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## ***Web Marketing 2008.0***



**Drew Child  
Andre Jensen  
Adam Audette  
Peter Levitan**

February 13, 2008

# *Web Marketing 2008.0*

- Update on Online Trends
- S.E.O. Search Engine Optimization (organic)
- S.E.O. Pay Per Click (ppc)
- Social Networking
- Micro sites and online strategy
- Questions for the panel of experts



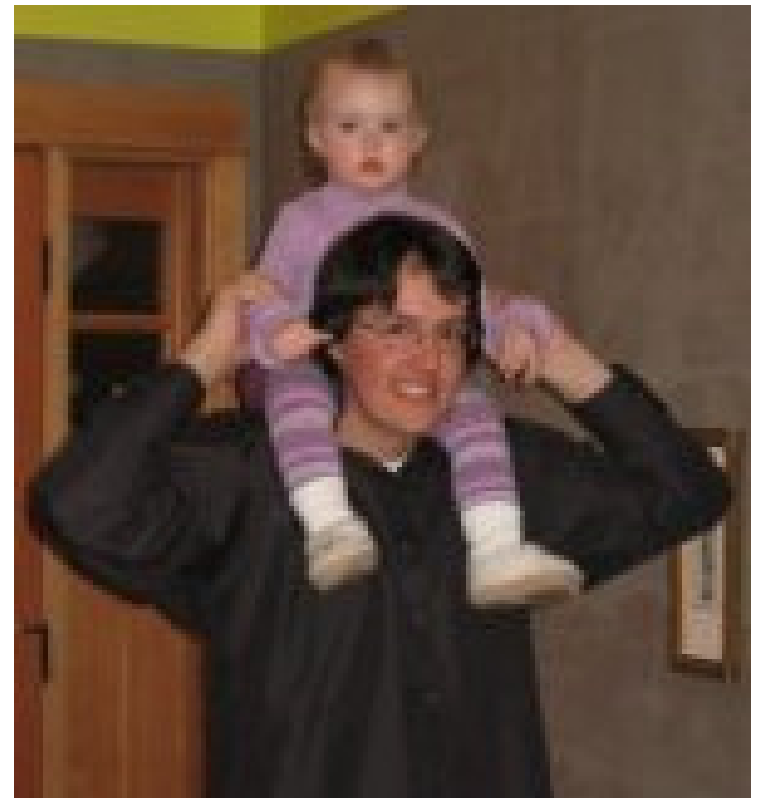
# Andre Jensen

- Senior Search Strategist
  - COO Bendsearch.com
  - I have worked for some of the top SEO / SEM agencies. I started off at Multimedia Marketing Group (MMG) which is now Outrider.
  - After MMG and the dot bust, I moved into a small company called Marketleap (you may have used their free tools at [www.marketleap.com](http://www.marketleap.com)) which was acquired by Digital Impact (an email marketing firm). 6 months later, Acxiom purchased Digital Impact.
- Currently I am an independent contractor offering an outsourcing solution to SEO/SEM agencies that are having difficulty finding employees with search experience.



## Adam Audette

- My Internet career began prior to 1995 when I joined the family company, Multimedia Marketing Group (MMG), submitting client sites by hand to the "WebStep Top 100" - a collection of search engines and directories.
- Editor-in-chief of Adventive, a respected email list publisher that was sold in 2003.
- Several years with Microsoft bCentral as editor and moderator of the Daily Digest, a professional discussion list that boasted over 150,000 subscribers in its heyday



# Peter Levitan

President & CEO of Citrus, a twenty year old full service advertising agency with offices in Bend, Oregon and San Francisco.

Peter served as the President and CEO of ActiveBuddy, an instant messaging technology company whose clients included Intel, AOL-Time Warner, Frito Lay and Capitol Records' bands including Radiohead.

In 1995 Peter launched the award-winning New Jersey Online for Advance Publications where he held the position of President & CEO.

In 1999, the Newspaper Association of America named Peter its "New Media Pioneer".

Before discovering the Internet in 1994, Peter spent 16 years managing Fortune 500 advertising accounts at Saatchi & Saatchi Advertising Worldwide. He held a variety of positions including European Director in London, General Manager of the Minneapolis office, and Senior Vice President in New York. His clients included Johnson & Johnson, General Mills, Hanes, Northwest Airlines and BMG Music.



