



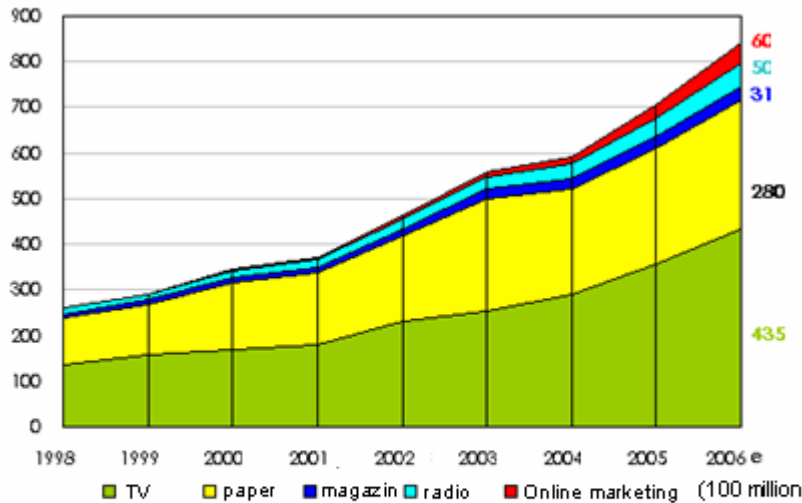
# Interactive online marketing development analysis

Oct 26, 2007

- ❑ China online marketing status quo
- ❑ New trends of China online marketing
- ❑ Features and trends of WEB2.0 marketing
- ❑ Cases

# China online advertising is in a "Golden Era"

Development of Traditional ads and online marketing



Note: Online Ads market size includes income of online medias and e-mail, online software, online game, e-magazine, etc. Online ads market size only includes income of operations, excluding agencies' incomes

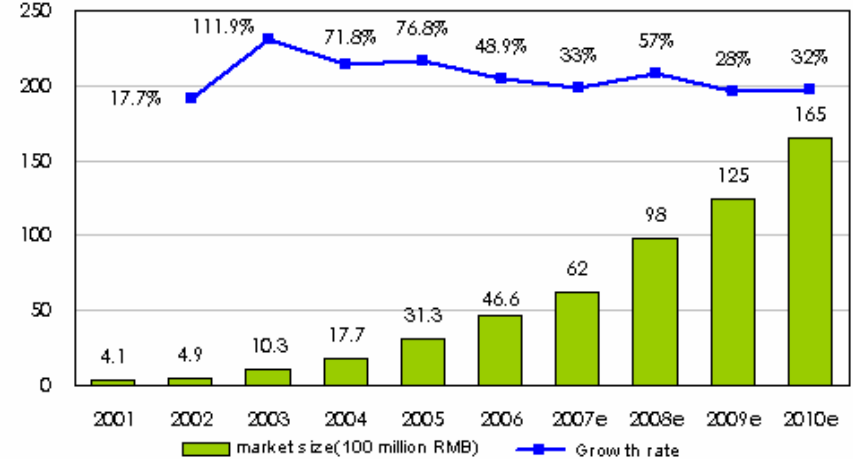
Source: income of traditional medias got from state administration for industry & commerce; Income of online ads got from research results of iResearch

©2007.1 iResearch Inc.

www.iresearch.com.cn

Online media exceeded radio and magazine to become the third largest marketing platform

2001-2010 China Online Ad Market Size



Note: Online Ads market size includes income of online medias and e-mail, online software, online game, e-magazine, etc. Online ads market size only includes incomes of operations, excluding agencies' incomes

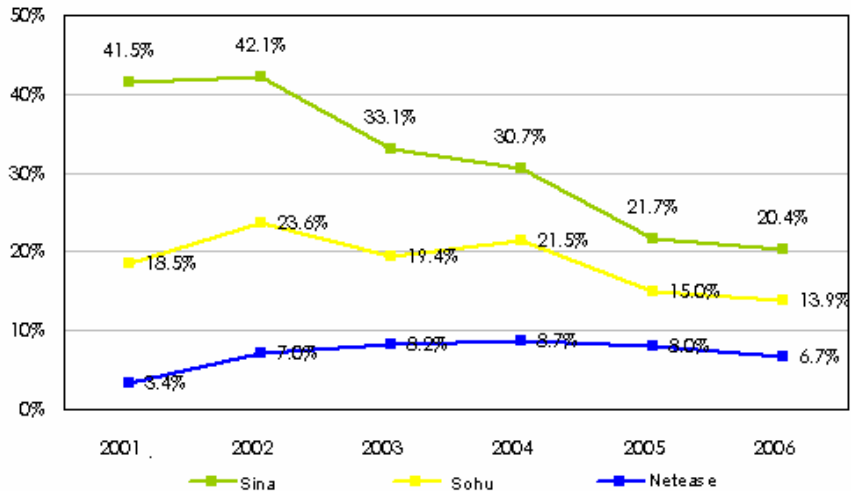
©2007.1 iResearch Inc.

www.iresearch.com.cn

Continued rapid growth makes eye-catching performance among all kinds of media

# Online ad market less concentrated

### 2001-2006 3 online ad market share of 3 portal sites

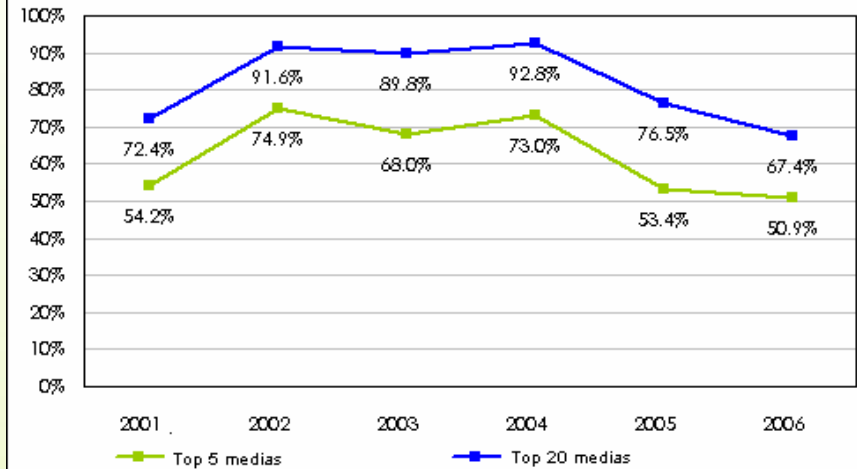


Note 1: Incomes got via interviews, not confirmed by these companies, just for references  
Note 2: Incomes only includes income form online ads, excluding search engine income and agency income

©2007.1 iResearch Inc.

www.iresearch.com.cn

### Online ad market share of top 5, top 20 online medias



Note: Online Ads market size includes incomes of online medias and e-mail, online software, online game, e-magazine, etc. Online ads market size only includes incomes of operations, excluding agencies' incomes

