marketing Magnified™

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In the March issue of Marketing Magnified we report some of the preliminary findings from the CMO survey on Marketing Performance Measurement (MPM), introduce a new feature called The Download, and cover marketing issues from delighting customers to using a new sales model to create a predictable revenue machine.

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Editor's Cut

Early returns from the Marketing Performance Measurement (MPM) quantitative research that went into the field in February – summarized in a MPM update story in this issue - confirms that nearly 87 percent of technology CMOs consider MPM either a high priority or a moderate priority. Not surprising given the focus this organization and marketing media in general have placed on marketing accountability and demonstrating marketing ROI.

What is surprising, however, is how few organizations have a formal comprehensive system for measuring marketing performance in place. Preliminary results show just 10 percent of the respondents have a formal program in place and over one-fourth indicate that they have no formal or informal MPM program at their company. Given the high percentage of those placing a priority on MPM this year, expect the number with formal programs to increase dramatically during the next year.

To that end, the key objective of the MPM Task Force team is to create a technology industry MPM model that will include best practices and benchmarking. The team will be able to report findings on both its qualitative and quantitative research at the MPM Forum hosted at BusinessWeek's office in New York in June. Even more importantly, a technology industry MPM model will be presented and a workshop conducted at this year's CMO Council annual meeting in Monterey, California in October.

Also of note in this issue is the introduction of The Download, a summary of the most current research that affects technology marketing. If you have access to industry and/or marketing research and would like to share it with other CMO Council members, please send it to Marketing Magnified for inclusion in The Download.

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CMO'S Give Priority to Measuring Marketing Performance

The CMO Council's Marketing Performance Measurement (MPM) Initiative quantitative research is currently in the field and preliminary results show that nearly four out of 10 CMOs consider MPM a high priority for their organizations. Another 49 percent rate MPM as a moderate priority.

However, only 10 percent of respondents say they have a formal comprehensive MPM system in place, while nearly 50 percent say their MPM system is an informal summarization of measures that that focus on assessing discrete functional marketing activities.

As for what is driving the need to measure marketing performance in their organizations, CMOs point mainly to measuring the effectiveness of their marketing organizations and plans, responding to accountability demands of senior management teams and boards, and justifying marketing budgets and programs of value.

Asked how satisfied they are with their company's ability to measure marketing performance only 17 percent of respondents say they are very satisfied or satisfied.

CMOs also rate themselves highly when it comes to the CEO's evaluation of the company's marketing performance. Nearly 6 out of 10 think their CEO rates their marketing performance as excellent or above average.

The quantitative research project underway is part of the Council's major initiative in 2004 to develop a standardized MPM model based on industry best practices, proven benchmarking protocols, qualitative executive input, quantitative research, and consultant contributions.

The preliminary quantitative data reinforces findings to date from the MPM Task Force team's qualitative in-depth interviews with CMOs on the MPM Task Force Advisory Committee.

In addition to the CMO quantitative survey and the in-depth qualitative interviews, quantitative research will also be conducted amongst CEOs, CFOs, CTOs, CSOs, and CIOs this month to provide a broad look at MPM from all key stakeholders.

The detailed findings from both quantitative and qualitative research projects will be announced and discussed at a MPM Forum for CMO Council members hosted at BusinessWeek's office in New York City in late spring. This will be followed by a more expansive interactive web event. A CMO Council-endorsed standardized MPM model will be presented at the annual meeting in Monterey, California in early fall. Additional MPM thought leadership events are also planned.

Seven Steps to Delighted Customers

As business leaders strive to distinguish their businesses from those of competitors, customer satisfaction is becoming an increasingly mentioned strategy. Unfortunately, the issue is clouded with many tales of failure. Consider the fate of a company named Wallace, one of the first small businesses to win the coveted Baldrige Award. Its customers were highly satisfied, but the company had spent so much money achieving the satisfaction it was forced into bankruptcy! Even if companies haven't experienced so severe a result, there are thousands of cases in which efforts to improve customer satisfaction simply has not paid back what the managers expected. It is not heretical to say that the value of customer satisfaction as a business initiative is clearly in debate.

In our new book, The Customer Delight Principle, we point out that the failure is not in customer satisfaction as a strategy but rather in the particular way the strategy has been implemented. Though most companies collect customer satisfaction data, making strategic sense of such data is akin to trying to understand ancient Egyptian hieroglyphs. Managers lack a "satisfaction Rosetta stone." As a result, they frequently create satisfaction improvement programs with virtually no hope of estimating the expected returns from their efforts to improve customer satisfaction.