# Global Traffic Rankings

Rank	2005 <sup>(1)</sup> Web site
1	yahoo.com
2	msn.com
3	google.com
4	ebay.com
5	amazon.com
6	microsoft.com
7	myspace.com
8	google.co.uk
9	aol.com
10	go.com

Rank	2007 <sup>(2)</sup> Web site
1	yahoo.com
2	google.com
3	msn.com
4	youtube.com
5	live.com
6	myspace.com
7	facebook.com
8	orkut.com
9	wikipedia.org
10	hi5.com

*Traffic rank is based on three months of aggregated historical traffic data from Alexa Toolbar users and is a combined measure of page views / users (geometric mean of the two quantities averaged over time).*

*(1) Rankings as of 12/31/05, excludes Microsoft Passport; (2) Rankings as of 10/15/07  
Source: Alexa Global Traffic Rankings, Morgan Stanley Research*



## Online Trends in 2008

### US Online and Total Media Advertising Spending, 2006-2011 (billions and % of total media spending)

	Internet	Total media	Internet % of total media
2006	\$16.9	\$281.6	6.0%
2007	\$21.4	\$287.5	7.4%
2008	\$27.5	\$295.5	9.3%
2009	\$32.5	\$301.5	10.8%
2010	\$37.5	\$309.0	12.1%
2011	\$42.0	\$316.0	13.3%

Note: eMarketer benchmarks its US online advertising spending projections against the Interactive Advertising Bureau (IAB)/PricewaterhouseCoopers (PwC) data, for which the last full year measured was 2006; online ad data includes categories as defined by IAB/PwC benchmark—display ads (such as banners), paid search ads (including contextual text links), rich media (including video), classified ads, sponsorships, referrals (lead generation) and e-mail (embedded ads only); excludes mobile ad spending; eMarketer benchmarks its US total media advertising spending projections against the Universal McCann data, for which the last full year measured was 2006; includes television (broadcast and cable), radio, newspapers, magazines, Internet (excludes mobile), outdoor, direct mail, yellow pages and other  
Source: eMarketer, October 2007

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- **Spending Growth: 9.3 %** , \$27.5 billion Internet advertising in 2008
- 2002 = **4%**
- **13.3%** by 2011; Online spending will nearly triple, from \$16.9 billion in 2006 to \$42 million.
- 2007 **Internet ad spending higher** than for **radio**, as reported in August. First time online ad spending greater than for any of the four traditional measured media.

(Mr. Hallerman, eData, eMarketer and TNS Media Intelligence)

## Information Source

### Main Source of Information about Companies or Products Used by US Adult Internet Users, by Age, January 2007 (% of respondents in each group)

	Echo boomers (18-31)	Generation X (32-41)	Baby boomers (42-62)	Total*
Internet	60%	53%	39%	48%
Cable TV	20%	16%	17%	18%
Newspapers	4%	6%	12%	8%
Broadcast TV	4%	8%	10%	8%
Magazines	3%	4%	8%	6%
Radio (talk programs)	2%	4%	3%	3%
Other	3%	4%	8%	6%
Don't know or refused	4%	5%	3%	3%

Note: n=1,200; \*includes War and Depression (63-64)

Source: Lumin Collaborative, "National Survey of Adults 18 to 64 with Net Access" conducted by Fabrizio, MacLaughlin & Associates, provided to eMarketer, April 26, 2007

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[www.eMarketer.com](http://www.eMarketer.com)