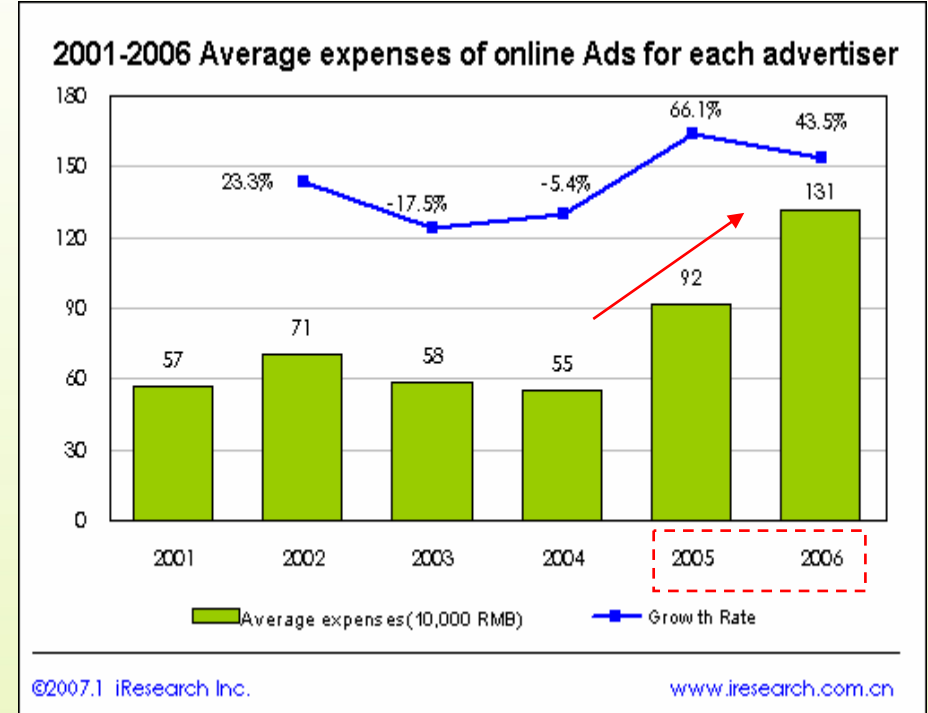
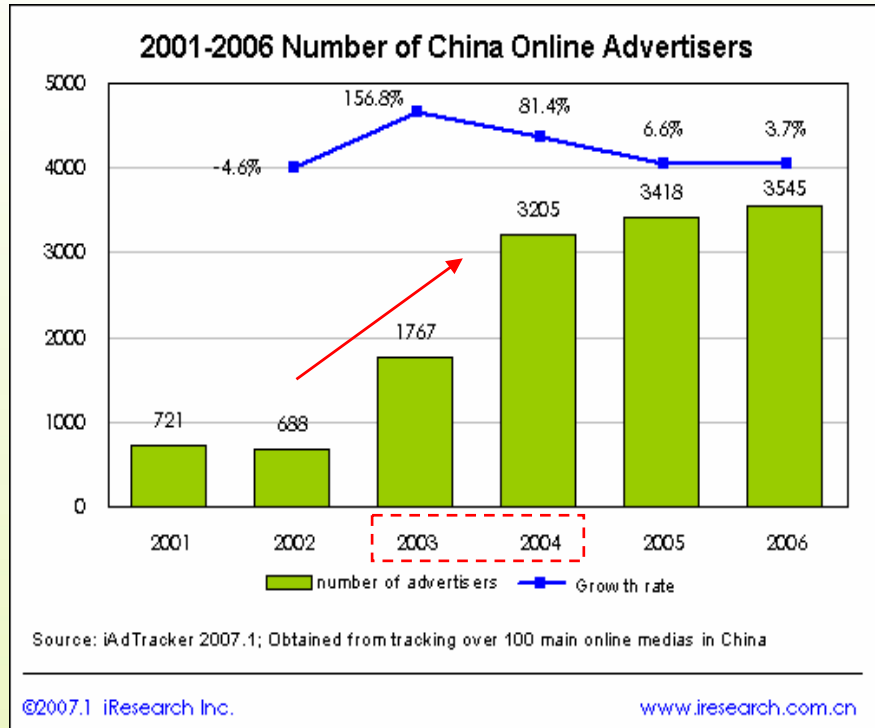
©2007.1 iResearch Inc.

www.iresearch.com.cn

## • *Income of 3 traditional portals increased but the market share declined*

- Although the income of 3 traditional portal sites increased, but their market share continued to decline
- According to iUserTracker data, viewing duration of the 3 portals accounts for 12% of the total internet, but their market size reached 40%
- Online ads are more and more decentralized, application software, online games and small and middle sized websites will carry online ads

# Average expenses in online Ad increased

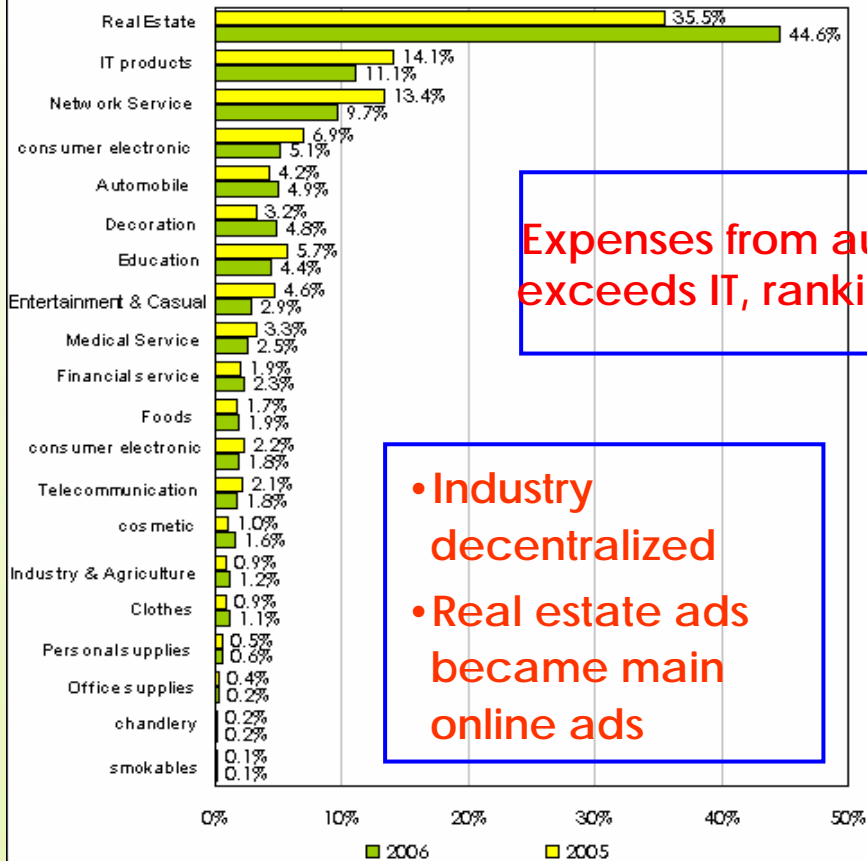


Number of advertisers increased 3.7% YOY to 3545 in 2006 while average advertising expenditures increased 45.3% YOY to 1.31 RMB

The focus ad market shifts from increase of advertisers to increase of advertising expenditures

# Advertisers' industry less concentrated

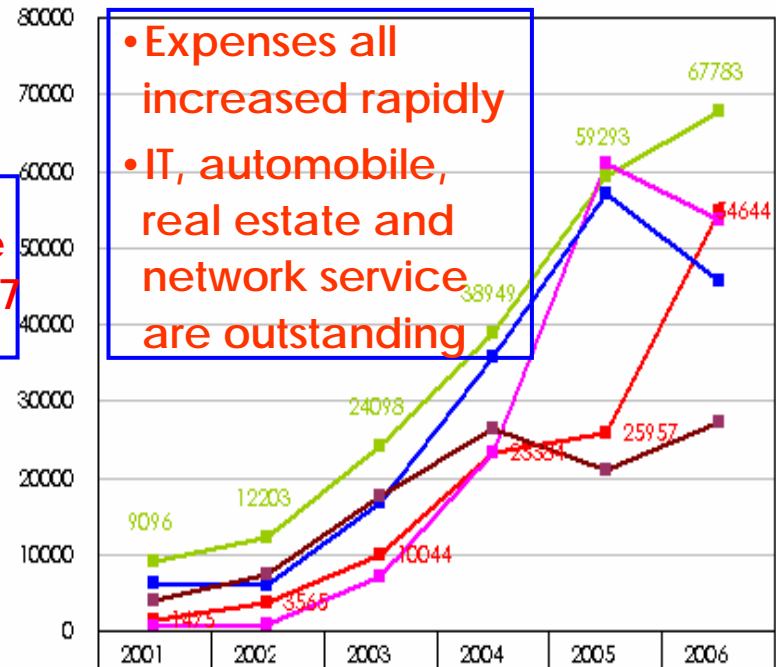
2005-2006 Number of Advertisers in Different Industries



Expenses from automobile exceeds IT, ranking 1<sup>st</sup> 2007

• Industry decentralized  
• Real estate ads became main online ads

2001-2006 Online Ads expenses



• Expenses all increased rapidly  
• IT, automobile, real estate and network service are outstanding

Unit: 0,000	2001	2002	2003	2004	2005	2006
IT products	9096	12203	24098	38949	59293	67783
Automobile	1475	3565	10044	23384	25957	54644
Real Estate	522	841	7226	23146	60906	53681
Network Services	6319	6032	16847	35614	57101	45559
Telecommunication	3953	7301	17469	26309	20913	27233

Source: iUserTracker 2007.7, based on the long-term monitoring of over 50,000 samplers; represents an overall behavioral situation of 120 million Chinese Internet users at home or at work, excluding the public online places, such as

