

Research on Mode and Tendency of Web2.0-based Online Advertising

Fu Dan^a, Liao Bingyi^{b,*}

^aSchool of Humanities, Huazhong University of Science and Technology, Wuhan 430074, China

^bSchool of Journalism and Communication, Wuhan University, Wuhan 430072, China

Abstract. This paper focuses on the differences of marketing environment in the context of new network technology, and the changes of online advertising marketing mode under the different marketing environment. The authors propose the trends of online advertising in the age of Web2.0, which are the accurate marketing, viral marketing, word of mouth marketing in the internet community and database marketing of online advertising.

Keywords: Web2.0; Online advertising; Advertising; Marketing mode; E-business

1. Introduction

With the development of internet, it has brought many changes in marketing environment and online advertising mode. In the age of Web2.0, online advertising becomes an important channel of business information. The lives of consumers are linked more and more closely with online advertising. This paper focuses on mode and tendency of Web2.0-based online advertising.

2. Marketing environment in the context of new network technology

2.1. Marketing environment in portal era

The earliest form of internet was the portal, which attracted users to browse with rich contents. Meanwhile, they increased users' stickiness with BBS forums, communities, e-mail and other services. Domestic major portals are such as Yahoo, Sina, Sohu, Netease, etc. Ads are their main resource of profits. The portals mainly provide banner ads, flash ads and other forms of advertising.

The portals provide different services, which are summarized as the following phases. Phase 1: Search service stage. At this stage the internet was just emerging. The portals mainly provided services of search and internet access, and guided users to use internet information resources. Phase 2: Content service stage. At this stage, the internet was focused on information contents to attract users' attention and improve website traffic, and got profits by online advertising. But the mode of profits was so simple that the portals were difficult to bear market risk. Phase 3: Diverse service stage. With the development of internet technology, the internet users' requirements became more diverse. The portals began to offer online games, e-commerce, communities and other diverse services. ^[1]

Large portals couldn't consider all aspects due to their large-scale structure. Then vertical portals arose, which were focused on certain industry information. Specific information and groups were convenient to deliver relevant ads.

2.2. Marketing environment in search engine era

* Corresponding author. Tel.: +86-027-15327312630.
E-mail address: byliao2000@126.com.

With the explosive growth of internet information, users were difficult to adapt. They hoped to obtain useful information very much.

Search engine with a simple page had an input window to search information what users required. Because of its friendly interface and convenient operation, search engine was rapidly popular. With the increasing information requirements and popularity of Web2.0 network, search engine established Q&A platform, which allowed users to give a reliable answer, such as “Know” of Baidu, “Ask” of Soso, etc. Baidu’s bid ranking and Google’s AdWords are new advertising modes.

2.3. Marketing environment in web2.0 era

The concept of Web2.0 was proposed firstly by Tim O’Reilly who was the president and CEO of O’Reilly media company in 2001. And then Web2.0 technology quickly flourished in the world.^[2] Web2.0 has changed the ideas and practices of internet. Web2.0 network was no longer one-way output information to users, but it allowed users to contribute their wisdom. Compared with traditional Web1.0 portals, Web2.0 had better interaction and polymerization. The development power of Web2.0 was that individuals can participate in the production and communication of information to fully explore everyone’s potentiality for creation and contribution.^[3]

In Web2.0 era, users prefer to Instant Messenger, Blog, SNS, micro blog, etc. And users’ links are unprecedentedly strengthened. Everyone’s dynamic information will be infinitely magnified, and each of hot news will spread rapidly. At same time, everyone can speak in the network to cause others’ concern and even to manufacture popularity. Every day, users deal with lots of information input and output. They tend to manage information. The most representative Web2.0 technologies are RSS subscriber and unified management of E-mail. This will save time and eliminate information interference when users switch between web pages.

3. Changes of online advertising marketing mode

3.1. Up-down mode of advertising marketing

Up-down mode ads are such as banner ads, pop-up ads, rich-media ads, etc., whose effects are mainly depended on website traffic.

