

By David Deal | March 2005



Jim Morrison once challenged us to break on through to the other side, and sometimes it feels like we're succeeding just a little. We can use mobile phones to take pictures and personal computers to make phone calls. Can you remember when kids thought computers were for geeks? Now teens spend more time online than they do watching TV. We're lucky at Avenue A | Razorfish. Because we help our clients use the online channel to achieve breakthroughs, we often get a glimpse at how digital technology influences what's around the corner—how we live our lives as consumers and conduct business as enterprises. Following are three significant trends shaping the way businesses are connecting digitally to consumers.

What Televangelists Can Teach You About Narrowcasting

Mass marketing is dead. No longer can advertisers rely on one-to-many marketing outlets like network television to push products and services to a swirling mass of homogenous consumers. We're a nation of micromarkets now. Whether we're Hispanics, teens, tweens, or female gamers, we all expect to receive personalized content delivered through a proliferation of outlets ranging from advergames to cable TV. Consider this: today's typical U.S. household receives 100 TV channels, compared to 27 in 1994.

Advertisers are catching on. Investment firm Sanford C. Bernstein predicts that by 2010, marketers will spend more for advertising on cable and the Internet than on network TV or magazines. And really the "Internet" is just a catchall term for a host of specialized channels. The Avenue A | Razorfish [2005 Online Media Outlook](#) report identifies interactive video, gaming, wireless, Weblogs, and Really Simple Syndication (RSS) as advertising outlets to watch in 2005.

Meantime, narrowcast demographic groups like Hispanics and Asian-Americans continue to achieve critical mass in their usage of those channels. Hispanics are the fastest growing Internet population, and women account for more online shopping than men.

The major implication here is that advertisers must be more sophisticated and nuanced in finding the right mix of channels to reach out to more specialized demographic segments. While it's helpful to know that teens now spend more time online than watching TV, the real challenge is creating a media plan that targets the right mix of Web properties that will reach a precisely defined segment of teens at the right time.

The good news is that through the online channel, you can measure the value of your spend because the Internet tracks audience behavior like no other media can. Avenue A | Razorfish is helping a national retailer use the online channel in its marketing outreach to females by managing a media spend that targets female-oriented Websites and networks of Websites. Through our technology and expertise, the retailer can pick the audience it wants to view its advertisements (e.g., females aged 25-54).

Sometimes we can find examples of masterful audience segmentation from the most unlikely places -- like televangelism. Take a look at World Changers Church International (WCCI), headed by televangelist Creflo Dollar. An \$80 million operation with 23,000 members, WCCI (worldchangers.org) targets its content (Dollar's religious messages) primarily to middle-to-upper-class African Americans -- and then

customizes outreach to even more narrowly defined demographics such as youth, adult fitness buffs, and mothers of preschoolers. Dollar cultivates new members through narrowcast outlets like cable television (e.g., Black Entertainment Television), religious online TV sites like daystartv.net, and WCCI magazines (two editions – for adults and kids). Dollar also appears in a music video by Ludacris, and WCCI owns a religious-themed recording label. Talk about a multi-channel enterprise!

Google Me

Next to email, surfing for stuff is the most popular Internet activity. Internet search has become more than a utility – it’s part of our way of life. Google is an accepted verb in our vocabulary (just as “I’ll FedEx that to you” became years ago). Googling is something we do to prepare for a date, conduct a background check on a potential employee, or reminisce over a childhood friend long since fallen out of contact. We even Google ourselves.

Unless you’ve incorporated Internet search into your marketing strategy, consumers will Google their way to your competitors to conduct business with them instead of you. The amount of money that advertisers spent to advertise through search engines grew by 55 percent in 2004 to become a \$4 billion market in the United States.

In 2005, look for firms like Google and Microsoft to fight for dominance in both Internet search and desktop search (truly an untapped market). (Check out Google’s search tool designed to crawl around your desktop and the Internet. It takes seconds to download and is a thing of beauty.) Moreover, companies will be looking for ways to employ video and multimedia search tools, local search, and even mobile search as advertising channels.

Companies like women’s retailer Danskin work with our dedicated search marketing division, Avenue A | Razorfish Search, to maximize the value of paid and organic search in their marketing efforts. Danskin wanted to double the volume of its online sales while maximizing profit margins. Avenue A | Razorfish Search helped Danskin design and implement a search marketing campaign that included strategic bidding on cost-effective key words and expanding Danskin’s presence on secondary search engines and shopping engines (like Shopping.com). Consequently Danskin saw a 200-percent increase in online sales over a seven-month period and a 50-percent increase in profitability within 30 days.

Bottom line: someone out there is online right now Googling their way through life while you read this article. Are you going to join them on their journey or let your competitor do it?

Goin’ Mobile

It’s official: camera-equipped mobile phones now outsell digital cameras. This is but one sign that mobile devices, like Internet search engines, are lifestyle choices, not just tools to accomplish tasks. The sports fan who uses her mobile phone to snap a picture of herself attending Super Bowl XXXIX is really satisfying her need for self-expression (“I was there!”) and creating instantaneous community (you can share what I’m experiencing in near real-time) beyond the four walls of Alltel Stadium.

We’re also using our mobile devices for online games, music, email (ironically) and (if you live in South Korea) check personal medical information and wirelessly control home appliances. Nokia understands this. One of its “Feel Connected” advertisements depicts two office workers using their Nokia video phone to capture a moment of horseplay (shooting baskets with a crumpled piece of paper and a trash can) presumably for the benefit of another white-collar slacker.

Bottom line: if you want to take advantage of mobility, think of lifestyles, not devices.

Mobility brings incredible advertising potential. After all, a mobile device is the one advertising channel that follows you everywhere. The challenge is understanding the context around this intriguing media – not just *who* is using a mobile device but *why* (hint: think beyond conducting a transaction). A company like Infinity Broadcasting demonstrates great savvy around mobility. Infinity is working with Avenue A | Razorfish to examine ways that the enterprise can adapt its business model to an increasingly mobile society – for instance, a consumer listening to the Infinity radio network on a mobile device might buy an MP3 download of a song he or she just heard; or a restaurant might distribute online coupons over a personal device.

What Now?

These are just a few major trends that have rocketed to prominence. No doubt you are experiencing many more, such as the rise of the digital home or the explosion of the gaming culture. Decide what your enterprise should do about these trends. Take action, and break on through.

About the Author



David Deal is part of the Avenue A | Razorfish marketing team. He focuses on industry analyst relations, market intelligence, alliances, and the firm's customer reference program. Previously David was a marketing executive for Lante, and before that he founded and directed Andersen Consulting's global industry analyst program. David also worked as an editor in the book publishing industry and helped develop a book about rock singer Jim Morrison. He holds a bachelor of science in journalism from the University of Illinois.

About Avenue A | Razorfish

Avenue A | Razorfish (www.avenuea-razorfish.com) is the largest independent interactive agency and an operating unit of aQuantive, Inc. (NASDAQ: AQNT), a digital marketing services and technology company. Avenue A | Razorfish solutions are grounded in deep technology, rigorous analytics and a rich understanding of customer needs, including award-winning media planning and buying, search engine marketing, customer targeting and profiling, world-class creative, design and implementation of web-based systems, and integrated marketing programs. Avenue A | Razorfish operates three regions – East, West and Central – with offices located in major U.S. markets, including New York, Chicago, San Francisco and Seattle. Clients include AstraZeneca, Best Buy, Kraft, Microsoft/MSN, WeightWatchers.com and Wells Fargo.

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