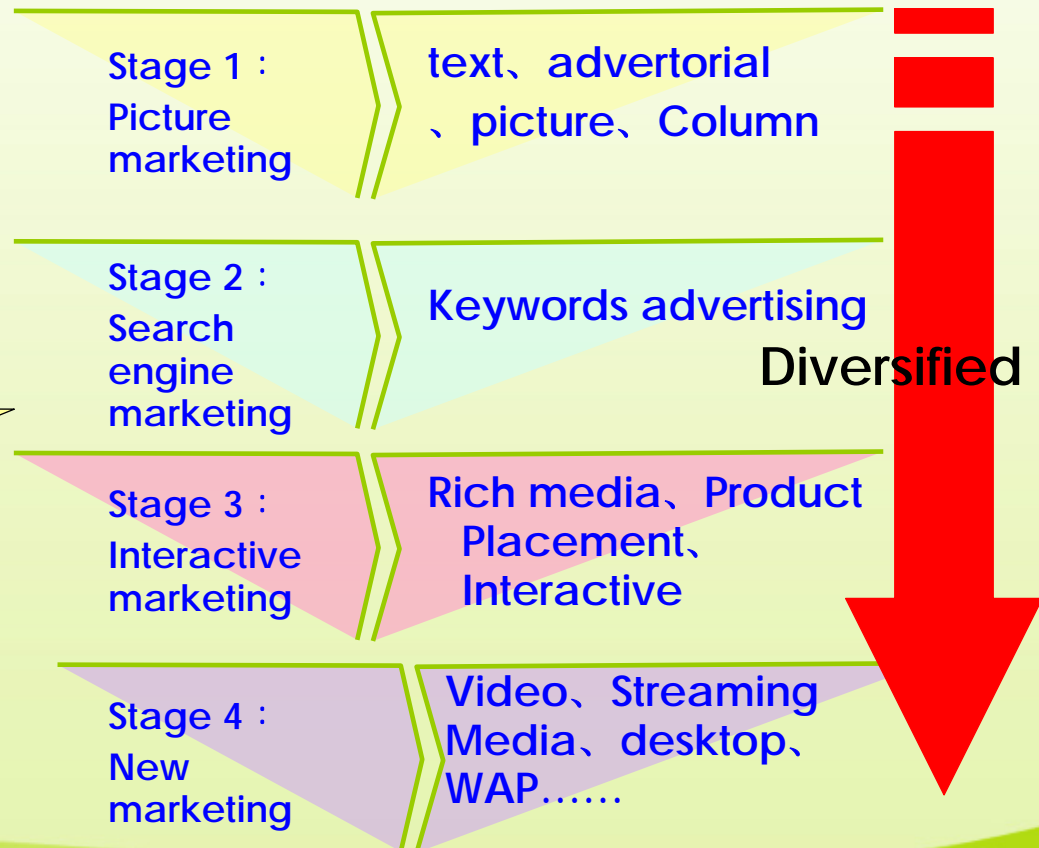
Source: iAdTracker 2007.1; Obtain from iAdTracker which tracks over 100 main medias in China

# Online ad types diversified

## Marketing value extends

Status of online ads improved, the value of online ads penetrated all areas of marketing

**Trends :** Media of different types co-exist. Online marketing and advertising will be segmented



- ❑ China online marketing status in quo
- ❑ New trends of China online marketing
- ❑ Features and trends of WEB2.0 marketing
- ❑ Cases



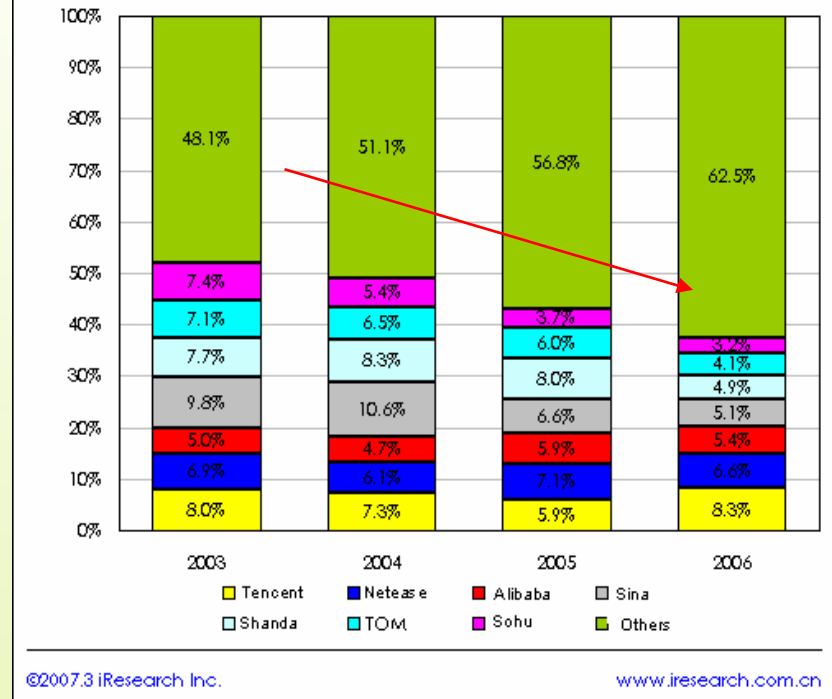
# Mainstream medias predominate online marketing

2006 Market share of medias in main online industries

Industry	Company	Ranking	Market Share
Online Ad	Sina	1	20%
	Sohu	2	14%
	Total = 34% of the industry		
Online Game	Netease	1	24%
	Shanda	2	21%
	Total = 45% of the industry		
Mobile Value-added	TOM	1	11%
	KongZhong	2	7%
	Tencent	3	6%
	Total = 24% of the industry		
Search Engine	Baidu	1	55%
	Google	2	22%
	Total = 77% of the industry		
B2B E-Business	Alibaba	1	63%
	HC International	2	14%
	Total = 77% of the industry		

©2007.7 iResearch Inc. [www.iresearch.com.cn](http://www.iresearch.com.cn)

2003-2006 China typical online medias market share

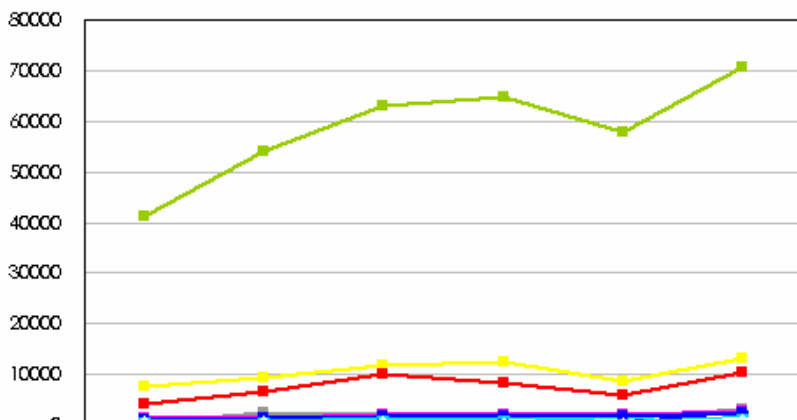


## Large sites like portals and big vertical sites predominates online marketing

- Main services like online ads, online game, mobile value-added, search engine are still concentrated in large scaled websites
- Online market will be less concentrated in the future. There will be no monopoly and small and medium-sized vertical media will be more and more important

# Portal sites are still the first choice

2006 Q1-2007Q2 Online Ad Expenses of Different Medias



	2006.Q1	2006.Q2	2006.Q3	2006.Q4	2007.Q1	2007.Q2
Portal	41379.8	54123.1	62928.9	64660.7	57960.5	70818.4
IT	7771	9192.3	11908.4	12495.3	8720.2	13109.9
Real Estate	4108.7	6614.5	9887.5	8222.4	5750.9	10235.4
Community	230.4	2314.5	2223.4	1650.1	1372.3	3016
Automobile	704.1	940.2	1129.1	1248	1478.6	2866.5
Game	1306.5	1507.8	2192.9	1924.1	2021.1	2688.8
news	1098.2	1510.6	1809.2	1753	1654.9	2579.2
Local	1191.6	1494.1	1561.2	1444.6	725	2430.9

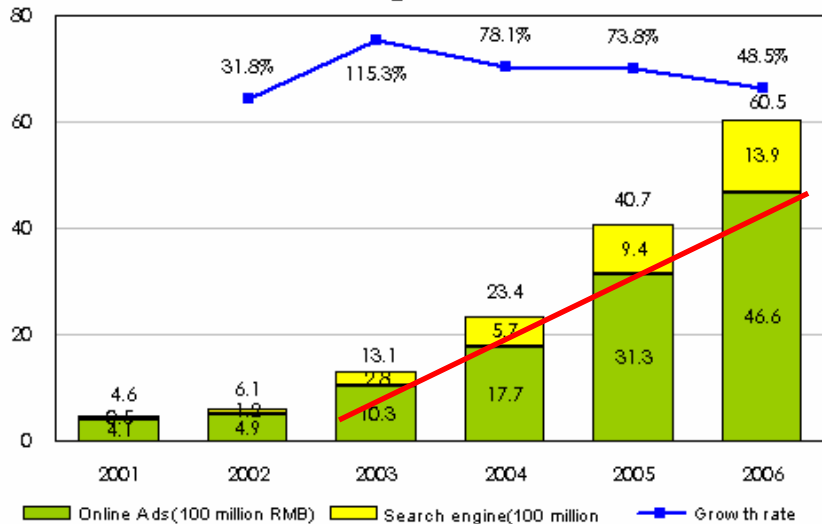
100 million RMB

Portal sites are the first choice for advertisers. Total expenditures increased gradually

- According to latest data of iAdTracker, portal sites are still the first choice for advertisers;
- Expenditures in portal sites gradually increased
- Expenditures in vertical sites still has a large gap with that in portal sites
- Growth rate of expenditures in community sites reached 121% from Q1 2006 to Q2 2007, the highest of all

