

# Dominique Vidal

Regional Vice-President, Managing Director  
Yahoo! Europe





YAHOO!®

# Agenda

What is Yahoo!?

The Consumer: Users and Usage

Online Advertising Trends

What Does All This Mean?



# What is Yahoo!?

**Largest global Internet network**

**429 million unique users**

**201 million active registered users**



# What is Yahoo!?

**Most engaged user base**

**#1 portal in average time spent per user globally**



# What is Yahoo!?

**Most active audience**

**90 million Yahoo! Groups members**

**2 billion images on Yahoo! Photos**

**6 billion ratings in Yahoo! Music**

**1.6 billion game minutes per month**

**2 billion email & IM messages sent per day**

# Broadening Usage

UK Internet Penetration of Population by Age Group

1999

2006

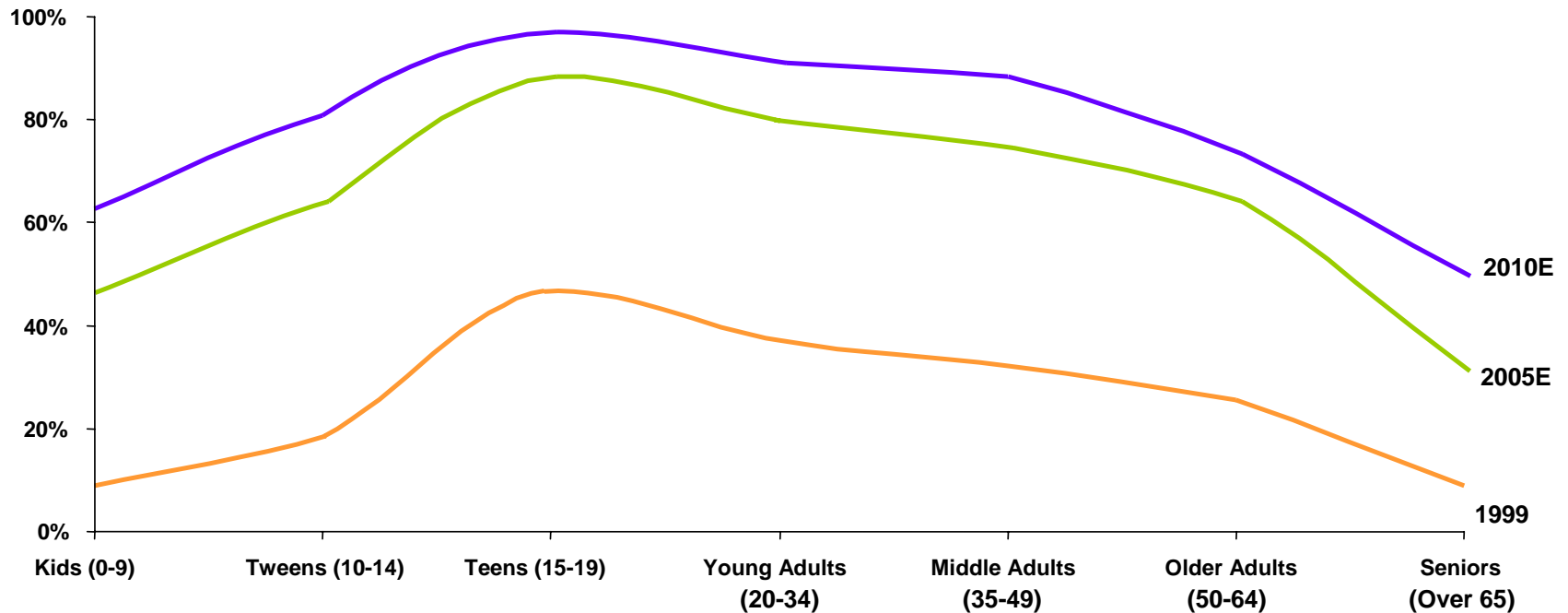
2010

**27%**

**66%**

**74%**

Forrester Research (January 2005)



