

Advertisers Still Skittish About the Web

■ There's a need, as with any medium, to track consumer behavior. But there's no authoritative source for Internet data.

By MARLA MATZER
SPECIAL TO THE TIMES

Online advertising is coming of age, as evidenced by the money being spent (an estimated \$1 billion last year) and the interest in this week's Ad:tech West in Los Angeles. The third annual conference, at the Century Plaza Hotel & Tower, attracted more than 2,000 people eager to hear the latest tips and developments in the rapidly changing field.

Most agree it's important to stake an advertising claim on the Internet now, but they also say it will be a couple of years before anyone is able to gauge how many people are viewing the ads. Currently, there is no one authoritative source for that measurement, such as Nielsen for television and the Audit Bureau of Circulations for magazines.

"It's been lessening, but there has definitely been a crisis of confidence in the Web," said Bradley Rode, chief executive of **Internet Profiles Corp.** (I/Pro), a Web analysis and research firm that had

a booth at Ad:tech West. "Media buyers and advertisers have said the Web promises much more but delivers much less in terms of accountability. It feels too much like the Wild West."

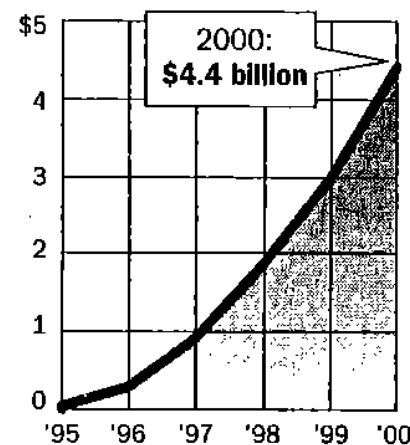
I/Pro is trying to become the Wyatt Earp of the Web. Two years ago, the Redwood City, Calif., firm struck a co-branding agreement with **Nielsen Media Research** to lend brand-name credibility to its figures. Two months ago, it acquired competitor **NetCount**, further increasing its clout. I/Pro's rivals now include a handful of firms, such as San Francisco-based **Andromedia** and Atlanta-based **Relevant Knowledge**. Measurement services can range from simply providing do-it-yourself software to providing a complete third-party measurement, analysis and consulting service.

Research is king to advertisers today. "Seat-of-the-pants" marketers once made decisions based on gut instinct; today, firms from packaged-goods giants to entertainment conglomerates consider it unthinkable to make a move without arming themselves with reams of reports, ratings information and focus-group studies.

"Advertisers that can point to hard results in terms of direct response are very confident about moving forward," said Lynn Bolger, senior vice president and Web media director for New York

Ads Online: Explosive Growth

Despite some firms' concerns, growth in Internet ad revenue has been impressive. Recent and estimated online ad spending, in billions:



Source: Jupiter Communications

Los Angeles Times

agency **Ammirati Puris Lintas**, whose clients include **Compaq** and **United Parcel Service of America**.

"Those that have been engaged in branding efforts are still looking for a better assessment of what the ROI [return on investment] is there," Bolger said.

Too many promises may have been made early on about the high trackability of the Web compared with such media as television, said Xavier Dreze, an assistant marketing professor at USC.

"The assumption is that with the Internet we can measure everything," said Dreze, who, along with USC Marshall School of Business professor Fred S. Zufryden, has just completed a study of Internet advertising.

There is currently no fail-safe way of tracking consumer behavior on the Web, despite the use of methods such as "cookies," which attempt to trace where each Web surfer goes and for how long. Zufryden said that for the time being, it's virtually impossible to tell "whether one person requests a page five times or five people request it one time."

There is also debate over the best way to have an impact on the Web. Banner ads at the top of a screen are shunned by those who see them as too easy to ignore. There have been a number of experiments involving contests and prizes to get Netizens to spend more time with ads, but the results are hazy.

Chuck Martin, Ad:tech chairman and a former IBM advertising executive, says online advertising requires marketers to approach the entire process differently.

"The consumer will be in total control," he said. "We're moving from the era when the advertiser controlled everything through broadcasting to what I call 'pull-casting'—where the consumer decides what he wants to see and when he wants to see it."