# Status of paid search marketing improved

2001-2006 China segment online market size

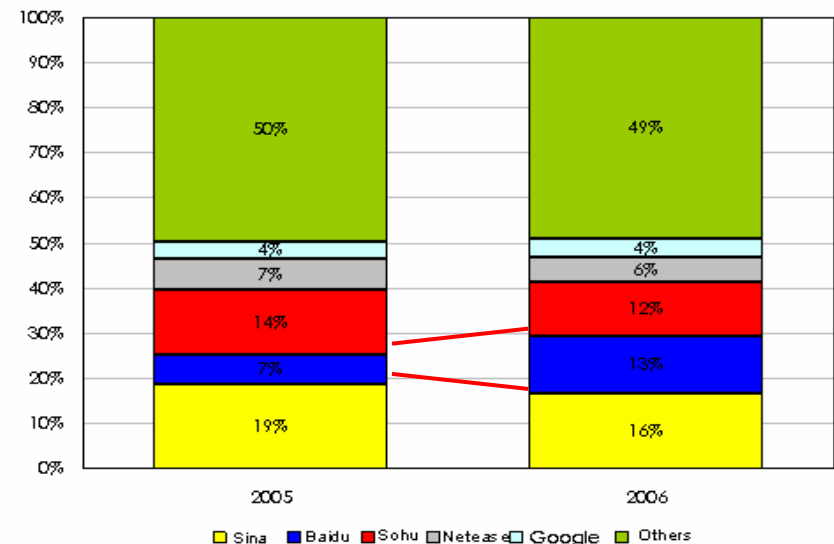


Note1: China online marketing includes income from online ads and search engine. Online ads income includes ads incomes from medias and e-mail, online software, online game e-magazine, etc.  
Note2: China online marketing size includes incomes of operators, excluding agencies' incomes

©2007.1 iResearch Inc.

www.iresearch.com.cn

2005-2006年中国网络营销典型企业收入市场份额



Note1: China online marketing size includes incomes from online ads and search engine  
Note2: China online marketing size is 4.07 billion RMB in 2005  
Note3: China online marketing size is 6.05 billion RMB in 2006

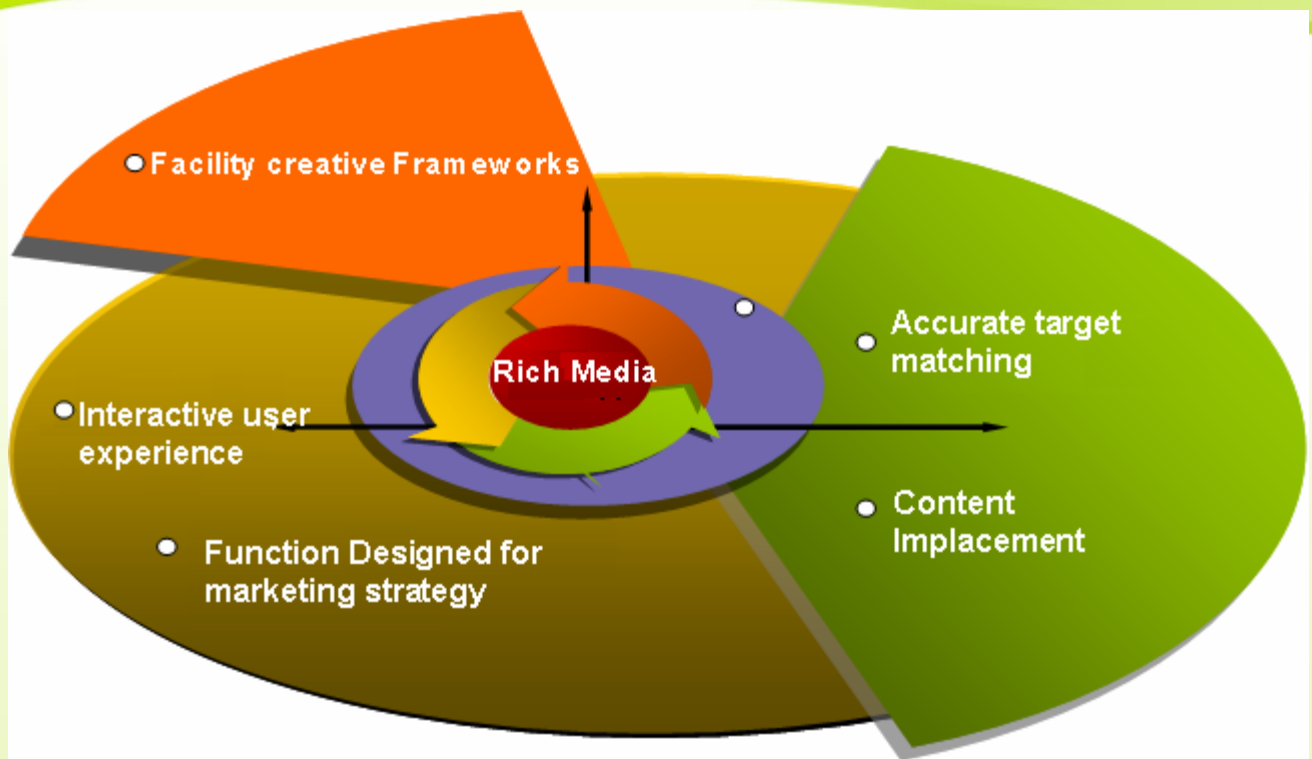
©2007.3 iResearch Inc.

www.iresearch.com.cn

## • Status of search engine marketing improved

- Growth rate of search engine market size is higher than online ads. Proportion of search engine marketing gradually increased
- Compared with 2005, only Baidu and Google's market share didn't decrease. Baidu's market share is only smaller than Sina's and is expected to exceed Sina's this year

# Video advertisement is popular



## Facility



## precision



# Web2.0 marketing gained elementary effects

## Online Video

Video ads market size reached 410 million RMB in 2007 and is expected to reach 2.49 billion RMB by 2010

Source:iResearch, 2007

## Online Community

Community ads market size reached 330 million RMB in 2007 and is expected to reach 800 million RMB by 2010

Source:iResearch, 2006

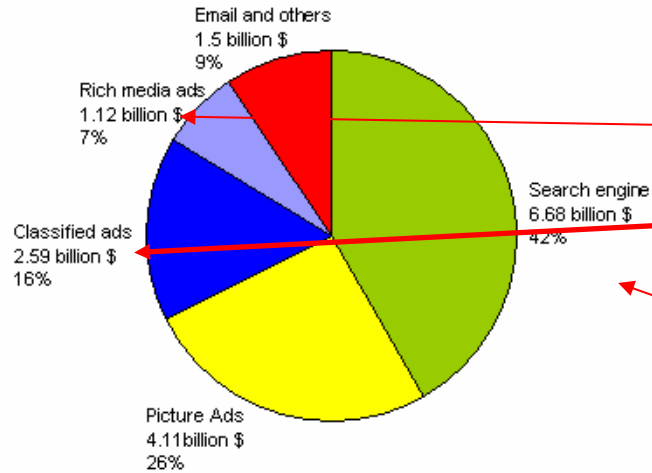
## Blog

Blog accounts reached 72.5 million in 2007 and is expected to reach 128 million by 2010. The marketing value is promising

Source:iResearch, 2007

# Online marketing tends to be diversified

2006 Market size of online marketing in the USA

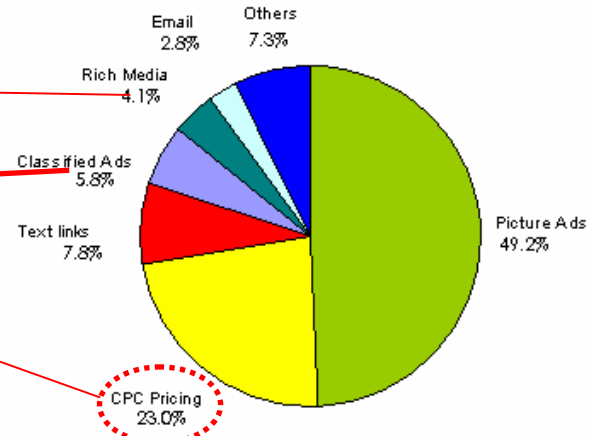


Source: IAB & Morgan Stanley; Market size of American online marketing is 16 billion \$

©2007.1 iResearch Inc.

www.iresearch.com

2006 Different online ads' market share



Note1: 2006 China online marketing size is 6.05 billion RMB

Note2: Online marketing size includes incomes from online ads and search engines, excluding agencies incomes

©2007.1 iResearch Inc.

