

Interactive 76 | May 9, 2005 | Advertising Age
Edited by Kris Oser

Online marketers on rebound party like it's 1995

Ad:Tech confab brimming with optimism on news of record growth and fresh opportunities

By KRIS OSER

THE ROAR HAS RETURNED. Against a backdrop of a city not yet recovered from the dot-com bomb, the San Francisco Marriott bustled with the optimism of an Ad:Tech conference crowd who feel they've recaptured a revived Internet bubble.

"I get the same feeling I got in 1995 about the Internet," said attendee Jon Raj, newly appointed VP-online advertising and emerging-media platforms, Visa USA.

For several years now, Internet-advertising conferences struggled to stay afloat. But Ad:Tech's turnout for its April 25-27 confab demonstrated not only that online marketing has recovered, but that it's growing at a supersonic pace. Indeed, online advertising has rebounded to surpass the levels of the Internet-boom years, totaling \$9.6 billion in 2004, Geoff Ramsey, CEO of eMarketer announced at the conference. This total exceeds the previous record of \$8.1 billion set in 2000 by nearly 20% (see story, right).

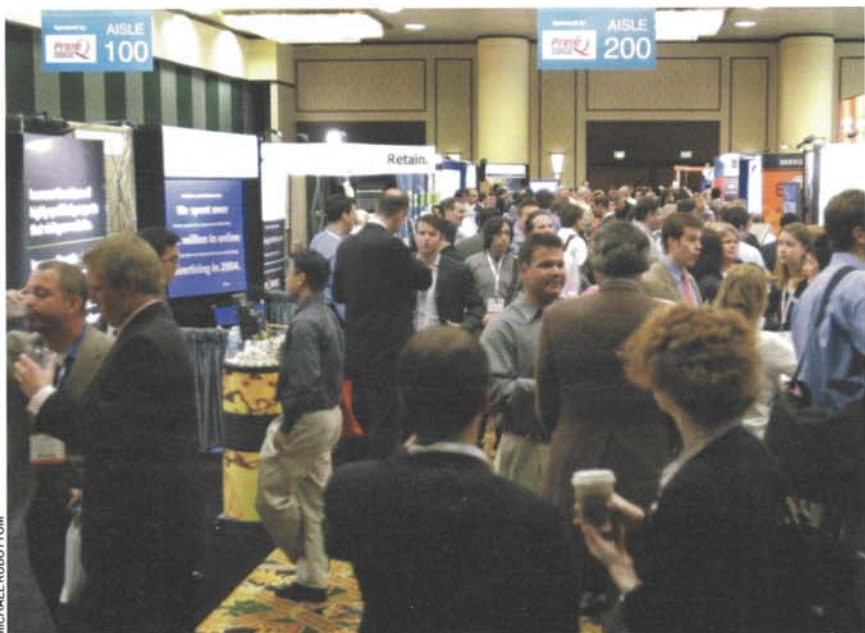
That growth—and opportunity—was evident on the exhibit-hall floor, awash with 6,500 attendees and 175 exhibits packed in so tightly that getting around was akin to elbowing onto a cable car at high tourist season. With 2,500 more participants than last year, the conference was sold out, according to Susan Bratton, Ad:Tech conference chair. Exhibitors complained that their main problem was not the quality of the traffic, but getting to speak to all the quality prospects that got tired of waiting their turn and moved on.

In a sure sign that good times are here again, one company posted a help-wanted sign in its booth.

CHATTER AROUND GOOGLE

The floor was dominated by search-engine-marketing agencies that were surely more interested in potential buyers than potential clients, insiders said. "The exhibit hall reminds me of 1995 when everybody was building new technology and hoping Microsoft would buy it," observed Scot McLernon, formerly chief sales and strategy officer at CBS MarketWatch, who stopped in to speak at the conference before starting his new gig as senior VP-advertising sales at the newly integrated CBS digital media in New York.

Google's announcement on the first day that it plans to serve images and animated ads kicked up a lot of chatter. The service—part of Adwords



TOTAL SELLOUT: Ad:Tech's conference chair said the event drew 2,500 more participants than last year.

for Content—will let advertisers choose which site they wanted their ad to appear on. Google ads currently appear on any Web site Google deems contextually appropriate for the ad.

Until now the ads were all in the form of spon-

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sored links, but advertisers can now serve up graphics as well, said Tim Armstrong, Google's VP-advertising sales and operations.

"This is not a reservation system," Mr. Armstrong said. "But the advertiser has the ability to target ads."

The new product will also be offered to advertisers on a cost-per-thousand basis, instead of its customary pay per click. Now in beta, it's expected to roll out this summer.

Two of the most popular booths were a jukebox music download company and a podcasting area that are both run by a company called Ecast. The San Francisco firm, which describes itself as combining a digital-media-software platform with a broadband network, provides a music-download

service on 3,800 digital jukeboxes across the country, said Chris Scott, senior director-new business development and advertising sales, Ecast. The company has 220,000 songs in its data center, which can be customized to the theme of that particular watering hole. The technology offers playlist suggestions to users to upsell more song choices.

Advertisers can purchase media on the broadband-enabled screen each jukebox features, and offer messaging that includes requests for customers' name, address and e-mail.

Heineken, the company's first non-music advertiser, will launch a campaign later this spring. The beer maker will sponsor a music-trivia game on the jukeboxes that will give users a chance to win free songs from Real Networks' music-download service Rhapsody.com.

Off-the-Web technology was a central theme of the conference, many said. Ecast's podcasting booth managed a constant stream of questions and comments. Half the visitors understood what podcasting is and the other half didn't, said Eric Schwartzman, CEO of IPressroom, which was hired by Ecast to record interviews for podcasts at the conference. A podcast is an audio clip (usually a song to be downloaded from a Web site to an iPod or MP3 player).

"It's [media] on a jukebox right now, but it can be anywhere—it's all about media out of the home," Mr. Scott said.