## Same Trend, Faster Pace

Three distinct phases of  
consumer technology adoption

Ramping, rapid, steady

US cable & PC user penetration  
leveled off after reaching the  
60-70% threshold

Similar to where the Internet is  
in the UK today



## Same Trend, Faster Pace

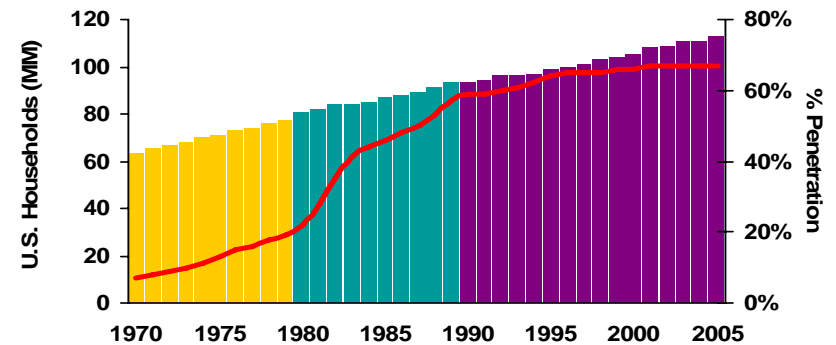
Early Adopters

Mainstream Acceptance

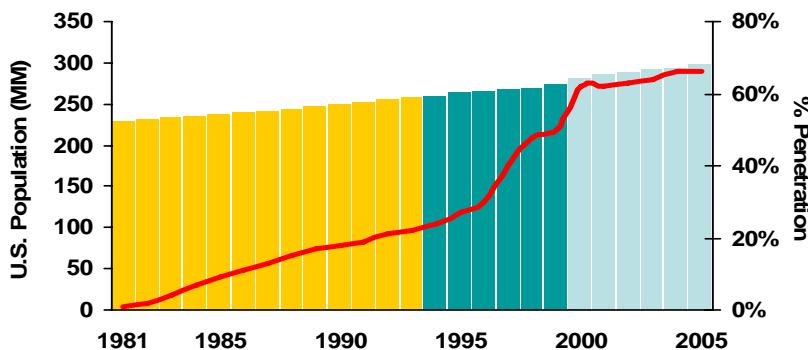
Deeper Engagement

% Penetration

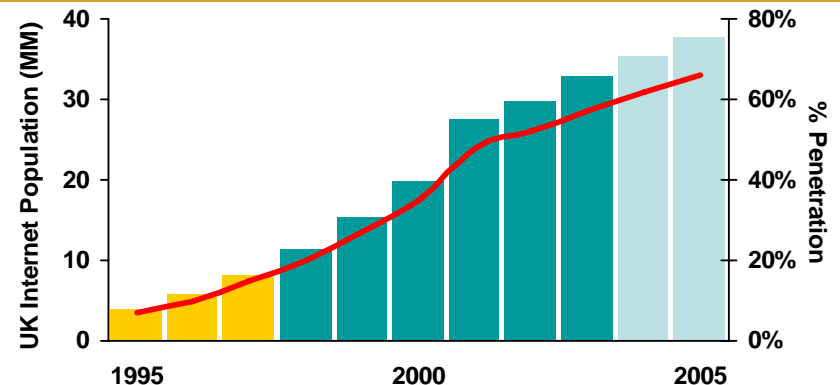
US Cable Subscriber Presentation



US PC User Penetration



UK Internet User Penetration





Broadband = Deeper Engagement