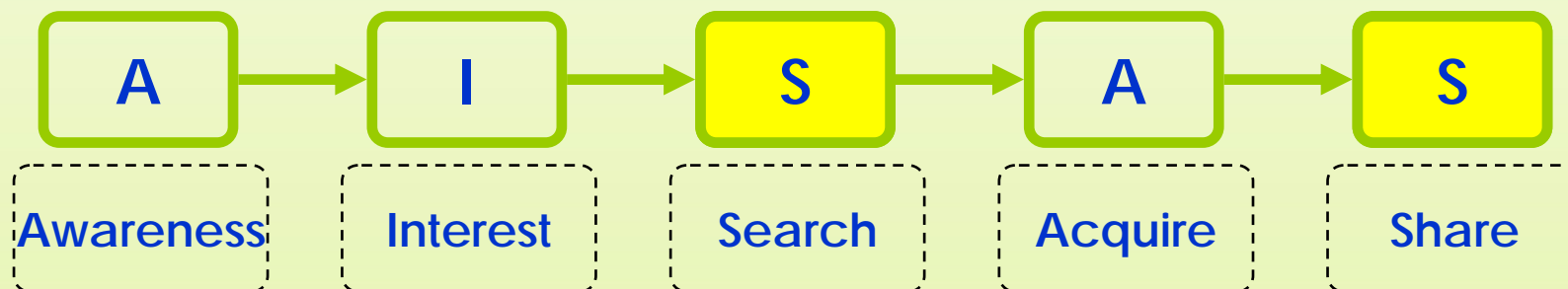
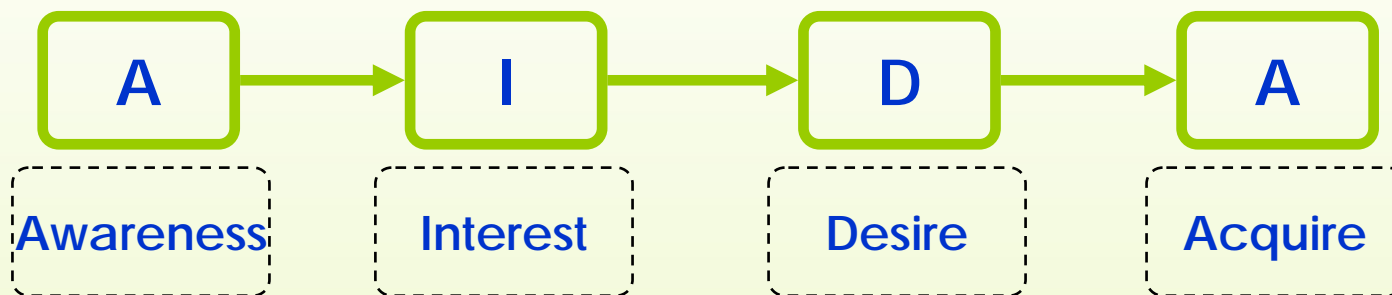
www.iresearch.com.cn

## • Trends in online advertising

- More diversification: rich media ads, video ads have great potential
- Results will be the most important. Online advertisement tends to be paid by effect. Search ad, represented by CPC pricing, has a promising future
- Multi-way of payment: CPM, CPC, CPA and CPS

- ❑ China online marketing status in quo
- ❑ New trends of China online marketing
- ❑ Features and trends of WEB2.0 marketing
- ❑ Cases

# User behavior changes





# Marketing changes.....



# Web2.0 had been an important part of online marketing

Global Ranking	Websites	Category
1.	Yahoo.com	Portal
2.	Google.com	Search Engine
3.	msn.com	Portal
4.	Youtube.com	Podcast
5.	Live.com	Search Engine
6.	Myspace.com	Online SNS
7.	Facebook.com	Online SNS
8.	Orkut.com	Online SNS
9.	Wikipedia.org	Wiki
10.	Hi5.com	Online SNS
11.	Baidu.com	Search Engine
12.	Rapidshare.com	Resource Sharing
13.	Blogger.com	Blog
14.	Megaupload.com	Resource Sharing
15.	Friendster.com	Online SNS
16.	qq.com	Portal
17.	Yahoo.co.jp	Portal
18.	Microsoft.com	Information Portal
19.	Fotolog.com	Online SNS
20.	Ebay.com	E-Business

Source: Alexa, 2007.10

©2007.10 iResearch Inc.

www.iresearch.com.cn

- According to latest Alexa data of Oct 2007, of the top 20 websites with the highest traffic, over 50% are web 2.0 websites
- Websites like Yahoo!, Google, Baidu and Tencent are launching more and more web 2.0 services
- Web 1.0 and web 2.0 are integrating, the boundary will be increasingly blurred

# Online Advertising – an important way of web 2.0 marketing

## 新浪博客尝试与博主分享广告收入 利润五五分成

<http://www.sina.com.cn> 2007年09月12日 09:18 南方都市报

新浪总编陈彤指出，博客利润分成一视同仁。

新浪博客商业化启动，也许意味着web2.0的盈利将真正进入一个新时代。昨日，新浪网执行副总裁、新浪总编陈彤在接受本报记者采访时透露，新浪博客“利润分成”系统已开始进入小范围试运行，并将于10月1日上线，而在一星期前，新浪已经对三千位流量较高的博主发出邀请，目前包括韩寒、董路、李承鹏、靳羽西、孔庆东、叶弘等“名博”在内的一千余名博主已接受了新浪的邀请。

与此同时，陈彤表示，“不在邀请之列的博主也可自行提出申请，经过新浪的资格审查之后，我们将予以放行，而我希望提出申请的是有原创性、点击量高的博主。”

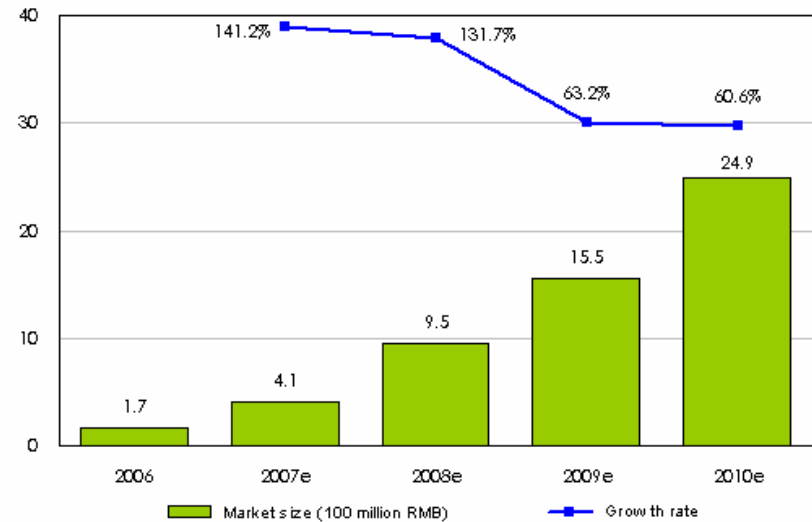
### 博客商业化面向所有博主

此前国内外的博客网站也都有小规模的博客广告分成尝试，但终因流量、广告收入不上规模而最终虎头蛇尾，而新浪此次推出博客分成系统，是全球首次大规模的网站博客商业化行动。

对于博主最为关心的利润分成问题，新浪总编陈彤告诉记者，“所有的博主、无论是名人、还是草根博客，获得的分成比例都是相同的，都是扣除必要的运营成本(包括机器设备、带宽费用、第三方监测公司费用、研发费用)后，广告收入与新浪五五分成。”

数字显示，新浪目前点击量最高的徐静蕾的博客，日点击量约为十万次左右，但新浪方面强调，在推荐广告商选择博主投放的时候，也会照顾到“平衡”原则，而不会把广告都集中到少数几位名人博客上。

2006-2010 China Online Video Ads Market Size



Note: Obtained by interviews, just for references

©2007.10 iResearch Inc.

[www.iresearch.com.cn](http://www.iresearch.com.cn)

Advertising will be the main business model for web 2.0 services like blog. New types of blog advertisements will turn up.

Since 2007, various video advertising types continued to turn up. Video advertisements will be the main focus for online video industry



- 2007 is the first year for blog marketing in China. Lots of blog marketing cases appear
- Start topics, online ads and buzz marketing are main forms of blog marketing
- More types of blog marketing like enterprise blog PR, mini-blog marketing, will be maturing in China

# Community marketing strengthened power of users

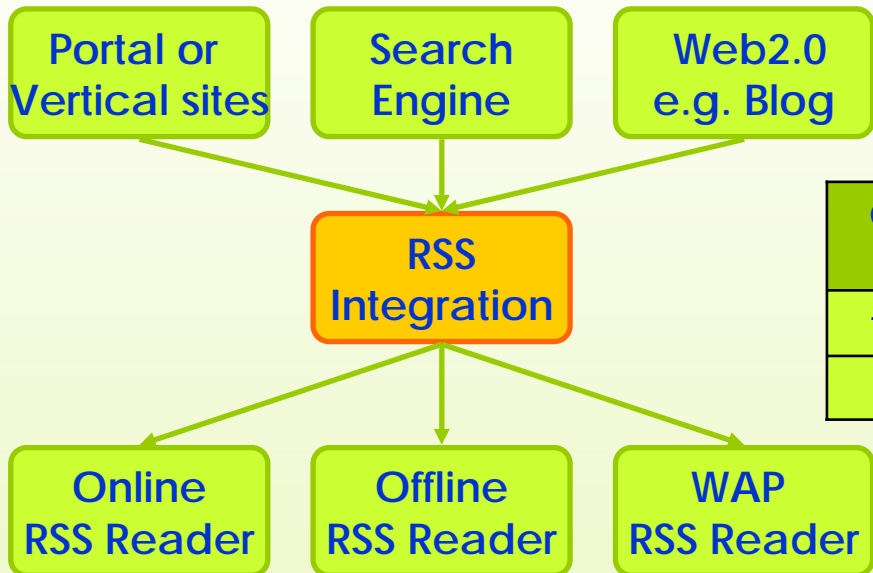
## Stage of online marketing In China



Stage of online marketing	Characteristics
Picture marketing	One-way, low precision
Search marketing	Precision improved
Community, multi-media marketing	Interactive, word-of-mouth improved efficiency