Even firms who are sophisticated enough to identify "key drivers" - those performance activities that are disproportionately important in driving satisfaction - have suffered disappointment. They may track improvement on their "key driver" attributes only to discover that their overall satisfaction scores have failed to show a corresponding increase. At other times, improvement in overall satisfaction scores has failed to have a demonstrable positive impact on customer retention or on corporate profits. Worse still, two-thirds of customers who leave a firm have probably been classified in the "satisfied range" of survey results.

Our book identifies the problems in the current analysis of customer satisfaction information and suggests a seven-step approach to successfully manage satisfaction improvement.

1. Measure Customers' Level of Satisfaction
The first step in any customer delight initiative is to actually get feedback from customers. This requires a fundamentally sound customer satisfaction measurement process. There is often the common lament "we already know what our customers want so why should we conduct an audit?" The fact is if knowing customers' desires were that commonplace virtually every firm would be delighting their customers, which is definitely not the case. The information gathered from the measurement effort will serve as the roadmap for delighting customers.

2. Determine What Is Most Important
Most satisfaction surveys measure more activities than could be fixed at once. The activities that are measured have been culled from several disparate sources: customers, internal departments, management, and stakeholders. Not all will be equally critical to customers. The practice of identifying key drivers is the search for those activities that are differentially more important in driving customers' satisfaction. The problem is current methods derive one set of key drivers, but there are really two!

The Customer Delight Curve clearly establishes two categories of performance activities. Some performance activities simply maintain satisfaction while others create delight. Satisfaction maintainers are primarily felt when they are missing, in which case customers will be extremely dissatisfied. They tend to be core attributes that are frequently considered the price of entry in the marketplace. The other group, the "delight-creating" attributes, tend to be more "soft," relationship-building factors. As a result, actions designed to eliminate dissatisfaction seldom drive delight and actions oriented to creating delight are wasted when customers see the basics as missing. Improvement efforts can only work when managers are able to separate attributes into those that maintain satisfaction and those that create customer delight.

3. Gauge the Expected Change in Satisfaction
In these early days of research into customer satisfaction, very little has been understood about the specific relationship between measured gains in performance and the impact these gains should be expected to register in satisfaction. Managers have generally analyzed their results using an overly simplistic assumption of a linear relationship: increase performance by 15 percent and expect an equal increase of 15 percent satisfaction. Recent research has helped to defuse this approach. The relationship can best be expressed in the Customer Delight Curve. This curve is not linear, that is results are not proportional. And, it is not symmetric, meaning increases in performance from some base levels spur more or less resulting satisfaction, depending upon the start point.

4. Eliminate Dissatisfaction First
A natural inclination of managers who wish to create a delightful customer experience is to first focus on those areas that are most important in creating customer delight. But delight is only possible if the customer is satisfied to begin with. For example, no amount of gourmet chocolates offered by your bank is likely to offset the displeasure of it mistakenly "bouncing" your checks when there are sufficient funds in your account. Consequently, it is imperative first to eliminate "points of pain," that is, to make certain that core attributes are being delivered at what customers perceive to be an acceptable level.

5. Create Delight
Once the causes of dissatisfaction have been remedied, then managers should focus on delight-creating attributes. The key here is to determine the service level at which positive performance produces customer delight. This requires an understanding of the Delight Response Curve: the responsiveness of all measured attributes to change based on current levels of performance. The greatest opportunities for increased satisfaction typically come from those areas that are rated relatively low in performance, but offer strong impacts on customer delight.

6. Measure Backward Link to Business Processes
When the performance thresholds on the Delight Response Curve have been established, the curve will be delineated into three sections: the zone of pain, the zone of mere satisfaction, and the zone of delight. It is then possible to link customer satisfaction measures to actual business processes. Unfortunately, customer needs are generally not expressed in managerially meaningful language. To make measures most meaningful, an internal company metric should be established that defines internal activities that are most aligned with each delight-creating attribute. The metric should be constructed so that improving a business process results in an improved score on the internal metric. This should also result in more delighted customers. For example, if a key delight-creating activity was the "reliability of a product," an internal metric might be the percentage of repair calls.