**Broadband now 22.5% of the world's 1 billion internet users**

**Certain key markets at an inflection point**

**Inflection point reached in 2000 in Korea, 2003 in Japan and 2005 in the US & UK**

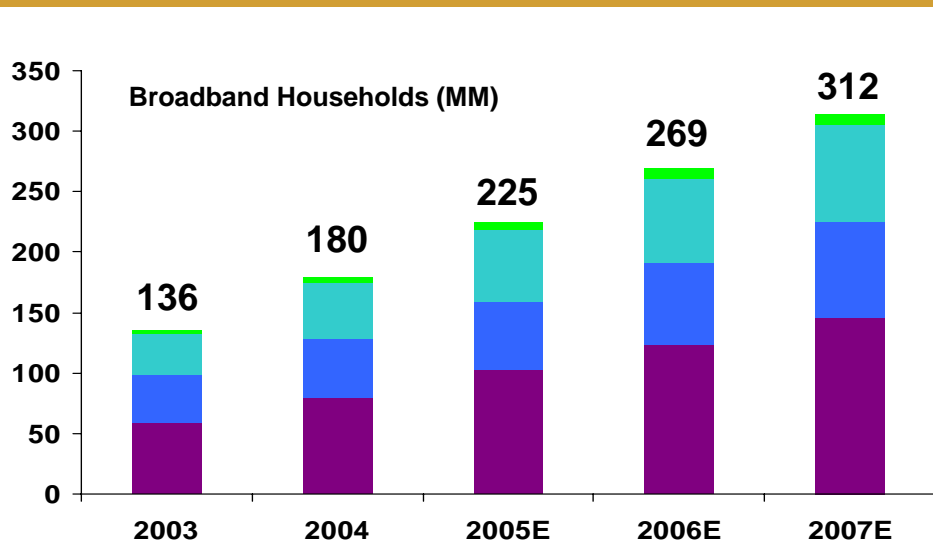
## Broadband = Deeper Engagement

**“Always on” feature, faster speeds and high user satisfaction drive increased usage of essential services**

**Broadband users consume more services – spend 2.6x more time and consume 3.2x page views**

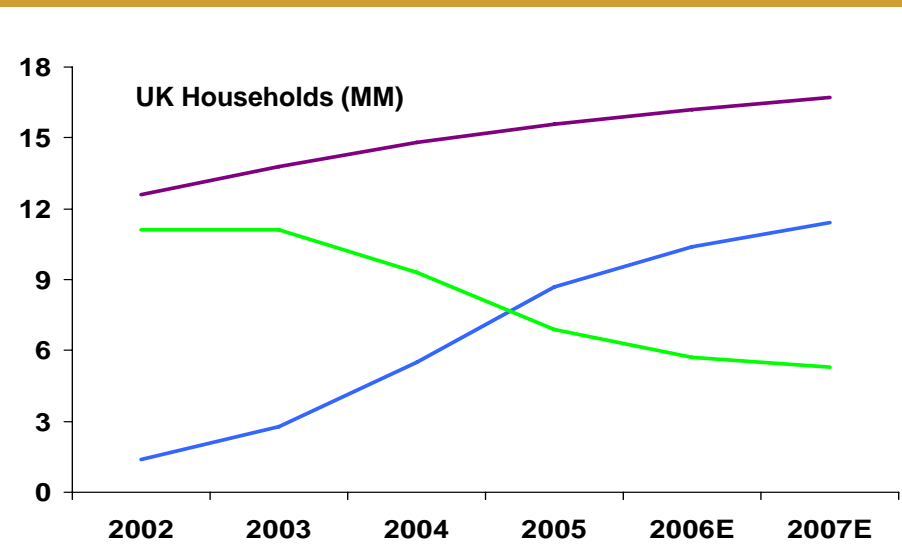
# Broadband = Deeper Engagement

## Worldwide Broadband Households

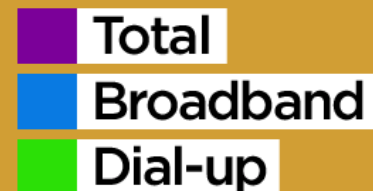


eMarketer (May 2005)

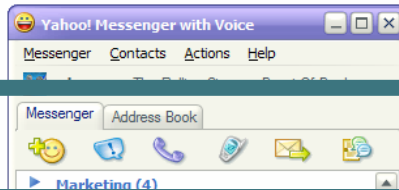
## UK Dial-up and Broadband Households



Forrester Research (May/December 2005)