- China is in initial stage of social marketing and is exploring for business and profit models
- Marketing efficiency in different stages are distinct
- Products, services or events with socializing effects can attract large amount of user to participate, bringing potential business value

# RSS Marketing - a new product of Web2.0 marketing

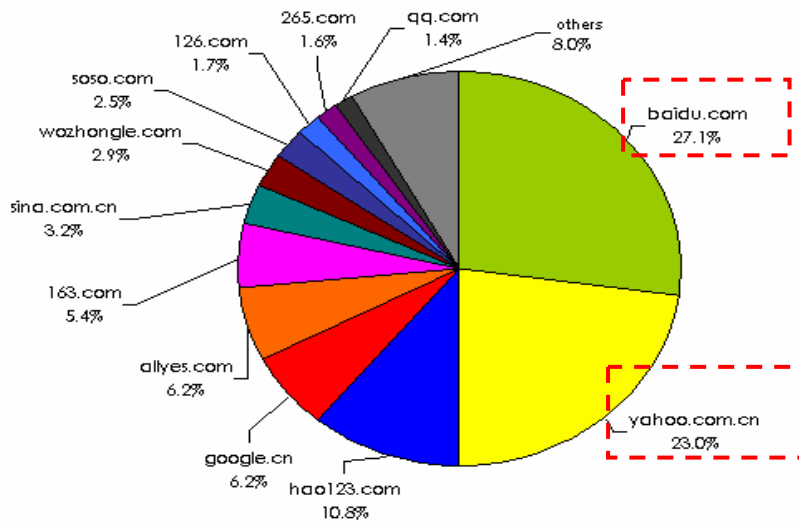


Country	Proportion of RSS marketing in company's total marketing budget
the USA	About 30%
China	Few or no

- RSS is changing current information transmission. Two-way transmission is replacing old one-way transmission
- Technology development lets people to obtain the latest information anywhere anytime, upgrading efficiency of transmission
- China is in initial stage of RSS marketing. Understanding of RSS marketing needs to be improved

# Search Engine+ User Sharing= Directed Interaction marketing

iUserTracker - Main Medias Contribution to Taobao's Monthly PV in May 2007



Source : iUserTracker 2007.6 , based on the long-term monitoring of over 50,000 samples; represents an overall behavioral situation of 110 million Chinese Internet users at home or at work, excluding the public online places, such as internet cafes

Note: Contribution to PV = PV from a certain site/PV from all other sites except Taobao

- Chinese users have been used to search products to purchase via search engine
- Baidu, Yahoo China, Hao123 and Google str the most frequently used search engines for online shopping
- New search services like shopping search, user recommendation, system recommendation will provider more directed and customized services

# Community – an important trend of E-business

淘宝网 Taobao.com  
阿里巴巴旗下网站

口碑网

大众点评 dianping.com

- User sharing is an important trend of E-business
- Revolution of E-business will take place with the push of user sharing

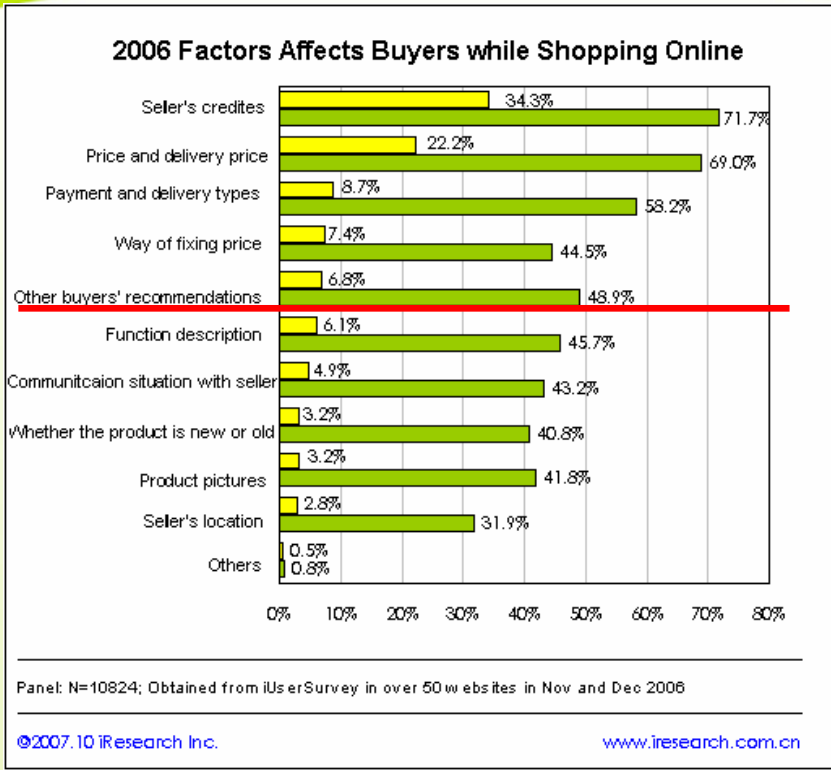
赶集网 Ganji.com

10周年  
mōyī 蚂蚁网  
www.mayi.com

豆瓣 douban



# User sharing pushed development of Web 2.0 marketing



上海美食: 共16990家餐厅

美食排行: 最佳餐厅, 口味最佳, 环境最佳, 服务最佳, 本周热门, 最热门, 最新加入

热门菜系: 本帮江浙, 川菜, 粤菜, 湘菜, 贵州, 东北, 台湾, 新疆清真, 素食, 火锅, 自助餐, 小吃简餐, 日本, 韩国, 东南亚, 西餐, 面包甜点, 其它

热门商区: 徐家汇/体育场, 淮海路, 人民广场, 陆家嘴, 南京西路, 八佰伴, 中山公园, 五角场/大学区, 虹桥/天山, 南京东路

热门菜: 鸡翅, 水煮鱼, 羊肉, 红烧肉, 牛排, 提拉米苏, 口水鸡, 牛舌, 牛肉, 芒果布丁, 玉米烙, 羊排, 羊肉串, 小笼, 毛血旺, 三文鱼

最近好评: 全部点评

**百胜厨(美罗城店)**  
透明的小番茄 🌟👍 口味:0 环境:2 服务:1 人均: ¥70  
真是一次痛苦的就餐经历  
只能说自己吃不惯吧  
罗荪, 还有乌打, 全是臭烘烘的, 不要说吃了就连闻着也难受。。。咖啡鸡也不好吃, 因为是鸡胸肉, 木木的, 咖喱也水水的, 不好吃  
还有酱爆虾, 也是怪怪的, 貌... [全文\(回应\)](#)  
07-10-24 22:12

**3皇3家**  
Navy\_Susie 🌟👍 口味:3 环境:3 服务:2 人均: ¥50  
是个台湾简餐店, 有各种套餐, 火锅, 奶茶咖啡什么的。  
我和婷婷两个人点了一个皇家极品牛肉锅 90块, 是两人份的。  
包括一个牛肉锅, 调料, 饮料和米饭。  
两个人吃足够了, 锅底的味道很不错, 菜也很新鲜。... [全文\(回应\)](#)

- Netizens began to take others' comments as references for choice
- More users tend to share their own shopping experiences