7. Measure Forward Link to Profitability
Linking delight-creating activities to business processes is one part of a manager's needs. The other part is linking the activities to the outcome in terms of actual customer behavior, specifically, the impact on sales and profitability. The most profound profit impact from customer delight will manifest itself in terms of increased retention rates of customers. Here, too, it is important to recognize that the relationship between different levels of satisfaction and customer retention rates will not move in a straight line.

The Customer Delight Principle discusses current real-world findings, the role of employees, the quality/productivity trade-off, and the costs and paybacks involved. It is available through McGraw-Hill and the American Marketing Association (ISBN 0-658-01004-2).

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Creating a Predictable Revenue Machine

A not-so-predictable economy is motivating smart businesses to look for the best ways to generate revenue that is both predictable and sustainable. The good news is there are strategies that can keep pipelines full and revenue streams flowing in ANY market.

The solution is to cover more market with fewer resources through an integrated inside-outside sales force. This integrated sales force is the partnering of an inside sales force with your outside field sales force in a tiered territory management strategy. This approach enables companies to leverage the strengths of both sales channels to maximize efficiency, expand market coverage, lower cost of sale, and increase revenue. Here, the whole is greater than the sum of its parts

The Integrated Sales Force
The advent of the Internet and email has certainly changed the face of sales today. Buyers gather information and make decisions by surfing the web and make millions of online purchases.

But – particularly in the business-to-business arena – the need for personalized, solutions-oriented selling remains. Territories, sales cycles, and customer relationships still must be managed. Yet the demand to lower the cost of sale necessitates greater efficiencies than a field sales strategy alone can deliver.

Consider the following:

- Even the best field sales representative can only visit two or three clients a day, so of course, he/she will concentrate on landing the biggest and best opportunities: the "A" accounts.
- Small-to-medium businesses – the "B" and "C" accounts – represent more than 90 percent of all U.S. firms and generate over $17 trillion in annual revenue. Additionally, no market segment is growing faster. This is where the opportunities are for tremendous market share growth.
- An inside sales representative can contact 20 – 30 potential customers in a day, responding to their needs in a similar manner as the outside sales person, utilizing technology to expedite the process.
- The Internet has created an arsenal of powerful online sales tools such as product demos or site tours. What once required a face-to-face sales call now is ideally suited to an inside sales representative.

The questions to ask are: Has your company altered your sales strategies to respond to the changing market conditions? What is the best way to penetrate deeper into your market, cost-effectively cover the B and C accounts, and lower the overall cost of sales?

Review the following scenarios. These scenarios are based on assumptions of salaries and number of contacts needed to close a sale. Though your numbers may vary, the ratios do not. And, the formula remains consistently accurate.

Example # 1: Field Sales Only
Let’s say you currently have a field sales force. They focus on the largest sales opportunities possible to get the biggest bang for their effort. Between their travel time and generating complex proposals, rarely do they have time left over to prospect or pay attention to smaller sales opportunities.

In our example the outside sales representative averages 2.5 client visits per day (22 active business days in a month) = 55 contacts per month assuming 3 contacts per closed sale and a 10% close rate = 2 sales per month @ $30,000 per sale = $60,000 at a personnel cost of

$12,000 (20%).

Example # 2: Inside Sales + Field Sales, Working Separately
An inside sales representative, because they can make ten times the sales calls in a given day, covers more territory and focuses on the small-to-medium sales opportunities.

They average 26 client contacts per day = 572 contacts per month assuming 4 contracts per closed sale and a 10% close rate = 14 sales per month @ $3,000 per sale = $42,000 at a personnel cost of $4,500 (11%).
Total revenue per month for both sales channels equals $102,000 at a personnel cost of $16,500 (16%), an incremental gain for the company at a lower cost of sale. Not bad, but still not good enough.

Example # 3: Integrated Inside-Outside Sales Operations
In this scenario a well-integrated inside-outside sales team generates more revenue than the sum of its individual parts. The inside sales representative manages and closes small-to-medium accounts. In addition, they devote part of their time to qualify leads for the large, complex sales opportunities that they pass to the field sales representative. This shortens the sales cycle and yields a two-fold increase in the sales productivity of the outside representative working on his/her own. The inside representative also follows up on existing accounts to pursue additional revenue.

The Integrated Inside-Outside Sales Multiplier
If y = inside sales representative productivity and x = outside sales representative productivity then 1/2y + 2x = total productivity or .5 X $42,000 per month + 2 X $60,000 per month = $141,000 at a cost of $16,500 (11.7%). That represents a 39 percent increase in revenue potential and a 41% decrease in the cost to acquire the sale compared to an outside sales effort alone.