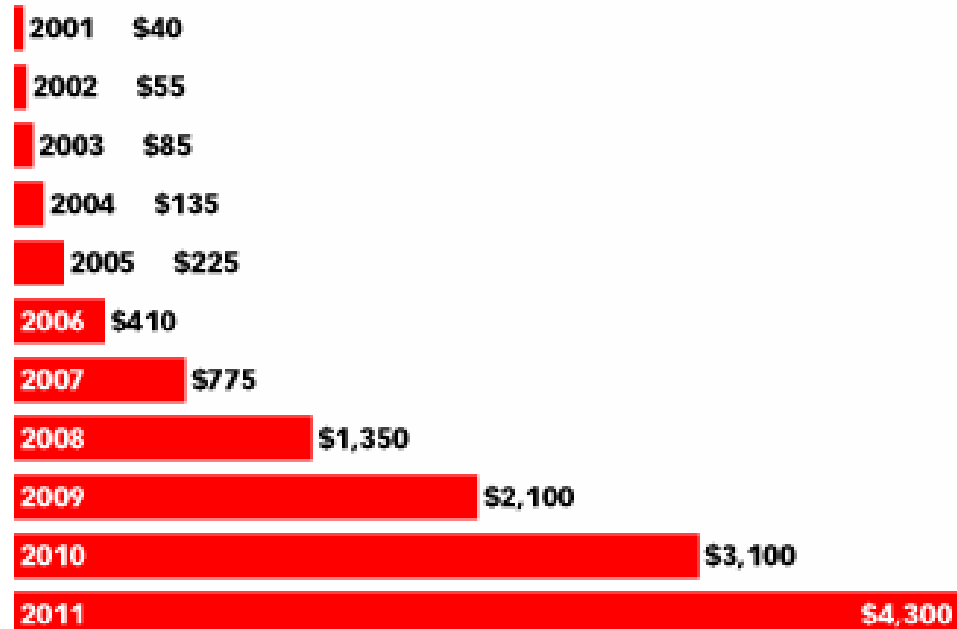
**48 %  
Internet**



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# Online Trends in 2008

## US Online Video Advertising Spending, 2001-2011 (millions)



Note: eMarketer benchmarks its US online advertising spending projections against the Interactive Advertising Bureau (IAB)/PricewaterhouseCoopers (PwC) data, for which the last full year measured was 2006; online video includes in-page and streaming video  
Source: eMarketer, June 2007

- Advertising on **social networks** and **online video** are both **projected to grow** at double-digit rates; \$2.9 billion, or about **10%.**

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# Online Trends in 2008

## US Online Social Network Advertising Spending, 2006-2011 (millions and % change)

2006	\$350
2007	\$920 (163%)
2008	\$1,560 (70%)
2009	\$2,020 (29%)
2010	\$2,400 (19%)
2011	\$2,700 (13%)

*Note: includes general social network sites where social networking is the primary activity; social network offerings from portals such as Google, Yahoo! and MSN; niche social networks devoted to a specific hobby or interest and marketer-sponsored social networks; in all cases, figures include online advertising spending as well as site or profile-page development costs; figures exclude user-generated content sites with social networking features, eg YouTube*  
Source: eMarketer, December 2007

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Geoff Ramsey CEO,  
Co-Founder

**eMarketer**  
THE FIRST PLACE TO LOOK

- “The Internet is becoming the **central hub** of most media and **marketing campaign** ”
- “The **interruption-disruption model** is **dying out**, thanks to shifting consumer trends ”.



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Source: eMarketer, December 2007

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## US Adult Online Social Network Users, 2006-2011 (millions and % of adult Internet users)

2006	47.5 (32.0%)
2007	56.9 (37.0%)
2008	69.0 (43.5%)
2009	76.3 (46.5%)
2010	81.3 (48.0%)
2011	85.1 (49.0%)

Note: ages 18+; use at least once a month; includes general social network sites where social networking is the primary activity; social network offerings from portals such as Google, Yahoo! and MSN; niche social networks devoted to a specific hobby or interest and marketer-sponsored social networks