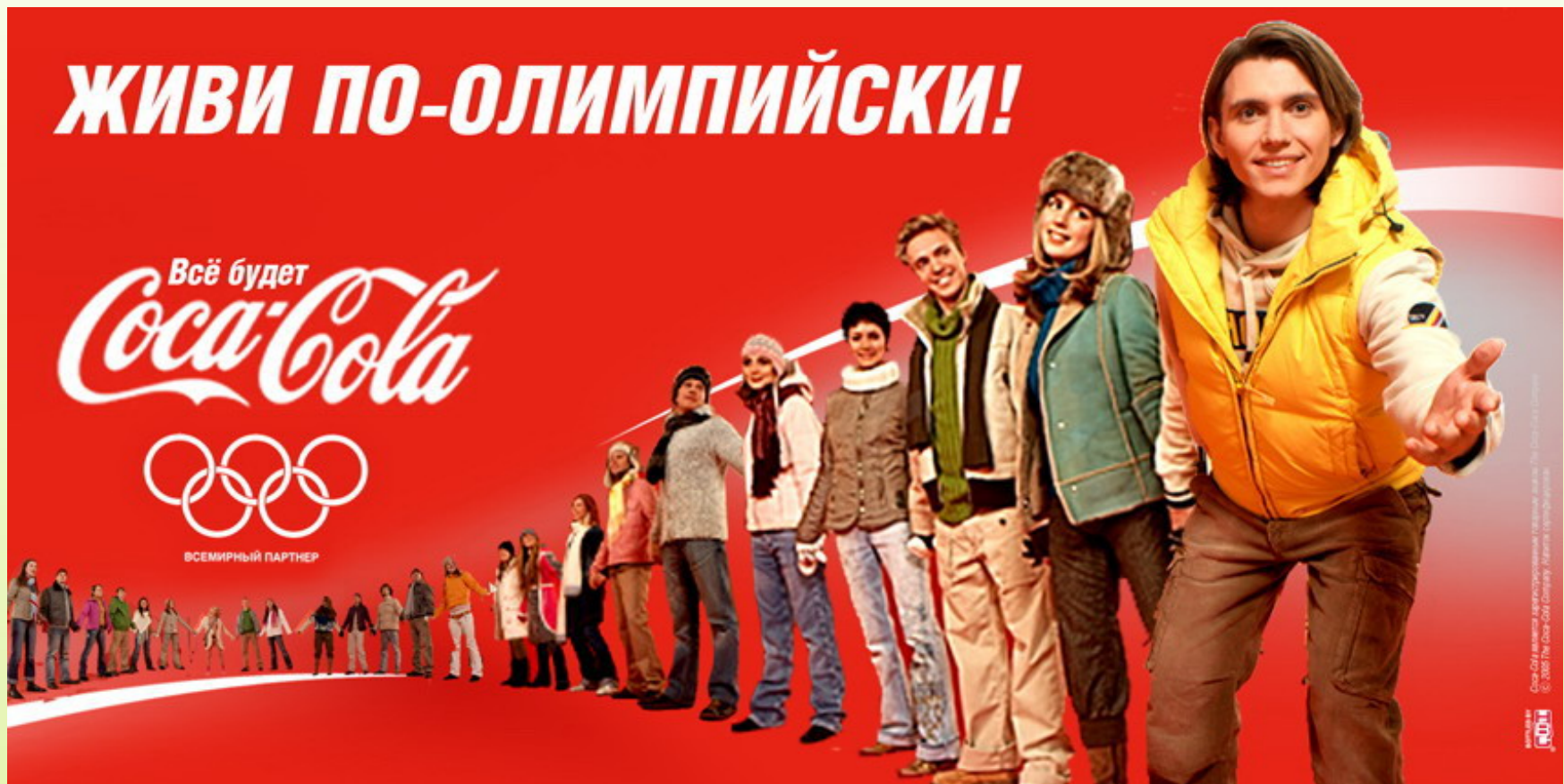
# Value of Web 2.0 marketing



- ❑ China online marketing status in quo
- ❑ New trends of China online marketing
- ❑ Features and trends of WEB2.0 marketing
- ❑ Cases

# Case—Community marketing of Tencent

Internet is the key media of Coca-Cola recently. Pursuing the most popular fashion and culture is the main reason for its marketing strategy. Online marketing strengthened communication with customers.

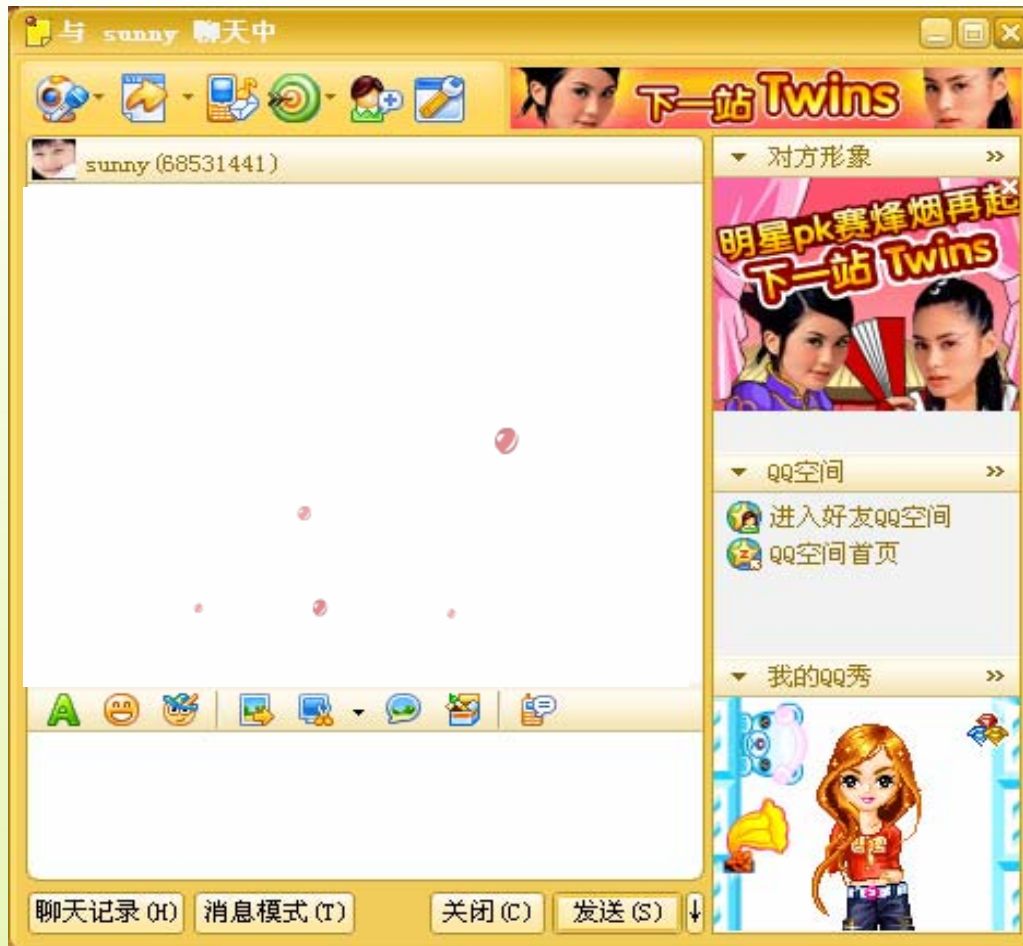


# Integrated marketing strategy

Take QQ Show as core project, launch in-depth cooperation

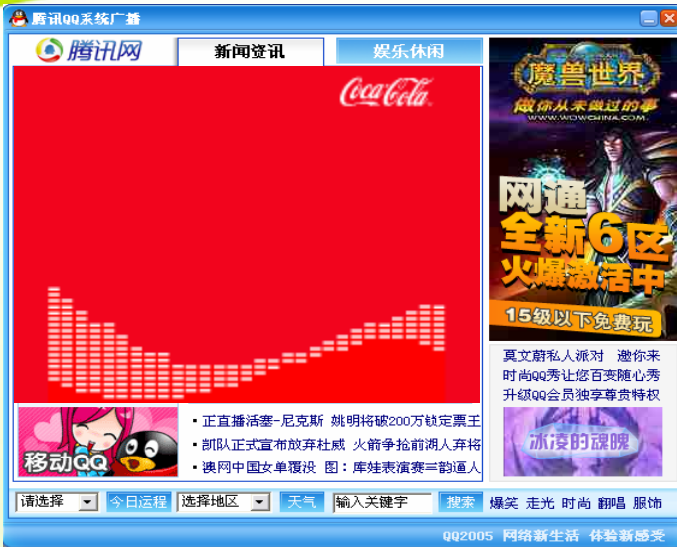


# Face downloads achieved words-to-mouth marketing efficiency



Between 16 and 26 Jan 2006, the 3 Coca-Cola magic faces have been used 9.34 million times. Letting the users choose QQ faces achieved words-of-mouth marketing efficiency

# Product placement marketing



2 million clicks within 2 days



QQ skin has been downloaded for 4.3 million times by Apr 2006

# Integrate online and offline resources

**喝[可口可乐], 赢取 iCoke 积分!**

**兑换 酷炫 3DQQ秀物品, 与QQ空间iCoke明星物品!**

**现在就兑换**

- ▶▶ 现在就加入iCoke, 赢取积分!
- ▶▶ 什么是3DQQ秀?
- ▶▶ 什么是QQ空间?
- ▶▶ 什么是iCoke积分?



Get free iCoke points by buying Coca-Cola, the points can buy 3D show in online store. This activity increased sales directly.