With the explosion of information, users paid more attention to selection of information. Internet users were good at driving straightly into the forum to search information. Static banner ads were virtually ignored by users, and their click rates dropped. Websites tried to attract users’ attention with rich-media ads and dynamic pop-up ads, but it had not much effects. After a period of dynamic ads appearing, users began to adapt, whose eyes would automatically ignore useless information. Dynamic ads failed to attract the clicks, and more and more pop-up ads were also considered as a disturbance to users.

Naturally users don’t like ads, especially when they have no purchase requirements. In contrast, websites naturally like ads, and wish large amount of people accepting advertising, because ads are in the larger proportion of their income. This is a contradiction. From the perspective of websites, they constantly probe users’ tolerance degree to ads. Internet users are increasingly offensive to intrusive advertising. According to 25rd China Internet Development Statistics Report, 14.3% of the users disliked the pop-up ads, only after network viruses and network intrusions.^[4]Users are completely passive to browse with ads. This is traditional up-down online advertising mode.

3.2. Down-up mode of advertising marketing

Because more advanced intercepting tools emerged, the effects of online advertising of up-down mode dropped. To break the up-down advertising mode that users were passive recipients of advertising, websites focused on the customers, and provided users with relevant ads to improve the accuracy of advertising, and made advertising more easily accepted by users. Large websites would establish users’ databases based on their registration information, and then sent relevant ads to their E-mail. For example, according to the information which users registered, searched, scanned and spoke, the websites could determine users’ consumer preference and spending power. And then they would release specific ads to individuals. The main

forms were such as E-mail ads and keywords ads, PPC ads, narrow divisions, points report, etc. The core principle was more accurately close to the customers, which would increase ROI.

Search engine provided a solution for the rapid development of massive information. For example, Google created Adword that the ads which were related to keywords would be displayed in the right of search results. It could catch their attention immediately to achieve better advertising effects when users just had the requirements.

In fact, search engine provided ordered information for users to make information easier to find and disseminate. Through users' records they searched for, Websites provided relevant ads from the point of users' information requirement. Database and search engine improved users' efficiency to look for information. This is down-up mode of online advertising.

3.3. Down-down mode of advertising marketing

Search engine used powerful database and search technology to provide information what users needed, and achieved effective advertising delivery. But it was still an up-down relationship between advertising with audience. In Web2.0 era, the voices of internet users are burgeoning. Internet users are no longer unilateral to receive information, but also they become information producers. Some of elite blogs are even more influential than large portals. The Dissemination of information has become more free and equal. Internet users start to use the integrated management approach to deal with information. The information flows among of internet users, rather than from websites to users.

There is a huge information platform among of internet users, and it forms a down-down mode of advertising marketing, such as viral video ads, Google AdSense, social ads and so on. Viral video ads are to place products or brands into video, which usually contains popular elements or funny pictures to encourage users to spread spontaneously after viewing. These video ads are so hidden that users won't dislike them. Google AdSense is to use the personal web page to put out ads. User's personal web page is used as a platform to put out relevant advertising with web contents, and it pays per click. Google as the agent for enterprises and personal webs builds the bridge, and charges from this. Google AdSense is a way of ordering advertising information. To make ads appear next to relevant search results, we will make sure that people seeing ads are who needs it. Ads that are relevant with content make users more easily find what they need. SNS websites such as Facebook are developing rapidly. The rapid growth of users and strong adhesive for users produce a great advertising platform. SNS is the collection of real-time chat, forums, communities, etc. And it's most important that the social network strengthens human relationship, and interlocking relationship networks among of users are formed. For example, Facebook builds up recommended sharing mechanism among of users, and in the same network of relationship the users are familiar with each other, so that recommendation and sharing are more accurate than the search for matching. In this mechanism recommender will get rewards, while the consumers get trading information. Meanwhile, the websites get popularity and profits. With the continuous development of web2.0, the down-down mode of online advertising will be more and more.

4. Tendency of online advertising in the age of web2.0

4.1. Accurate marketing of online advertising

To make online advertising reach the target customers more accurately, the websites make use of database to classify ads in order to ensure more effective dissemination. The feedback function of search engine is needed to find customer more quickly. Ads are placed next to the relevant information, so that websites can establish communication channels with the users who need the information. After commercial ads have reached their target consumers, websites should provide complete information including of details for products and services, consumer buying process and after-sales service, because the effective information is the most valuable content in network information.