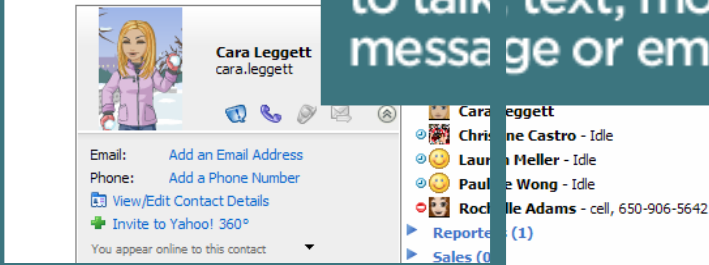


## Engaging Products



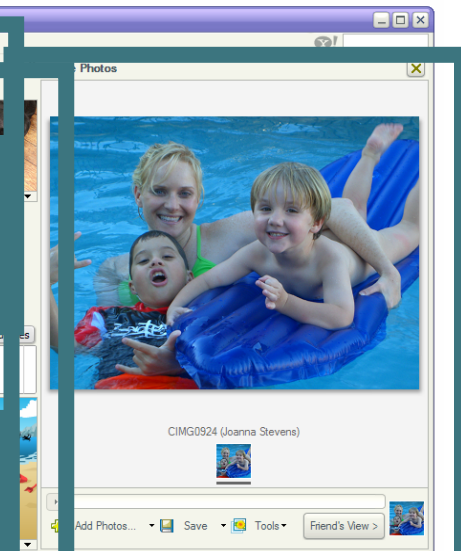
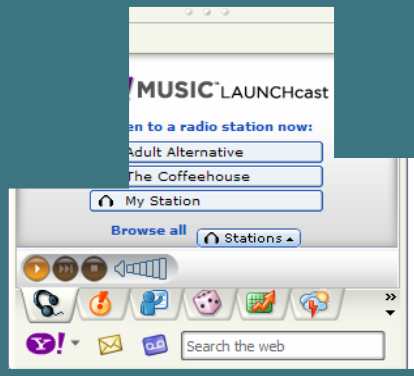
One click access to instant text, mobile message or email

Personalized Avatars and display images



Integrated with Yahoo! 360 community

Compare music tastes, search, play games while you talk



Drag and drop photo sharing



## A Narrowing Gap

Internet represents 17% of media usage in the UK, but online advertising represents only approximately 7% of 2005 total media spend

It's consistent with global trends

But the gap is narrowing

A woman with dark hair, wearing a red and white tank top, is lifting two dumbbells in a gym setting. She is looking towards the camera with a focused expression. The background shows gym equipment and a blue bench.

YAHOO!

## Strong Online Growth

Total advertising market growth in the UK in 2005 was 2.5%

Online advertising outstripped total advertising growth by 25x



YAHOO!