# Coca-Cola Web2.0 marketing succeeded



- Impression of brand is over a billion times
- Covered over 200 million users and each user is contacted more than 5 times on average
- Attracted over 5 million users to exchange 3D show. Suppose one 3D show needs 5 bottles of Coca-cola, and 20% of the users exchanged 3D show, the activity contributes 125 million RMB
- Attracted over 10 million new QQ users

# Community marketing



Online game has similar elements as real community. Part of real activities can be put in online games to enhance its community marketing potential

User can choose items with ads that they like, eliminating compulsion



Achieve marketing goal without disturbing users

拍客：擅长用镜头捕捉精彩的高手，热衷用视频讲述故事的达人、喜爱用影像记录生活的有心人

**优酷拍客** 享受生活，想拍就拍  
优酷拍客与你同在  
6月拍客行动全回顾

你 我 他

优酷拍客赏金行动之6月获奖作品 拍客的真情力作荣登优酷网头条，他们同时也获得了丰厚的现金大奖



**绿光般的大妈**  
拍客：yupf

获奖理由：是非对错，拍了再说！视频里有公道，镜头里见人心。



**刘德华咋又死**  
拍客：爱若干

获奖理由：用心发现就会有惊奇，生活好比莱坞大片还精彩。



**写你所想**  
拍客：不哼

获奖理由：创意自拍，把视频玩成游戏。别玩网游了，上优酷吧。



**身边故事铁骑MV**  
拍客：xiejiaying

获奖理由：进入别人的世界，体会全新生活，俺们小日子用视频过。



**湖南永州特大洪水纪实**  
拍客：lubrother

获奖理由：有情况有拍客，第一时间进现场，拍客让我们看真世界。



**写你所想2父爱如山**  
拍客：猪不哼

获奖理由：感谢温馨的创意，让害羞的人们有了表达内心世界的机会。



**喝多了的校长做嘉宾介绍**  
拍客：allen

获奖理由：颇具“冯氏”风格的搞笑视频。



**被害车主街头声讨雪佛兰**  
拍客：在海中游击

获奖理由：关心社会现象，给需要帮助的人出把力。

**优酷小编寄语：**

自优酷拍客开始行动至今已一月有余，每日皆有无数拍客热心参与上传。拍客们为与网友同乐乐而付出无限真情与汗水，此情此景为优酷网人所大感。优酷网在为拍客起立鼓掌同时奉上现金大奖以资鼓励，感谢广大网友对优酷拍客的热情与支持，谢谢！

**赢取现金大奖  
上传拍客视频**

Encourage more people to make videos and be "podcaster".  
Activities like make videos, upload videos and vote by users  
accelerate the development of video marketing

# Word-of-Mouth Marketing in China

The screenshot shows the Bolaa website interface for a wine promotion activity. At the top, there is a navigation bar with links: 活动首页, 活动介绍, 报名参加, 奖项设置, 作品展示, 获奖名单, and 活动客服. The main content area features a banner for 'Guoyi Wine' (国邑) with a bottle and a background image of the Colosseum. Text on the banner includes '罗马殿堂' (Roman Colosseum) and '—见证意大利品质的坐标' (Witnessing the coordinates of Italian quality). Below the banner, there is a section titled '结缘博友，共赏美酒' (Connect with bloggers, enjoy wine together) and '—五粮液国邑干红浪漫体验' (—Wuliangye Guoyi Dry Red Wine Romantic Experience). A '投稿参加' (Submit to participate) button is visible. Below this, there is a '视频欣赏' (Video欣赏) section. At the bottom, there is a footer with the Bolaa logo and '五粮液葡萄酒有限责任公司' (Wuliangye Wine Co., Ltd.), along with a search bar and a '搜索' (Search) button. The bottom section of the page is divided into three columns: '本期体验产品' (This period's experience product) showing a bottle and box, '最新推荐' (Latest recommendations) featuring a post titled 'NO.1 “心”，今夜你还好吗？' (NO.1 "Heart", are you still okay tonight?), and '博客人气榜' (Blogger popularity chart) listing six items with their respective vote counts.

公告:

亲爱的博客朋友们： 经过1个月的博客角逐，五粮液国邑干红浪漫体验活动于3月31日正式落下帷幕，评委综合博文文章质量、主题创意、评论回复情况、博客点击量，投票数等多项指标对博文进行了认真评定，获奖名单已经公布！感谢大家的热情参与！名单地址为：  
<http://www5.bolaa.com/wiseact/hj.htm> 请获奖的博客速与我们联系。

结缘博友，共赏美酒  
—五粮液国邑干红浪漫体验

百年红酒，是一种艺术，是文化凝聚，是经典体现，是高雅格调……让我们在红酒生活中享受人生，品味一种缘、一份真；体味生命的美丽、精彩……一杯红酒让自己仿佛置身于远离城市喧嚣的地方；一杯红酒让我们分享亲朋好友们齐聚身边的无忧欢愉，甚至还有那份飘洋过海的“缘”徜徉于心。是的！恰似缘分，我们有幸共同体验这杯“源自欧洲 缘在中国”的五粮液国邑美酒！

查看详情...

主办单位 五粮液葡萄酒有限责任公司 Bolaa.COM 全球最大的博客传播平台

作者 文章 搜索

本期体验产品

最新推荐

NO.1 “心”，今夜你还好吗？

本文系作者原创作品，是作者本人亲身经历的文章在现，主要讲述了：主人公男女因网络而结为朋友，在到后来的网恋、分手。四年后的一场相遇所带来的那一场“风花雪夜”的幸福生活。 [阅读全文](#)

金洋 发表于 2007-3-28 12:00:09

0 投他一票

博客人气榜:

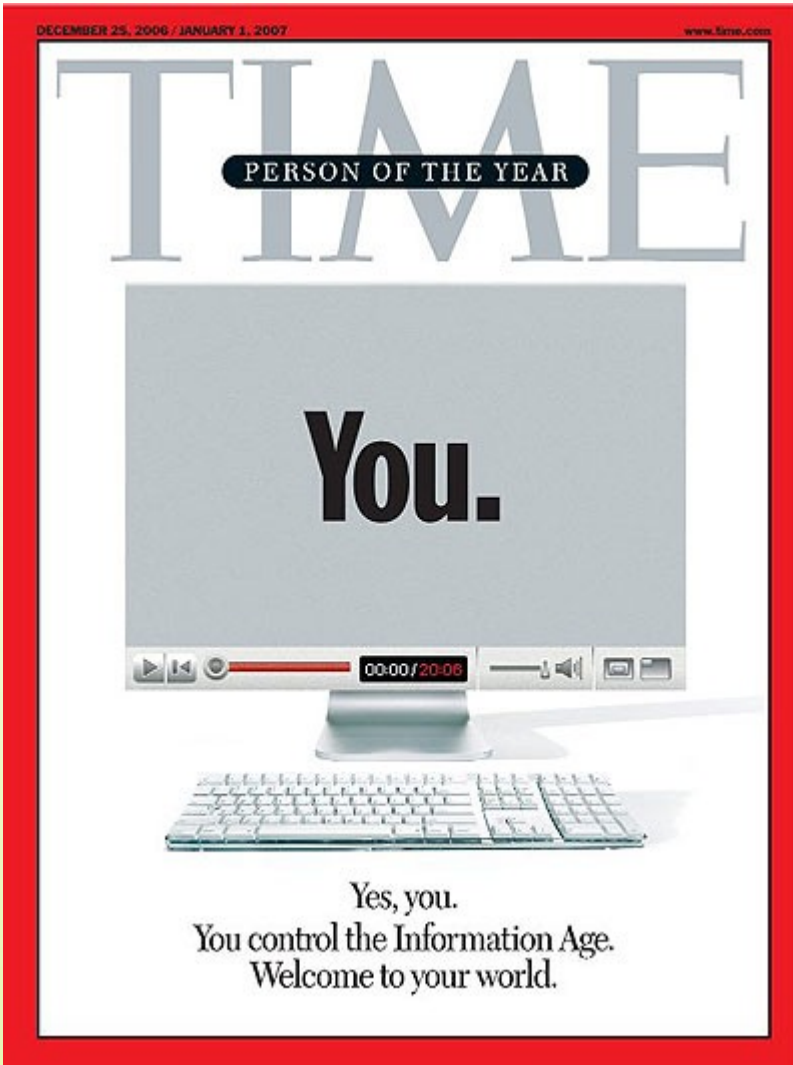
1 美酒比美女更醉人	55569票
2 不醉春节醉情人节	44428票
3 今年过年喝红酒	39712票
4 爱上国邑干红	31441票
5 女人如酒须细品	12607票
6 醉美的烟花	11371票

Case: Word-of-mouth marketing of a wine brand.

Effect: Customers know Guoyi wine quickly and are inspired with purchase desire.

The activity has been held twice by now and the effect has been confirmed.

# It's an era of "you"



- It's an era of "you", a marketing era that considers what customers think
- Web2.0 marketing is the main direction for realizing customized and directed marketing
- Marketing is developing. Web 2.0 marketing is not the end, it will develop as time goes by



Thanks

Henry Yang

Get PPT:

[Henry@iresearch.com.cn](mailto:Henry@iresearch.com.cn)