Source: eMarketer, December 2007

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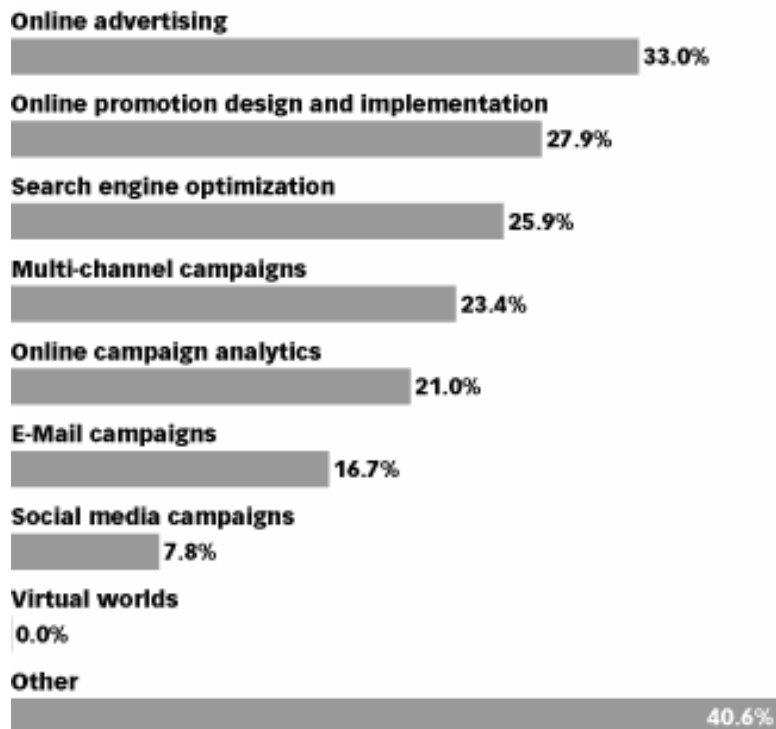
Last year, **37%** of US adult Internet population used online **social networking** at least **once a month**. That figure will rise to **49%** in **2011**



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# Ads still dominate online marketing spend.

**Average Allocation of Online Marketing Budget by US Marketing Professionals, by Strategy, Q3 2007 (% of total)**



Source: Coremetrics, "2nd Annual 'Face of the New Marketer,'" provided to eMarketer, October 30, 2007

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# Search Engine Advertising

Still Early Stage & 70% Y/Y Google Query Growth



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# Online Advertising

## US Online Advertising Revenues\* at Top Four Portals, 2004-2007 (millions)

	2004	2005	2006	2007
Google	\$1,264	\$2,410	\$4,095	\$6,265
Yahoo!	\$1,776	\$2,439	\$2,996	\$3,641
AOL	\$655	\$905	\$1,235	\$1,772
MSN	\$906	\$979	\$1,092	\$1,318
<b>Total for top four portals</b>	<b>\$4,601</b>	<b>\$6,733</b>	<b>\$9,418</b>	<b>\$12,996</b>

Note: \*net of traffic acquisition costs (TAC)

Source: company reports, 2004-2007; eMarketer calculations, February 2007

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## US Online Advertising Revenue\* Growth at Top Four Portals, 2005-2007 (% increase vs. prior year)

	2005	2006	2007
Google	90.7%	69.9%	53.0%
Yahoo!	37.3%	22.9%	21.5%
AOL	38.2%	36.5%	43.5%
MSN	8.1%	11.5%	20.7%
<b>Total for top four portals</b>	<b>46.3%</b>	<b>39.9%</b>	<b>38.0%</b>
<b>Total online ad revenues</b>	<b>30.3%</b>	<b>30.8%</b>	<b>18.9%</b>

Note: \*net of traffic acquisition costs (TAC)

Source: company reports, 2004-2007; eMarketer calculations, February 2007

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## Boomers have the money

### US Households with Discretionary Income, by Generation of Head of Household, 2006

	Total households (thousands)	% of households	Before-tax income (average)	After-tax income (average)	Spendable discretionary income (average)
Born after 1981	2,993	58.6%	\$52,709	\$44,538	\$12,833
Born between 1965-1981	21,944	64.2%	\$86,212	\$68,524	\$22,562
Born between 1946-1964	29,666	67.9%	\$105,580	\$81,941	\$29,754
Born before 1946	18,078	57.6%	\$70,189	\$58,466	\$19,500
<b>Total</b>	<b>72,681</b>	<b>63.5%</b>	<b>\$88,753</b>	<b>\$70,511</b>	<b>\$24,335</b>

Note: income figures are in 2005 dollars; population as of March 2006  
Source: The Conference Board, "A Marketer's Guide to Discretionary Income," provided to eMarketer, November 8, 2007

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## Growth in Silver Surfers

### US Internet Users Ages 62+, 2006-2011 (millions, % of population ages 62+ and % of total Internet users)

	Internet users ages 62+	% of population ages 62+	% of Internet users
2006	17.7	35.0%	9.7%
2007	19.2	37.2%	10.2%
2008	20.5	39.1%	10.6%
2009	22.0	41.2%	11.0%
2010	23.6	43.5%	11.4%
2011	25.3	45.9%	12.0%