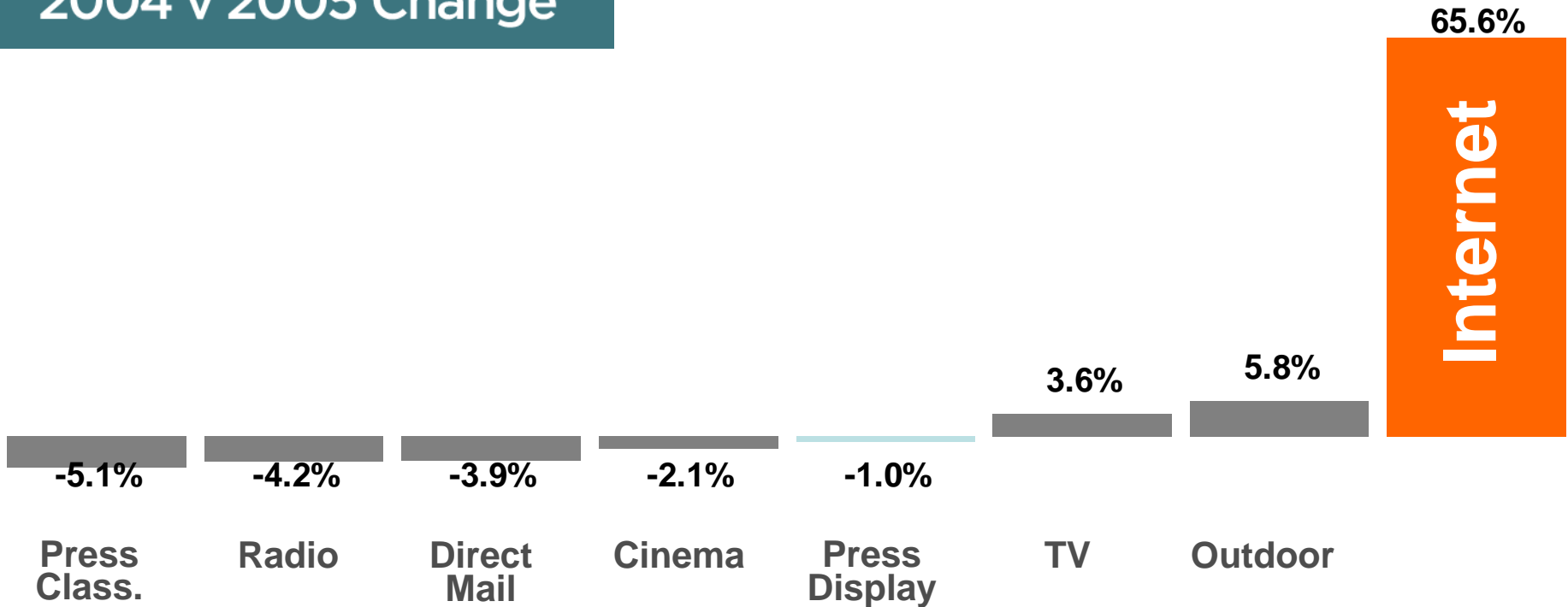
# Strong Online Growth

UK 2005 Online Ad Spend

£1,366.4m

PricewaterhouseCoopers, IAB (2005)

