

[Home](#)

Magazine

[Current Issue](#)

[Magazine archive](#)

Special Sites

[Power 50 2001](#)

[Asiaweek 1000](#)

[Financial 500](#)

[Best Cities](#)

[Salary Survey](#)

[Best Universities](#)

[Best MBA Program](#)

[More...](#)

Other News

[TIME Asia](#)

[TIME.com](#)

[CNN Asia](#)

[FORTUNE.com](#)

[FORTUNE China](#)

[MONEY.com](#)

[AOL.com](#)

After The Banner

Advertisers explore new ground in efforts to exploit the Net

By YASMIN GHAREMANI

Superstar violinist Vanessa-Mae has a new album coming out in May called Subject to Change. The title is apt, at least from a marketing standpoint, because of the innovative way studio EMI Music Asia is promoting the record over the Internet. Rather than placing banners on high-traffic sites and hoping for the best, the company has created a mini-website accessible through Microsoft's MSN home pages. Here, visitors can watch a video clip of one of the album's tracks, e-mail Mae herself, watch webcasts of interviews, send themed greetings to friends and download a song remix not available on CD. EMI is planning live online chat sessions with the Singaporean-born star via the site, to be translated simultaneously into Chinese and Korean. It will also webcast an upcoming Mae performance. Web banners and offline advertising will drive traffic to the site.

In short, the album promotion is a marketing campaign with the Internet at its center. And EMI's effort is fairly typical of the kind of experimentation that's going on online. In the aftermath of the dotcom bust and the failure of banner advertising to support free website content, the marketing and Internet industries are groping for a way forward. They are looking for more sophisticated — and effective — ways of reaching consumers than the Internet has been able to provide so far. "We used to just use banners on the Web," says Bryan Low, EMI Music Asia's vice president for new media. "But now we're trying to create more content."

Though still the core of most online advertising strategies, banners don't work very well. Most estimates put "click-through rates" — the percentage of people who respond to an ad by clicking on it — for banners at under 0.5%. Interactive ad agencies point out that an arresting banner can enhance a consumer's perception of a brand even if he or she doesn't actively respond. But Kent Wertime, Asia Pacific CEO for OgilvyInteractive in Bangkok, says websites are often too cluttered with ads and other distractions for branding to work. Regardless, the current format's failure to deliver for advertisers contributed to the troubles of many Internet portals in the past year. "We have learned that just having banners isn't going to do anything," says Low of EMI. That's a lesson shared by most corporations; they typically devote a paltry percentage of their total ad budgets to the Internet while continuing to concentrate on conventional print, television and radio campaigns.

Nevertheless, an ever-growing online audience is impossible for advertisers to ignore. Particularly appealing is the opportunity to collect marketing data and track customer activity, monitoring functions that only the Internet affords. "We think it's extremely powerful for understanding consumers," says Viveca Chan, cofounder and CEO of Beyond Interactive Asia, an online agency owned by Grey Worldwide.

Rather than abandoning the Net, the marketing industry is madly tinkering with the medium. Some of the experiments seem a little desperate. Reacting to the general consensus that standard banner ads are too small to deliver an effective marketing message, the Internet Advertising Bureau (IAB) approved seven new formats, including a vertical banner known in the trade as a "skyscraper." But the most interesting is a nearly square box that sits in the middle of the page, forcing editorial text to wrap around its edges. Apart from being more noticeable, ads in this format can be set up so that clicking changes the text inside the box without sending the user to a different Web page, overcoming what's seen as a major weakness of regular banners.

Consumers may well object to more intrusive banners, so companies are cooking up alternatives. A current industry buzzword is so-called "contextual marketing," programs that offer consumers more than a product pitch — they also offer Internet-based information or services. Think websites selling moisturizing creams while providing skin-care advice, or diaper sites offering e-mail newsletters with baby-care tips. Some surprising companies are trying the approach. Singapore Electric, the Lion City's local power utility, uses data from the local power grid to offer consumers an online locator map for public buildings.

Other advertisers are resorting to entertainment and games to provide the context for contextual marketing. OgilvyInteractive created an online jigsaw puzzle for World Wide Fund for Nature Indonesia. Players are given 60 seconds to put a puzzle of the earth together, but find out at the end that it's impossible. "Once our planet falls apart, no one will be able to put it back together," reads the text. Users can then click for more information, donate online or e-mail the game to friends.

EMI Music Asia's Vanessa-Mae campaign is an effort to mix the Internet with conventional print ads and other promotions. That's called "integrated marketing," and is an attempt to explore the synergies between interactive advertisements and traditional media, says Vivian Lau, chairman of the Hong Kong IAB. For example, a recent promotional campaign for Wrigley's Extra chewing gum in Hong Kong used outdoor advertising and banners to lure consumers to a special mini-website where they could register to earn "Wrigley dollars." The points could then be used to bid for prizes in auctions hosted by Hong Kong auction site Red-dots.com. For Wrigley the benefit was not only sales, but valuable consumer information. To register, participants had to surrender their names, e-mail addresses, ages and other details.

Partnerships like the one between Wrigley and Red-dots.com are gaining momentum. Last year, Microsoft Net portal MSN ran a Hong Kong promotion with Maxwell House coffee and Theme clothing stores in which free mugs with Maxwell House single-serve coffee packs were given away to consumers. The mugs carried a message directing users to a special MSN site, where they could play games and enter a contest. Winners picked up prizes at Theme stores, increasing traffic to the shops.

Still on the horizon: streaming video commercials over the Web. These are already showing up in South Korea as 10-second spots at the beginning or end of video clips. Most Asian markets don't yet have the concentration of high-speed Internet connections to warrant the creation of streaming-media ads. But the work of Singapore's e-Brilliant may hint at what is to come once high-capacity broadband connections become common. The animation studio has acquired rights to the main character in a popular Taiwanese picture book series entitled Yellow, Red, Blue, White. Around that character, a girl named Yu Ting, e-Brilliant has created a series of five-minute 3D animated "webisodes." Each scene provides an opportunity for product placements in which advertisers can display their brands on soda cans, T-shirts or mobile phones. Companies can place their customized animations on the websites of their choice.

One of the best ways to reach consumers is to follow them everywhere. Enter another candidate in the race to reinvent online advertising: the mobile phone. Though still in its infancy, advertising through Internet-enabled handsets is already scoring surprise successes in Japan, where response rates to promotions offering product discounts — the digital equivalent of coupon clipping — or chances to win prizes have been as high as 24%. In most other Asian markets, the technology isn't there yet. "At the moment there's just SMS [short text messaging], and there are very limited things you can do," says Beyond Interactive's Chan.

Whatever the delivery mechanism, banner ads live on. But according to P.J. Wong, chief executive of Hong Kong interactive ad company AdSociety, "they will become like a glass of water in a restaurant" — ubiquitous but ignored. By moving beyond the banner, online advertisers hope not to be as easily overlooked.