Critical Success Factors

- A clear territory coverage strategy with defined roles and responsibilities
- Common contact management systems
- Common language
- Key performance indicators
- Weekly territory strategy meetings
- Production reports

Create a formalized territory management plan and then make sure everyone on your entire sales force understands, buys in, and knows how to use it.

Building the Revenue Machine
An integrated inside sales operation can be a measurable, predictable, and profitable revenue machine. It does, however, require introducing change and a unique set of management processes that are more detailed than the traditional field sales approach. The following is a methodology overview that has proven successful for implementation.

1. Process and Infrastructure.
This is where market opportunity is analyzed, revenue and expense forecasted, process flows, call guides, and reference tools are standardized. Also, metrics are set, performance technology is installed, and inside sales managers and representatives are hired using calling center-specific recruiting process for sourcing, screening, and testing.
2. Pipeline management.
This is a process by which leads are managed from start to close and revenue is forecasted based on the stage of that lead in the cycle. This is broken down into two categories: Goals and Methodologies.

Goals: In the goal setting stage buying and selling is dissected, conversion metrics determined, and revenue forecast models are designed.
Methodologies: Once you have identified your goals, the methodology of filling and managing the sales pipeline begins. There are seven main stages in this methodology or "P" stages. Understanding what to do at each stage is key to keeping the pipeline growing.

P 1: Awareness/Raw Lead. Find the list sources and business models that best fit your profile buyer.
P 2: Prospecting and Qualification. Identify the decision maker, need, desire, budget and timeframe, and get an appointment.
P 3: Educate. Conduct a meeting or a conference call to present, validate need, review cost, and define scope and timeline.
P 4: Propose. Document the scope, pricing, delivery, etc…
P 5: Verbal Agreement.
P 6: Send Purchase Order.
P 7: Deliver Product or Service.

Performance Development
Now focus on the most often overlooked component of your sales machine that accelerates revenue output: training and skills development. Particularly when introducing a new sales methodology it is imperative that representatives, both inside and outside, receive the training and reinforcement to equip them for success. Basic training on product features and benefits is not enough.

A solid skills training curriculum should include courses on communications, qualifying, probing, overcoming objections, presenting solutions, closing, and pipeline management. Skill levels should be certified and ongoing development plans created for each sales representative. Performance development also includes utilizing Key Performance Indicators (KPI) so both the manager and the representatives can measure their success. Unproductive representatives are either developed or moved out.

The Bottom Line
Developing an integrated and streamlined methodology for maximizing sales is just good business. But it can also be a complex and cumbersome process to initiate if you are not an expert. According to a recent study by DGY Associates companies that outsource their call center function have a higher 10-year average return on investment and a higher 10-year average growth rate and earnings per share. In today’s challenging market conditions speed and cost-efficiency are paramount to more immediate lead generation and a healthy bottom-line overall.

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Whew.

"So," I replied, "you're going to need an integrated, updated picture of everything your company does in the way of marketing and advertising - which is logistically improbable - along with all the advertising your competitors and partners do -which is logistically impossible - plus Website uptime reports."

"Right."
"And you realize that you still won't know what you want because you have come smack up against the Mortifying Mystery of Marketing."

"You mean," he said with a sigh, "the Mystery that says we will never have anything better than a good guess at why people click? You mean that if they saw the ad and heard the jingle, then read the magazine review and saw the ad again after hearing a radio commercial, and then clicked the keyword buy from the search engine—that we'll never know which communication media should get a bigger budget?"

"Yeah," he added, the wind taken completely out of his sails. "I realize that. So what should we measure?"
"Conversions," I suggested. "See what people did just before they bought and figure out how to get more of them to do that. Then work the chain backwards from there."

"But my job is to drive traffic and that's all," he said.
I said, "Not any more."

Jim Sterne is an internationally known consultant who focuses his 20 years in sales and marketing on measuring the value of a web site as a medium for creating and strengthening customer relationships. Sterne has written five books on using the Internet for marketing and customer service. He can be reached at
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The Ultimate Web Traffic Dashboard

The most frequently asked question I get from clients is: "What should we measure on our Web site?"

After spending a healthy amount of time identifying goals we spend a healthier amount of time determining which metrics will reveal how well they are attaining those goals.