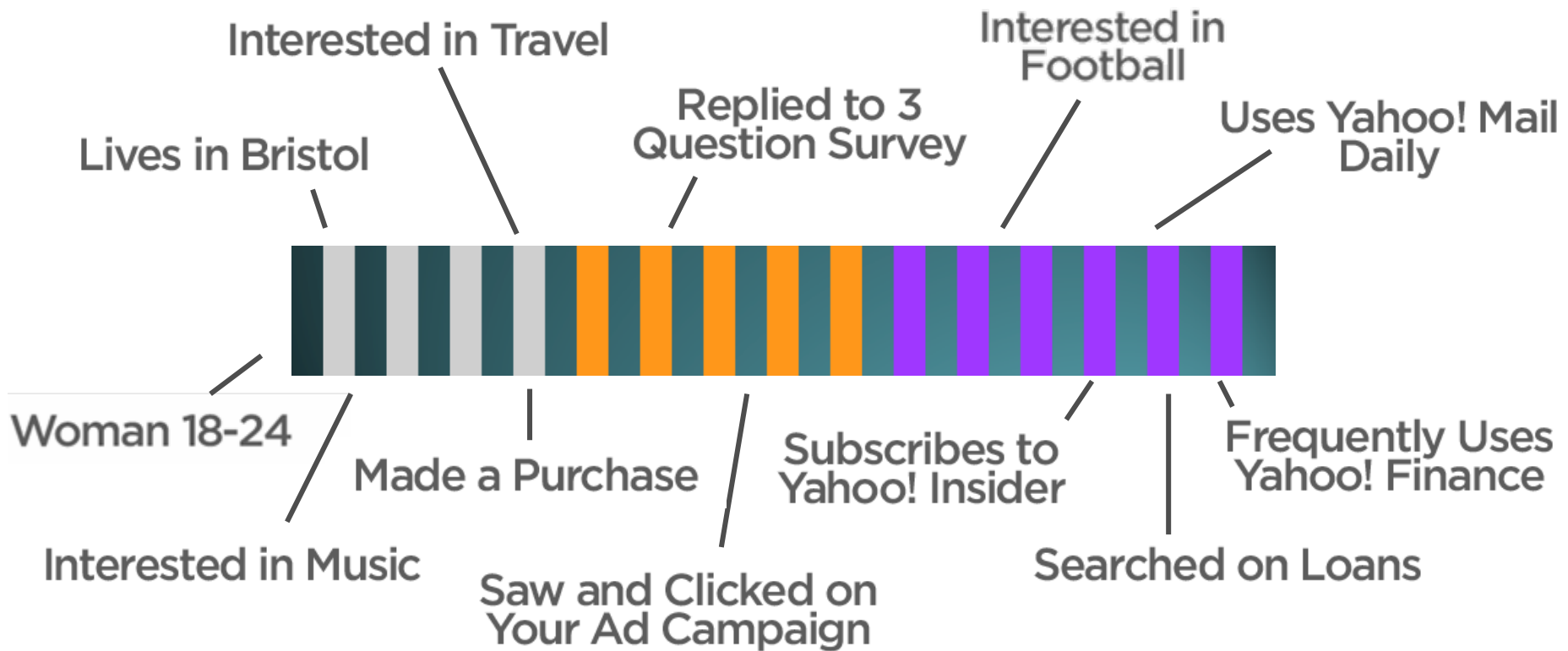
2004 v 2005 Change





# Behavioural Targeting

Understanding Internet User DNA



Demographic

Behavioural

Campaign

# Behavior A Case Study

## Targeting Car Purchase Intenders

1. Identify relevant actions that indicate buying intent and aggregate them on a user basis

2. Compute a 'purchase intent' for each user

3. Segment results by score to identify top prospects

### YAHOO! CARS UK & IRELAND

Browse specs      Loan calculator  
Compare cars      Configure & price

### YAHOO! SEARCH UK & IRELAND

Car manufacturers      Car dealers  
Car buying guides

### YAHOO! LOCAL UK & IRELAND

Local dealer lookups

## A Case Study

What Can We Do With This Data?

Using rich click stream data on Yahoo!, we can identify those shopping in a category

In this study we saw:

70% identified 'in the market' to purchase within 3 months

24% said they actually purchased within a month

10x more likely to get a quote

# Behavior A Case Study

## DEMOGRAPHICS

Age

Gender

Geography

Occupation

Income

## BEHAVIOURAL

Fusion

Impulse

BT2

## CLIENT DATA

TEMPORAL

TECHNO/WEB

## INTERESTS

Declared

Inferred

## ATTITUDINAL

3RD PARTY DATA

MODELLED DATA

CAMPAIGN RESPONSE

SEARCH INTERESTS

SHOPPING RESEARCH

**User data  
at Yahoo!  
today**

## Key Takeaways

**The last 10 years have been about a massive change in how users get information and communicate**

**The first 10 years of the commercialization of the Internet were about breadth of usage or driving total users, the next 10 years will be about depth**



# Key Takeaways

**User experience is getting better due to:**

**More experience and feedback about how consumers use the Internet**

**Faster speeds, always on, accessibility, and improved power of random access**

**Better product integration of key sources of value like community and personalization**

## Key Takeaways

**Advertising follows engagement, implying some of the most exciting growth is still ahead**

**The Internet offers both mass reach, and the unique ability to target very precisely, creating more relevance for consumers and advertisers**



## What Does It All Mean?

If it was your first day in the advertising industry...

What questions would you ask?

Which mediums would be important to your audience and therefore to you?

Where would you find your consumers?

What approaches would you take to connect the right audience with the right message?

## What Can You Do?

**Embrace this change and encourage a culture of innovation throughout your organisation**

**Do not let current media planning structures impede the adoption of the Internet**

**Reward risk-taking within your organisation and your agencies**

**Hold us accountable to bring you real insight and learning**

# Dominique Vidal

Regional Vice-President, Managing Director  
Yahoo! Europe

