internet use (Horrigan, 2007).
- From Omnivores (8%) to Off the net (15%)
Proposition 2: The Audience is Creative (Boone and Gallant 2007).

- Construct blogs, posts, tags, uploading photos, create ads, vote on content, and form online communities.
- Identity, meaning, community creation (Gallant, Boone, & Heap, 2007)
- Connected Lives (Barry Wellman)
Proposition 3: The Audience is Monitored (Boone and Gallant 2007).

Targeting by corporations, advertisers, and politicians of search, blogs, video, and mobile messages.
<table>
<thead>
<tr>
<th>Type of Online Ad</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search</td>
<td>41.5%</td>
</tr>
<tr>
<td>Display Ads</td>
<td>18%</td>
</tr>
<tr>
<td>Classified</td>
<td>17.5%</td>
</tr>
<tr>
<td>Rich Media</td>
<td>11.5%</td>
</tr>
<tr>
<td>Email</td>
<td>1%</td>
</tr>
</tbody>
</table>

(IAB, 2006)
## Search

**August 2007 (ComScore) U.S. Searches:**

<table>
<thead>
<tr>
<th>Platform</th>
<th>Searches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google Sites</td>
<td>6.8 billion</td>
</tr>
<tr>
<td>Yahoo! Sites</td>
<td>2.5 billion</td>
</tr>
<tr>
<td>Microsoft Sites</td>
<td>1.1 billion</td>
</tr>
<tr>
<td>Time Warner Network</td>
<td>937 million</td>
</tr>
<tr>
<td>Fox Interactive Media</td>
<td>571 million</td>
</tr>
</tbody>
</table>
Search
Display Ads

USA TODAY Snapshots

What media planners had for dinner last night:

- Microwave popcorn 39%
- Day-old mocha latte 31%
- Antacid 12%
- Dinner with insufferable run 18%

Click here to visit the Media Lounge.

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Email Advertising

Email is one of the most widely used activities on the Internet.

Over 90% of Internet users report using email in both 2006 and 2007 (Fallows, 2007).

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Behavioral Targeting (BT)

“THE FUNDAMENTALS OF BEHAVIORAL TARGETING are simple:
getting the right message
to the right person
at the right place
at the right time.”
(Phil Leggiere, 2007)
BT increasing

- eMarketer projects that spending on behavioral targeting will nearly double to $1 billion next year and hit $3.8 billion by 2011.
Engagement Funnel
Google Mergers

• Google paid $3.1 billion to obtain DoubleClick that specializes in display ads.

• DART has 1,500 clients and handles ad serving for display ads, rich media ads, affiliate marketing.
“Dove's "Evolution" commercial, a 75-second spot, proved to be a viral marketing darling last year.

In less than one month, the free vehicle pulled more than 1.7 million views on YouTube.

It brought Dove its biggest spike in visitors to its CampaignForRealBeauty.com, and was more than three times more effective than the company's Super Bowl commercial.”

(Klimkiewicz, 2007)
Video

- 80% of viewers have watched a video ad online
- 52% have taken action
  - checking out a website (31%)
  - searching for more info (22%)
  - going into a store (15%)
  - or actually making a purchase (12%)

(OPA, 2007)
Yahoo mergers

- Yahoo acquired Right Media and Blue Lithium.
- Right Media sell display ads and provide an ad exchange with companies like newspaper publishers and Ebay.
BT on Yahoo

• Nineteen of the top 20 consumer packaged goods companies use Yahoo! Consumer Direct

• Employs Nielsen's HomeScan unit to monitor the online behavior and purchases of 46,000 consumers
BlueLithium-Yahoo

We target each of our 145M unique users based on their demonstrated interests, then serve the right ad regardless of what site they are on across our network.