For example, the information about users watching the videos on Youtube, purchasing the types of products on Taobao, and being concerned about the news will be analyzed by advertising agencies to accurately locate the consumers. Douban Online recommends the same type of films that users may be interest in by analyzing what they have seen. Amazon recommends books to target customers which they may be interested in. It is based on understanding customer preferences. When ads have been changed into

customized information specifically for the customers, commercial information won't be boycotted, but be more easily accepted.

4.2. Viral marketing of online advertising

In Web2.0 era, products and services must be a unique, personal experience, which brings the customers unique value. Consumers become increasingly sophisticated. When they see a message, the first thing is not to believe but to verify. Therefore, simple information of online advertising is difficult to win consumers' trust. On the contrary, enterprises build up an internet topic community, and plan various events and activities to simulate consumers to participate in, which can make brand messages more deeply influence consumers and build the emotional connection with them.

Brand ads emphasize the image of brand, which require wider and longer communication, and are impressed deeply by consumers. The production of brand ads will be rigorous, which must fully reflect brand philosophy and values. Advertising audiences are not only impressed on the brand ads, but also feel brand's excellent philosophy and spread it. The viral video is a most prosperous way of brand advertising in internet communication. Even the major portal Yahoo spared no expense to invite famous directors and actors to create series ads of viral videos. The operation mode of viral video is that if ads successfully reach the "susceptible user", the user will be "infected" to register an account, and then continue to "infect" other "susceptible user". Theoretically, as long as each one is "infected" and sends an e-mail to more than one friend, the transmission mechanism will not stop until all "susceptible users" have received this message. As for the production style, "viral videos" are usually very humorous. In addition to some wonderful original screenplay, there are a large number of "adaptation" works, including of jokingly imitating famous videos and ingeniously adapting video works.

4.3. Word of mouth marketing of online advertising

In Web2.0 environment, internet users don't exist as separate individual but as a group in the community who has a variety of tastes and habits. Target audiences of online advertising are in the community. Each of these communities has its own focus group to discuss the topic. There are opinion leaders and general audiences. In the community, opinion leaders and general audiences are not fixed because each one in the community can use a variety of Web2.0 application technologies to know well about the focus topic of discussion and become experts in this area.^[5]

People usually have some idols. These idols often guide behaviors of a group, which is called reference group. In Web2.0 environment, the reference group is the internet community. Enterprises give a suggestion about a topic what customers concern and discuss in the community, so that it may be mainstream opinions.

In addition to reference groups having a strong influence on customers, the opinion leaders also play an important role. In Web2.0 sites, "ordinary person" is usually "expert" in certain aspects. These "experts" don't have higher education and power, but they are interested in a particular area and take more attention to it. The comments in the community are not due to economic interests, but for sense of community. These comments will affect other customers' decision in the community. Meanwhile, these comments will also be quoted to other communities, which will result in greater effects. Therefore, enterprises must identify these opinion leaders, invite them to use products, and then encourage them to recommend product information to other customers.

4.4. Database marketing of online advertising

According to Dentsu's latest research, the traditional marketing rule AIDMA (Attention-Interest-Desire-Memory-Action) is gradually replaced by the new marketing rule AISAS (Attention-Interest-Search-Action-Share). In the new marketing rule, there are two new characteristics—"Search" and "Share". In Web2.0 era, infinitely rich information provides the possibility for eliminating information asymmetry between consumers and enterprises. But consumers face with another dilemma, which is how to search for useful information in the massive internet information.

Advertising database is an important form of online advertising in Web2.0 era. The advertising database is not a simply collection with commercial ads, but integration and aggregation of all the business information about supply and demand.^[6] Advertising database is information distribution center of the products, where the

enterprises release product information, and consumers release comment information. Consumers can obtain the most valuable information by the use of specialized software. Advertisement database is also an important platform for enterprise marketing with the integration of information flow and logistics. Consumers can directly purchase the favorite products in the advertising database.

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