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MONETISING EYEBALLS – FROM CONTENT TO COMMERCE

AMIC 9TH ANNUAL CONFERENCE
THE DIGITAL MILLENNIUM: 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.*
  - By 2003, 125 million handheld PCs and PDAs will be sold.
  - Net device sales will zoom from 12 m in 1999 to over 300 m in 2005.

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...

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n Introduction
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 success 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 road-map required to migrate to newer technologies

- Apply this to your business using the characteristics of the channel to your advantage

An Introduction
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

Introduction
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
  - Co-relate 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 reach 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
Enjoy an Angelina drink for all the usual discounted prices for selected treatments!
Every Monday is equivalent to any change in the Angelina drink
(... and truly EXPLOIT them!)
- Advertising
- E-commerce
- Subscriptions
  - NOT inconceivable - but different strokes for different folks

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A MAGNET FOR ODD INTRUDERS

The church bazaar at Saint Mark's covered the entire block, with booths, stalls, and umbrellas offering a variety of handmade crafts and gifts. As the sun began to set, a sudden commotion caught the attention of the bazaar-goers. A figure emerged from the crowd, carrying a large package. It was a woman, dressed in a long, dark robe, who immediately drew the attention of the gathered crowd.

As she made her way through the throng, she encountered a group of children playing with a large, inflatable ball. They shouted and laughed, not noticing the woman's unusual attire. She reached into her bag and produced a small, neatly folded piece of paper, which she held out to the children. They examined it curiously, and their faces lit up with excitement as they recognized the familiar face on the paper.

The woman then approached a group of young men who were playing a game of chess. She sat down and began to watch, her eyes fixed intently on the board. The men were surprised at first, but soon they were engrossed in the game again, having forgotten about her presence.

As the night wore on, the bazaar continued to thrive with activity. The woman remained, her presence observed by many, but not approached. She seemed content to watch and observe, a silent observer amidst the bustling crowd. Her presence was felt, but she did not disrupt the order of the bazaar. Instead, she added a touch of mystery and intrigue to the evening's festivities.
... and truly EXPLOIT them!

- Advertising
- E-commerce
- Subscriptions
- Content Provisioning
  - Perhaps the MOST often overlooked (and easiest!)

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And now, the obligatory sales pitch!

(-)

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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
    - Netscape in the WAP world

Our Products So Far...

- **VirtuaCom WAPgate**
  - A wireless server-side product which 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 capabilities)
  - Billing and gateway management

Our Products So Far...

- **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-Sale eCommerce
- Social eCommerce
- 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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