The second most frequently asked question is: "What does a best practices web analytics dashboard look like?"
This question is usually prefaced by some higher-up having asked for the most important information boiled up, distilled down, and delivered in the least space about what's happening on the site. They want a couple of needle-gauges and a few traffic lights. Green means good, yellow is tolerable, and red means somebody is going to get a serious talking to.

Yes, it's a political question. What is the most important information about your site? What few numbers will tell you whether everything is on an even keel? The answer is clickthroughs, pageviews, and revenues.

Clickthroughs tell you where people are coming from: advertising, affiliates, search engines, pay-per-click services, etc…. Pageviews tell you what people are looking at. Revenues, of course, represent the bottom line, whether that means buying, registering, downloading, calling for an appointment or whatever your particular conversion event might be.

So let's start at the beginning. Where do people come from? Do you really know what is driving people to your site? I asked the director of web traffic at one of my clients for his Ultimate Dashboard, the most useful resource-at-a-glance to help him do his job. He started out with a straight face and then this dreamy look came over him.

"First, it would include all the promotions we're running. We've got cost-per-thousand banners on Yahoo, pay-per-click ads on Google, ads in newsletters and e-zines, and a host of affiliates. I want to see a weekly and monthly calendar showing when those promotions start and end."

"Then there's all the offline advertising we do that's designed to drive traffic to our site. Advertising on the radio with the announcer intoning 'www dot company dot com' and thirty-second spots on TV with 'www.company.com/west-wing-offer' on the screen."

"We do direct mail, magazine ads, newspapers, co-op promotions, and in-store displays. I want to know when each of them is running and then chart them against our visits, pageviews, and online sales."

"I'm also going to need a secondary list showing my competitors' promotions. When they advertise, we get comparison shopper traffic. We need to understand what drives people to come to our site and search for 'tastes great' or 'less filling' or 'got milk' or 'the quicker picker-upper' or whatever our competitors are mouthing at the moment."

"But traffic comes in for a lot of reasons, so there would also need to be a tie-in with an up-time service watching competitors' sites. When our competitors' sites go down, people flock to us. It took us two years to figure that one out and now it's a standard item to check when we get a traffic spike."

"Roll all that into one report and I'll be able to figure out where to spend my money in the future. It might be that three runs of ads on AOL followed by a TV blitz on CNN and a two-for-one offer on the K-Mart site with an email blast chaser is the magic combination."

Consumer Research Confirms Experiential Marketing Impact

For years marketers have grappled with growing challenges in reaching consumers, challenges that are only getting worse. The Center for Media Research reports: "60 million U.S. households have signed up for the Do Not Call Registry; 54 percent of online households have spam blockers; 20 percent have ad blockers; personal video recorder households skip 59 percent of ads; and, multitasking - especially among younger consumers - is sapping consumer attention away from advertising."

New consumer research finds that experiential marketing - live event marketing experiences where consumers interact with a product or brand face-to-face - offers an effective alternative to television advertising and direct mail, especially in influencing purchase decisions of women and Generation Y consumers.

According to results of the Experiential Marketing Survey - released in January of this year by Jack Morton Worldwide - women and Generation Y consumers say their purchase decisions are more heavily influenced by experiential marketing programs than by television advertising or direct mail. The Experiential Marketing Survey analyzed the impact of experiential marketing on all demographics and studied the effectiveness of this increasingly critical marketing medium for particular product categories.

The online survey was conducted by Connecticut-based Sponsorship Research International (SRi) for Jack Morton Worldwide between October 20 and October 22, 2003. Participants included 800 consumers in the United States equally divided by gender and distributed across Generation Y (18-23), Generation X (24-37), Generation Jones (38-49), and Baby Boomers (50-65).

Key findings of the Experiential Marketing Survey include:

- Experiential marketing drives fast results
  Many consumers say it would be more likely to cause quick product purchase than other media.
- Experiential marketing increases return on other marketing investments
  Almost nine out of 10 consumers agree that participating in a live event marketing experience for a product or brand will make them more receptive to its advertising.
- Experiential marketing enhances brand perception
  53 percent of all consumers and 61 percent of Generation Y consumers say that it is extremely or very influential on their perception of a brand.
- Experiential marketing resonates with women -- key influencers of purchase decisions
  43 percent of women say it is the medium most likely to drive quick purchase response.
- Up-and-coming spenders respond strongly to experiential marketing
  40 percent of Generation Y consumers say experiential marketing is the medium most likely to drive quick purchase response.
- Experiential marketing is effective across many product categories
  Food and beverages, cars, computers/software and cell phones are the top categories for experiential marketing across gender and age. Among women, household, personal and healthcare products and services also ranked high.
- **Entertainment value and face-to-face dialogue are critical to successful experiential marketing**
  61 percent of consumers say they would prefer to try a product as part of an experience that includes entertainment -- rather than just sampling the product. The presence of an on-site brand representative is the number one factor consumers say makes an experience most interesting to them.