*Note: eMarketer uses historical data from the International Telecommunication Union (ITU) as a baseline for its total Internet user figures; population figures are based on US Census Bureau data; an Internet user is defined as someone who uses the Internet at least once per month from any location*

*Source: eMarketer, November 2007*

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Aggregators Folksonomy Wikis User Centered Joy of Use  
Blogs Participation Six Degrees Usability Widgets  
Pagerank XFN Recommendation Social Software FOAF Browser  
Videocasting Podcasting Sharing Collaboration Perpetual Beta Simplicity AJAX  
Audio IM Video Design  
Convergence Web 2.0 CSS Pay Per Click  
UMTS Mobility Atom XHTML SVG Ruby on Rails VC Trust Affiliation  
OpenAPIs RSS Semantic Web Standards SEO Economy  
OpenID Remixability REST Standardization The Long Tail  
DataDriven Accessibility XML  
Modularity SOAP Microformats Syndication

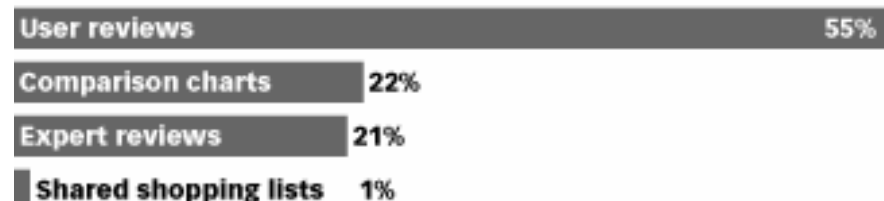
# Web 2.0

Web 2.0 ... The Machine is Us/ing Us



# Consumer Product Reviews

## Resource Used Most Frequently by US Online Shoppers for Product Research, July 2007 (% of respondents)

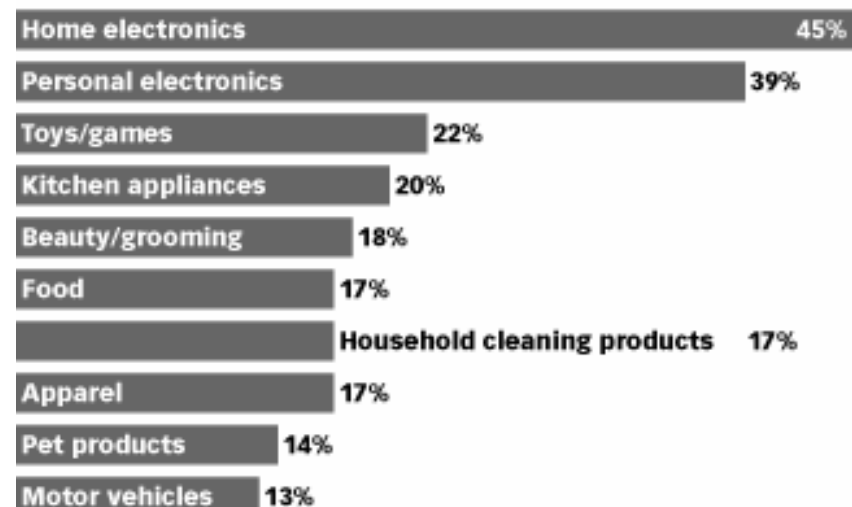


Note: numbers may not add up to 100% due to rounding  
Source: Avenue A | Razorfish, "Digital Consumer Behavior Study," October 2, 2007

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## Purchase Decisions of US Internet Users that Have Been Influenced by Consumer-Generated Online Reviews, by Product Category, August-September 2007 (% of respondents)



Note: ages 16+ who read consumer-generated online reviews  
Source: Deloitte & Touche USA, "Consumer Survey: Market Transparency" provided to eMarketer, October 1, 2007