When both are reading the same page of a website we serve them different ads

Responds to ads for extreme sports

Responds to ads for travel

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BlueLithium- Voter Network

• Raise funds, get out the vote, build grassroots support by district or zip-code

• Target video and/or banner advertising as specifically as "Women, ages 18-34 who live in New England with a household income of $70K+ who are interested in foreign affairs."
BlueLithium- Voter Network

• The Voter Network reaches 119 million U.S. Internet users, or 65 percent of the US Internet population.
• Real-time reporting
• Modify campaigns on the fly
aQuantive (Microsoft)

• “Using technology from aQuantive’s Atlas division, Microsoft will be able to provide advertisers with a log of all the places on the Internet where people see ads before going to the advertisers’ Web sites.

• The data is based on individual computers’ electronic signatures, not individual people.”  
  (Story, 2007)

• This will decrease the importance of search ads that Google now dominates.
AOL and Mergers

• AOL has Advertising.com
• Recent acquisitions include Tacoda, Third Screen Media, Lightningcast, and AdTech.
TACODA

• TACODA has established partnerships with more than 4,000 Web sites and reaches more than 150 million unique visitors per month.

• Major media partners include The New York Times Company, NBC Universal, Hoovers, Scripps Broadcasting, Dow Jones, Kelley Blue Book and Orbitz.
TACODA Segments

Academic Minded  Active Gamer
Auto Enthusiast  Auto Intender
Avid Golfer      Business Decision Maker
Career Watcher   Digital Youth
Die Hard Sports Fan Entertainment Buff
Entrepreneur     Family Chef
Family Planner   Gadget Geek
Health Seeker    Money Minder

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Blogs- User Generated Content

• Technorati is tracking 107.7 million blogs  
  (October, 2007)

• More than 37% of American have created  
  a blog or posted comments online to a  
  blog. (Horrigan, 2007)

• Some 54% of bloggers say that they have  
  never published their writing or media  
  creations anywhere else. (Lenhart & Fox, 2006)
Facebook Gets Personal With Ad Targeting Plan

“Facebook Inc. is quietly working on a new advertising system that would let marketers target users with ads based on the massive amounts of information people reveal on the site about themselves.” (Vara, 8/23/2007, WSJ, B1)
Facebook Ads

Homepage Sponsored Stories

**Rates:**
- CPM: $10 (untargeted)
- Targeting filters: Gender, Geography, Major = $2 premium
- Targeting filters: Favorite Interests, Activities, Movies = $5 premium
- Minimum investment: $50,000

Nick O'Neill
MySpace Interest Ads

• Interest Targeting began in July 2007 based on users' pages in 10 categories such as finance, health, autos, fashion, video games and music.
• The site has more than 3 million users in each category
• “Algorithms determine ad placement based on a member's groups, friends, age, gender, and prior ad engagement history.
  (Gavin O'Malley, Media Post, Sep 19, 2007 )”
Mobile

• “In January 2007 there were an estimated 2.7 billion mobile handsets in use around the world, of which 1 billion were sold during 2006.

• This is more than three times the number of PCs, and roughly double the number of fixed landlines in use…most of these handsets have the processing power of yesteryear's PCs.” (Red Orbit, 2007)
Revenue Science – Mobile Ads

- Examine behaviors such as media downloads, videos, articles purchased on the cell phone
- music, games, and entertainment.

(Gossman, 2007)
Mobile Communities

- 50 million people worldwide are members of mobile social communities
- Examples include MeTV in Singapore, Kink Kommunity in the UK, CyWorld in South Korea, Vodafone Group and AT&T wireless in the U.S.
Second Life

• build a home
• start a business
• campaign with Linden dollars.

• 8.9 million users
Online Game Ads

- The online game market is expected to reach $4.4 billion by 2010
- 24/7 served text and display ads into games since 2000
- Google tracking online game behaviors
- New ability to insert in-game advertising into every game offered by Exent Technology.
RTC / Adaptive Media

Adaptive Media in Action

1. Viewer visits web site.
2. Content request and viewer profile sent to RTC.

3. RTC Adapts source video and audio to create personalised and optimised content in real time.

4. Personalised content delivered to viewer.

5. Viewer reactions measured and used to optimise future content in real time.

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