In addition to offering unique insights into experiential marketing's impact both relative to other marketing disciplines and within specific consumer demographics, the Experiential Marketing Survey also provides perspective on what factors make an experience more or less effective - factors such as location, timing, duration, and affinity with consumer lifestyle and behaviors.

Based on direct consumer input, the Experiential Marketing Survey also points to the following trends in experiential marketing:

- **Increasing importance**
  The striking impact of experiential marketing on women and Generation Y consumers indicates that it is likely to become increasingly important to marketers, given both the disproportionate influence of women on purchase decisions, as well as the increasing purchase power of younger consumers over time. Already, the experiential category is estimated to represent $132 billion in annual spending, according to PROMO magazine.
- **Increasing integration**
  Marketers will increasingly integrate experiential marketing as part of the overall mix given its ability to enhance the impact of advertising and other media, as well as its demonstrated value in driving short-term sales. This increased need for integration not only raises the profile of experiential marketing relative to other marketing disciplines, it also elevates expectations for marketing agencies' collaborative capabilities.
- Agency expertise
  It is critical for marketers to shift toward agency partners that have specific experiential expertise. What consumers say they want - live events that integrate branded entertainment and interaction with on-site brand ambassadors - requires specialized knowledge and experience. Agencies that understand the "what, when, how, and where" to engage consumers with branded experiences are clearly better positioned to drive results for their clients.

A white paper reporting the results of the Experiential Marketing Survey is available online at http://www.jackmorton.com.

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The Download

Gartner Reports Improved 2004 IT Spending
Market research firm Gartner's weekly survey of decision makers in small, midsize, and large companies reported last month on News.Com that after low year-end spending in 2003, businesses are likely to spend more on information technology than what they have budgeted for this year. Gartner analysts expect growth to be strongest in the public sector and in manufacturing, communications, and health industries.

The survey shows that companies expect to increase their spending on software used for maintenance, productivity, and information management. Growth in hardware spending is expected to be more modest.

TV + Online Advertising Provides Bigger Bang

Studies conducted by CrossMedia Research for Dynamic Logic indicate that online advertising is an especially effective medium for reinforcing sponsorships to consumers. Sponsorship association increased almost 16 percentage points over the levels produced by television advertising alone.

The studies show that television advertising had its strongest individual effect on three awareness metrics, with a strong showing in purchase intent.

	Incremental Online	TV Only	Total
Aided Brand Awareness	+5	10.1	15.1
Message Association	+7.4	12.5	19.9
Sponsorship Association	+15.7	12.7	28.4
Brand Favorability	+3.1	3.1	6.2
Purchase Intent/Consideration	+0.4	5.0	5.4

Source: CrossMedia Research/Ad Index

Television alone increased brand awareness by 10 percentage points while online added an additional five points to television's effects. In total, brand awareness for those exposed to both television and online ads was 15 percentage points higher on average than the unexposed baseline.

Large Web Ads Generate More Consumer Attention For Less Money
A new study by ZEDO and Eyetools says full page overlay ads that cost advertisers about 14 times more than banner ads can generate over 30 times the amount of viewing. The research reports that cost benefit analyses demonstrate large ads can generate consumer attention at half the cost of banner ads.

A company spokesperson comments: "Brand advertisers have been asking whether they should pay high prices for full page overlay ads. This research at last provides a methodology for them to decide how much to pay." The research enables advertisers to determine which ad formats, placements, and creative provide the best value.

The research uses Eyetools' eye tracking analysis system that measures human eye movement as users browse web pages. By calculating what percentage of users look at the ads for how long, researchers produce a quantitative measure of consumer attention. Preliminary findings are based on limited data from a proprietary database. More research details are available at: http://www.zedo.com/whitepaper.

U.S. Online Advertising Spending on Upward Trend

Year	$ In Billions
2003	6.9
2004	7.8
2005	8.6
2006	9.3
2007	9.9

Source: eMarketer, December 2003