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Varun Arora
Director of Strategic Services
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MONETISING EYEBALLS – FROM CONTENT TO COMMERCE

AMIC 9TH ANNUAL CONFERENCE
THE DIGITAL MILLENIUM: OPPORTUNITIES FOR ASIAN MEDIA
June 29 – July 1, 2000, Singapore
Monetising Eyeballs -
From Content to Commerce
Varun Arora
Director, Strategic Services
The Edge Consultants
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Agenda - Monetising Eyeballs
- Part One: Where will the eyeballs be?
  - Strategic watchpoints towards reaching them
- Part Two: Having done that, how do you monetise them?
- And finally: What we're doing in this area

The Convergence-era is upon us...
- Everything moves towards the 'net
- Access is possible through:
  - PCs
  - Television sets
  - Fixed-telephones
  - Car PCs
  - EVEN REFRIGERATORS!!!
... or is it really DIVERGENCE???

- Divergence in access platform has started
  - By the year 2002, 490 million people around the world will have Internet access
  - At the same time, there will be 630 million wireless subscribers (1.2 billion by 2003!!)
  - And 50% of all Web access will not be via PCs... etc.
  - By 2003, 125 million handheld PCs and PDAs, etc.
  - Net device sales will zoom from 12 m in 1999 to over 300 m in 2003...

The perils of divergence...

- Little consistency between devices
  - Broadband allows full-motion video... but does a 56k home PC do the same?? Sensitivity to access speed is a must!!!
  - Can you surf the net and drive at the same time?? Voice conversion tags are a must!!
  - WebTV has display restrictions
  - Mobile phones are still limited to S-L-O-W 14.4k...
  - To say nothing about divergence in protocols!

HTTP? WAP? What's next? XXXP?

But there is SOME centricity...
Interactive access points - 2000

Office
Lap Top
Desktop PC
PDA
Mobile
InTV
Kiosks

Interactive access points - 2001

Office
Lap Top
Desktop PC
In Car Entertainment
In Flight Entertainment
Video Phones
Games Consoles
InTV
White Goods
Vending Machines
Kiosks

Mobile service offering is a MUST:

- Broader user base: Access to non-IT user group and Generation Y
- More pervasive nature of service is possible
- Mobile devices will overtake fixed terminals as the primary online tool
- Mobile Services will become one of the key service differentiators in an online strategy
Strategic elements in a multi-channel world

Building an online business strategy

- Understand which channels your audience is likely to use
  - overall channel-spread
  - percentage splits
  - who will use what

- Understand HOW your audience is likely to use these channels today and tomorrow
  - why will different audiences use the different channels?
  - what is their mind-set when using a specific channel?

Building an online business strategy

- Understand the strengths and weaknesses of each channel

- Understand how to manage and deliver services over multiple channels
  - figure out the infrastructure roadmap required to migrate to newer technologies

- Apply this to your business using the characteristics of the channel to your advantage
Single Infrastructure for Multiple-channel Delivery

Critical "Gotchas"

- New channels - e.g. wireless services - are not a new form of eBusiness but a new channel for delivery
- Enterprises should NOT have separate channel units working independent from Internet Business unit e.g. wireless v/s Web proceeding independently
- Build solution around a content management system right from the START (or put one in NOW!!)
- The element and form of expression may be different, but plan for delivery using a single infrastructure designed for multi-channels

Overall Message

Eventually:
Online = PC/Web + Mobile/Web + ITV/Web +

Today:
Online = Internet + Wireless
Monetising these eyeballs: A step-by-step process

Step 1: Extend your rationale

> What have YOU done lately to enhance stickiness?
  - The Model-T is dead!
  - Facilitate personalisation
  - Engender community
Step 1: Extend your rationale

What have YOU done lately to enhance stickiness?
- The Model-T is dead!
- Facilitate personalisation
- Engender community
- Exploit multi-channel capabilities
- Consider an auction system - this only SOUNDS trivial!
Step 1: Extend your rationale

- AND LINK THE AUCTION SYSTEM TO CLASSIFIEDS!!!

Step 2: Understand your audience

- Profiling profiling profiling
  - Explicit profiling
    - Registration is required
    - It must lead to reward e.g. archival information
    - Figure out what you're going to do with the information FIRST
    - Don't try to play God - you don't REALLY need the user's life history!
  - Implicit profiling
    - Appropriate keyword tagging is a must!
    - Tagging and retrieval planning process could require over a month!
    - Consider Vignette, BroadVision

Step 2: Understand your audience

- You're sitting on gold! Mine it!
  - Traffic analysis
    - Hits are NOT!
    - Look at clickstreams, time online, most popular sections.
    - Look at on-site search keywords
    - Look at ex-site referrals and keywords
  - Correlate with profiling information
    - Create the potential of 1:1 marketing
    - Cluster into groups for easier business rules creation
    - Consider net Analysis Pro, ARIA, GroupLens
Step 3: Exploit all revenue opportunities
- Advertising
  - CPM, Pay-per-* , Sponsorships, etc
- E-commerce
  - Direct on-site
  - Affiliation models
- Subscriptions (?)
- Content Provisioning

... and truly EXPLOIT them!

