

Like it or not, ads now follow you

Mary A. C. Fallon (DOS Resource Guide, Demo.com) | 06 March, 2008 10:38 |

If we're rushing into a Bladerunner future where any place a microprocessor can be embedded becomes ad space, shouldn't digital technology at least give us a better experience than traditional media typical does?

Online participatory media is rocking. Visitors to Nike's site can create their own athletic shoes and have them custom made. Video sites Revver and YouTube pay amateurs for clips and our rankings decide what is entertaining. From Florida Today to CBS mobile, online news sites beg readers for comments, photos and videos, while sites as varied as Topix, News Trust and Real Girls Media encourage non-journalists to contribute or edit stories about local and world events.

Power to buyers

With more consumers having a voice on the boundless Web, why is it that the companies and bloggers behind Web sites don't ask us what product and event ads we want to see?

Just as most Internet businesses mimic traditional media by depending on merchants to pay for the news, entertainment and information that's served up, so to are Web companies relying on broad demographic information to determine which merchant advertises where and therefore to whom.

You're being followed

Of the top three search companies, so far only Yahoo! uses standard cookie and beaconing technology to "follow" individuals from one Website to another in an effort to splash "relevant" ads wherever the user clicks. Relevance, of course, is in the eye of the beholder/buyer.

Outgunning rival Google earlier this month, Yahoo signed multiyear advertising contracts with the number one health-news Web site WebMD, Cars.com, Ziff-Davis Media and Forbesto sell ads next to search results. Starting in January when you search, for example, on a WebMD for info about, say, diabetes or cancer, the next time you go to a page on Yahoo's network of sports, news and finance sites, Yahoo will spot your cookie trail. Out of the 6 billion ads Yahoo serves, ones you see will most likely be for diabetes testing or cancer drugs. And Yahoo couples typical purchasing behavior to your personal cookie profile. This means if you visit a Prius page on Cars.com, Yahoo will present you with Prius ads on its site for the next six months because the average buyer takes 3 to 6 months to decide which car to buy.

Todd Teresi, senior vice president of the Yahoo! Publisher Network, says Yahoo has had the technology, ad inventory and audience reach to best Google this way for the past two years. But only in the past few months has the way aligned with corporate will. Yahoo can offer WebMD and others not just scale - Google and number 3 search engine Microsoft can offer

that -- but display ad space and the willingness to open up its network and let other people sell ads on Yahoo sites. By other people, Teresi means competitors. Yahoo Health ranks number two among health Web sites.

Waste not, want not

Fine-tuning relevancy got scant news play. Yet there's more than one power shift going on here. Step back to last January when during the World Economic Conference in Davos Microsoft cofounder and chairman Bill Gates lamented that one of the biggest problems for Web companies is matching buyers and sellers. Gates' remark didn't trigger much discussion from other panelists -- YouTube's Chad Hurley, Flickr's Caterina Fake and Nike's Mark Parker -- who were focused how buzz has shifted from e-commerce to social networks and the amplifying power Web sites offer individual voices.

The situation Gates was underscoring is that much of the trillions of dollars spent globally on all types of advertising - including the US\$19.5 billion US marketers are expected to spend for online ads this year (eMarketer) is wasted because most times buyers aren't looking at ads for things they want to buy when they want to buy.

Advertising is the most popular Internet business model -- albeit one many of us love to hate. If we're rushing into a Bladerunner future where any place a microprocessor can be embedded becomes ad space, shouldn't digital technology at least give us a better experience than traditional media typical does?

Engage or else

Internet ad aggregator -- AdBrite founder and chief product officer Philip "Pud" Kaplan and AdMob vice president of business development Niren Hiro -- during UC Berkeley's Haas Business School play conference in November professed that while TV is nothing but a shotgun approach, at least Web ads reach subsets of audiences and therefore one could argue are more likely to be relevant, ergo less annoying. Forget user preference they said, it's about ads that engage you.

"Every ad that intrudes on the user experience has a short life. The user experience with ads has to move from the 'do not call' list to the please call list," Hiro said.

YouTube product manager Shiva Rajaraman noted that to foster user engagement "YouTube is forcing advertisers to remain on the site and create an afterlife after the campaign."

While the longtail advertising coupled with contextual and behavioral targeting may help merchants reach more narrowly defined audiences, and in cases like Yahoo's specific individuals, targeting based on clicks is often inaccurate. Just because you stumble onto a site that sells vintage auto parts doesn't mean you want to buy them.

Rather than have our clicking behavior speak for us, Internet companies could simply ask us (gasp!) to fill out a simple form and reward us for doing so with merchant discounts. Hiro, Kaplan and CBS mobile VP Jeff Sellinger thumbed down that idea at the play conference.

"Most consumers are more willing to let us watch their behavior than fill out a form," Sellinger contends.

Preference economy

Few Web mavens and moguls seem to be headed where ATTAP Technologies CEO Bruce Spector is intent on going. Spector, one of the inventors of Web Cal - Yahoo's calendar program, has this notion that if the Web is about giving people power and voice, why shouldn't people choose the Web ads they see?

ATTAP's first product, Riffs, applies a social network dynamic to a state-of-the-art preferences engine. Riffs along with ATTAP's other offerings - Personal DNA, BuzzVote and Jitsu, an open source Web toolkit mixing compiled XML with a client-side data binding engine, prelude his grandest ambition -- matching buyers with what they want to buy. On Riffs,

members rant and rave about all sorts of things -including products. That could be valuable information to merchants.And what if preferences are aggregated and shared?

At least Spector isn't alone. Mike Volpi, CEO of Joost,which is building a global television network of full-length TV shows and movies and sending it to viewers over the Internet, says Joost will focus on tailoring ads to individual users based partly on the information they provide when they sign up for the service.

With participatory media muscle bulking up, advertisers could gain market advantage and save money by shifting from a vendor-centric to a you-centric approach and letting the preference economy bloom.