



Key Trends in Performance Marketing

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- ❖ SinoTech Group at A Glance
- ❖ Redefining Online Performance Marketing
- ❖ Trends: What's behind the current explosion of performance-based marketing?
- ❖ The future of performance-based marketing
- ❖ Does the industry believe in it?
- ❖ What do the trends mean for advertisers? Agencies? Publishers?
- ❖ Summary
- ❖ Questions & Answers?

- ❖ Established: April, 2007
- ❖ Privately-held, offices in Beijing, Shanghai and Hong Kong
- ❖ Market Position: A global online marketing leader with a focus on performance-based marketing
- ❖ Expertise: Strategic digital marketing channels integration

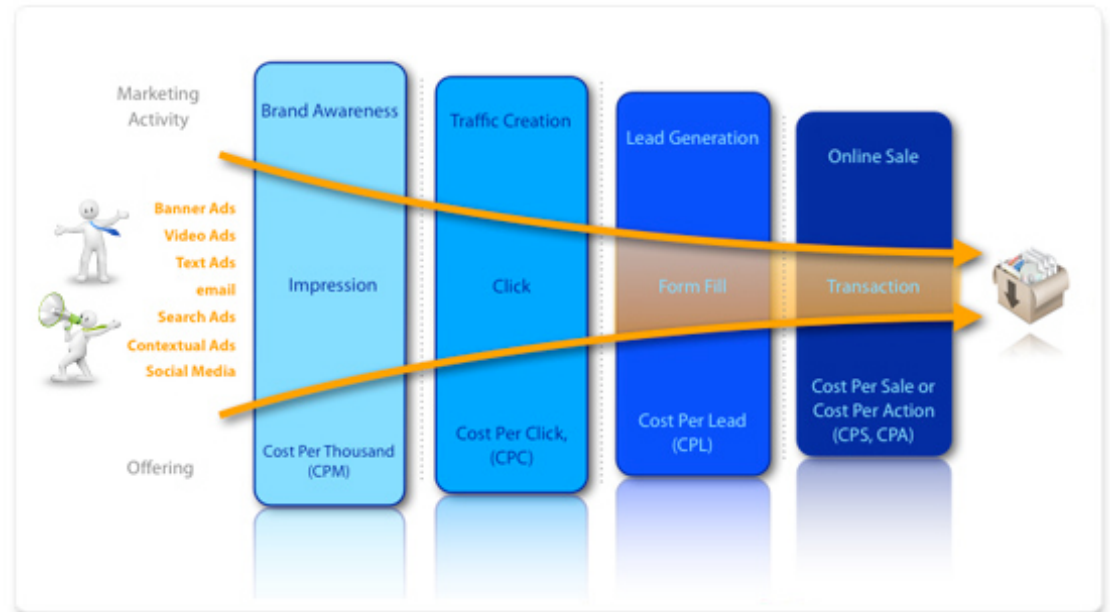
Key Clients



Redefining Performance Marketing

In China, Performance Marketing has been used to describe “Ad Unions” or even “Search Marketing”. BUT.... This is not true *Performance Marketing*

Performance Marketing in our terms is a process of *collaborative customer engagement* that leverages customized, digital programs across *multiple online channels* that deliver measurable results.



- ❖ We define “Performance Marketing”, or performance-based online advertising, to be far broader than simply the CPA or Cost Per Acquisition model.
- ❖ CPA is a subset of Performance Marketing, which is a much broader category of advertising.
- ❖ In fact, we believe all online advertising is performance-based.
- ❖ In our definition, Performance Marketing encompasses:
 - Data-driven brand awareness effectiveness
 - Brand-influenced customer acquisition
 - Pure customer acquisition (which will nonetheless contain elements of brand-utilization and, even, brand-building)
- ❖ Performance Marketing really is a full spectrum of online advertising services that all create demonstrable return.

Trends: The Explosion of Performance Marketing

- ❖ There is a sea change occurring in the broader traditional advertising industry.
 - Advertising in traditional media (print, radio, newspapers, TV) is on the decline.
 - Audiences are shrinking in traditional channels and becoming more and more fragmented (i.e. tougher to reach and KNOW you have reached your audience)
- ❖ The online channel is relatively healthy.
 - Online usage at an all-time high.
 - Surfing speeds at an all-time high.
 - Technology has advanced making targeting and reporting simple
- ❖ In general, online marketing is stable to growing due to its inherent quality of measurability.
 - Not “recession-proof”, but more recession-resistant than traditional media that is not measurable
- ❖ Online Performance-based marketing, whether via search, display, email, social media, appeals to a much larger set of advertisers than in the past several years.
 - Education has increased
 - Advertisers understand they can get branding benefits in addition to just thinking of the online medium as a DR-engine

What does this mean for the near future in performance marketing?

- ❖ The future for all advertising industries is understandably uncertain.
- ❖ In online marketing, and performance marketing in particular, there is reason to be optimistic.
- ❖ There has never before been a time more appropriate for performance marketing to continue to rise to prominence in every marketer's budget.
- ❖ A cost-effective solution is needed – and is here – right now. Now, more broadly, advertisers are taking notice.



So, does the industry believe all the hype?

- ❖ They are starting to!
- ❖ A study to hundreds of traditional and online professionals shows the following statistics:
 - 96% of respondents think there is a shift of marketing dollars occurring in 2009 towards online channels and away from traditional channels.
 - 63% think the shift of marketing dollars will occur more rapidly in 2010 and beyond.
 - 44% think online advertising spend will ultimately surpass spending on all other ad platforms.
 - An additional 43% think online ad spending will surpass all other platforms except TV.
 - 90% saw CPA as thriving even more in the future.



What do the trends mean for all parties involved?

- ❖ In a word: Opportunity!
- ❖ Advertisers and Agencies are going to need to get more creative and diversify their efforts.
- ❖ Ad Networks will need to hone their targeting to better leverage their reach & scale.
- ❖ Publishers and affiliates will need to continue to utilize advertising networks as a tool for success and to become more educated on the needs and goals of advertisers.

What should we all be focusing on?

- ❖ Compliance and Marketing Integrity
 - Will attract more large advertisers and more \$
- ❖ Technology and Targeting
 - Will provide better ROI for advertisers on their \$ spent
- ❖ Education
 - Need to continue to talk and educate the entire online ecosystem on the merits of performance-based marketing

- ❖ Online Performance Marketing is much broader than what most of us actually believe.
- ❖ Performance Marketing is on the rise because of its inherent qualities for advertisers and the measurability of spend versus ROI, especially advantageous in a poor economy.
- ❖ More and more advertisers are taking notice and becoming more educated.
- ❖ There is plenty of opportunity for affiliates and publishers as more advertisers move online and adopt performance-based marketing.
- ❖ The industry absolutely has to focus on marketing compliance, technology and further education across the growing marketplace.



Thank You

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