- Banner advertising is dead. Long live the banner!
  - CTRs < 1% ... BUT WHY???
    - How far will advertising beef to an Indian Hindu get you???
    - Put 5 ads on one page and it's like the classifieds - how many do YOU notice???
  - The banner has evolved
    - Higher bandwidths enable multimedia and banner-interactivity

... and truly EXPLOIT them!

- Banner advertising is dead. Long live the banner!
  - Remember the profiling? Use it for 1:1 marketing
    - Targeted CTRs can be much higher
  - Consider professional advertising management software like netGravity / DoubleClick
  - Use networks for indirect sales of unused inventory
... and truly EXPLOIT them!

- And what about Internet radio?
  - "Banner" advertising is a bad idea
  - Go for audio with links
  - Specialized Internet-audio ads work better
  - Everstream model: personalized radio
  - Targeted @ US$ 50 - 100 / 30 seconds

Introduction
... and truly EXPLOIT them!

- Advertising
- E-commerce
  - Why? Because you have the traffic
  - How? A phased approach...
    - Phase One: Pure-referral model
    - Phase Two: Targeted-referral model
    - Phase Three: Targeted-mail / owned model
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Lucky Draw
(-

Advertising
E-commerce
Subscriptions
- NOT inconceivable - but different strokes for
different folks

... and truly EXPLOIT them!

a Introduction
THE PRESIDENCY

A MAGNET FOR ODD INTRUDERS

ASSASSIN

The back door at west's next to the White House was the target of an attempted assassination.

As the sun went down, the White House became a magnet for odd intruders. Only three days after President John F. Kennedy's assassination, a man was shot dead outside the mansion. The first of two attacks by a maniac, who went on to kill three men, took place at the White House. The attack was followed by a series of other attacks on the president. In the end, the man was arrested and charged with murder. The maniac was later found to be insane.

A celebrate intervention was made to stop the attack. The White House was evacuated and it was determined that the maniac was a mental patient. The maniac had been admitted to a mental hospital and was later found to be insane. The maniac was later found to be insane.
... and truly EXPLOIT them!
- Advertising
- E-commerce
- Subscriptions
- Content Provisioning
  - Perhaps the MOST often overlooked (and easiest!)

And now, the obligatory sales pitch!

(-)

Who We Are

- MultiChannel (wireless-internet+-+) enabling technology product company with services contingent
- Specialised in strategic, creative and technical solutions for multiple digital channels delivery
- What it means? Building infrastructure products that leverage on technology convergence
- 145 professionals in 3 offices in Asia Pacific (Singapore, Hongkong, Australia, India, China, Taiwan coming soon)
Our Products So Far...

- **WAPman**
  - A wireless client-side product that allows browsing of WAP sites for PDA and phones, e.g., Netscape in the WAP world.

- **VirtuaCom WAPgate**
  - A wireless server-side product that allows Telcos/Enterprises to develop and deploy wireless information services over WAP as well as older technologies interoperable (Nokia, Motorola, Ericsson, Alcatel phones).
  - FAST (100s of tps, reduced OTA data through binary compression)
  - Scalable (millions of users)
  - High reliability (load balancing)
  - Security (RSA cryptography capability)
  - Billing and gateway management.

- **WAPgo**
  - Wireless Online Portal Infrastructure designed for MISP to manage their content/services and target market their customers over the Internet and wireless channels.
  - My WAPgo
    - Personalisation, customisation
    - User profiling
    - Content Aggregation/Management
    - Advertising Management
    - Content-based Billing
    - User Tracking
    - Data Mining and Reporting.
Our Solutions

- We have the skillsets, experience and enabling technology to build
  - Self-Serve eCommerce
  - Secure E-commerce experience
  - Content Management
  - Profiling/Personalisation
  - Portals/Communities
  - Online Banking/Trading
  - Brand Awareness/Online Communications
  - Intranets/Extranets

Multiple Digital Channels Delivery

To summarise...
Net-net (pun not intended!):

- Plan for a multichannel environment now
- Plan for growth
  - content management
  - professional advertising system
- The key to exploiting revenue opportunities is understanding your audience
  - profile -> analyse -> customise -> personalise -> exploit (entire opportunity-spectrum)

Thanks for your time

Questions:
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