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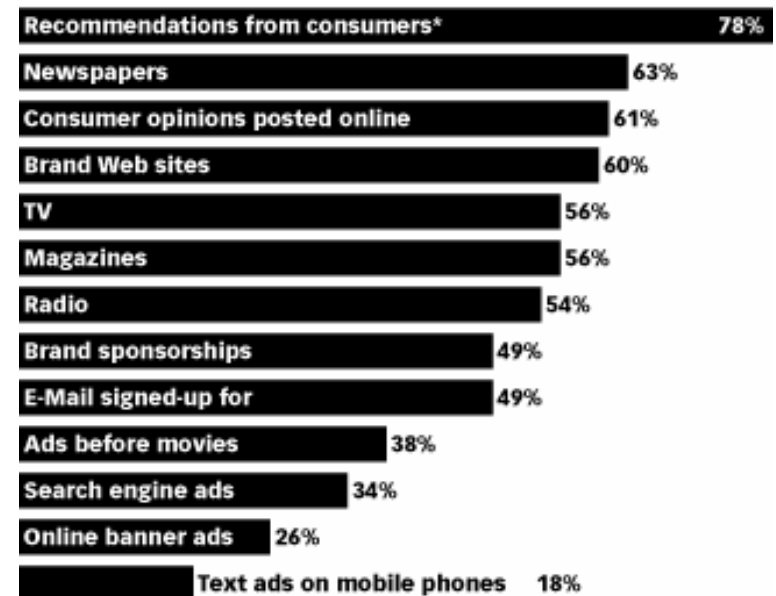
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## Online Reviews- W.O.M.

"The fact that consumers think **opinions posted online** are as **trustworthy** as brand Web sites speaks to the power of online reviews and recommendations,"

"Marketers need to **focus** as much **attention** on **what consumers say** about their brands **online** as they do on **creating the brand Web sites** themselves,"

### Types of Advertising Trusted by Internet Users Worldwide, April 2007 (% of respondents)



Note: n=26,486; \*ie word of mouth  
Source: The Nielsen Company, "Online Global Consumer Study" as cited in press release, October 1, 2007

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# Online Reviews - W.O.M.



Customers who bought this item also bought

[Santa Barbara Style](#) by Kathryn Masson  
[Insiders' Guide to Santa Barbara, 3rd: Including Channel Islands National Park](#)

Editorial Reviews

Book Description

Experience one of the gl... ma, SA...

Customer Reviews

Average Customer Review: ★★★★★

1 of 1 people found the following review

★★★★★ Beautiful book!, February 2,

By [Jessica M. Carter](#) (Newport Beach, CA) - [See all my reviews](#)

What do customers ultimately buy after viewing this item?

47% buy the item featured on this page: [Santa Barbara](#) by [Barnaby Conrad](#)

Customer Discussions Beta (What's this?)

New! Receive e-mail when new posts are made. Click the "Track i... sion p

Ask questions, Share opinions, Gain insight

What other customers are thinking

What other customers are buying

What other customers are doing

What other customers are saying



# Broadband Growth

- **1/2** of US adults have **broadband** access at **home**, February 2007 Pew Internet American Life Project survey.
- 7 of 10 home Internet users have a high-speed connection, while **23% use dial-up**.
- Broadband connections grew to **40%** from 2006 to 2007 among people ages **50 to 64**.
- Internet at nearly **3/4** of US households by 2011, **94.1% connected via broadband**. eMarketer's projections

**Demographic Profile of US Adults with Home Broadband Access, 2005-2007 (% of respondents in each group)**

	2005	2006	2007
<b>Gender</b>			
Male	31%	45%	50%
Female	27%	38%	44%
<b>Age</b>			
18-29	38%	55%	63%
30-49	36%	50%	59%
50-64	27%	38%	40%
65+	8%	13%	15%
<b>Race/ethnicity</b>			
White (not Hispanic)	31%	42%	48%
Black (not Hispanic)	14%	31%	40%
<b>Education</b>			
Less than high school	10%	17%	21%
High school graduate	20%	31%	34%
Some college	35%	47%	58%
College+	47%	62%	70%
<b>Income</b>			
<\$30,000	15%	21%	30%
\$30,000-\$50,000	27%	43%	46%
\$50,000-\$75,000	35%	48%	58%
\$75,000+	57%	68%	76%
<b>Community type</b>			
Urban	31%	44%	52%
Suburban	33%	46%	49%
Rural	18%	25%	31%
<b>All adults</b>	<b>30%</b>	<b>42%</b>	<b>47%</b>

Source: Pew Internet & American Life Project, "Home Broadband Adoption 2007," July 4, 2007

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