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Performance Marketing



May 2010

Dear Reader,



Welcome to *Performance Marketing*, the monthly newsletter for online marketers looking for results.

Knowing where your prospects are, what sites they visit, and how they behave is paying off for online marketers. Behavioral targeting – and retargeting -- are hot because when you give consumers more relevant messaging and content, you get better results and make them more receptive to being shown advertising. According to a recent survey, behaviorally targeted ads yield **twice** the revenue and **twice** the conversions of untargeted ads.

Kelly Reilly, LSFinteractive Media Director, said, "Behavioral targeting extends your reach and is one of the best ways to use display to create cost efficiencies." Read this issue for how to leverage [behavioral targeting](#) in your industry.

All the best,
Daniel Laury
Founder, President and CEO
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Feature Article **Double Ad Conversions with Behavioral Targeting**

In today's fragmented media environment, behavioral targeting helps you zero in on your hottest prospects based on what they're doing, wherever they are. This tactic has never been more relevant than it

LSFinteractive Kudos

Congratulations to our Philadelphia-based creative team, Frank Vitovitch and Darbie Boswell. The team won an [Outstanding Achievement Award](#) in the Consumer Services category from the Interactive Media Council, Inc. for their development -- front and back-end -- of the [IdentityIQ](#) website. Kudos!

Contact Us

To find out more about how performance marketing can help your business, call 1.877.616.8226 (U.S.) or +33.1.5805.1158 (Europe).

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[Behavioral Targeting: How](#)

is today.

What is behavioral targeting?

Behavioral targeting is a technique used by online advertisers to improve the effectiveness of their campaigns by increasing the relevance of product offers and promotions on a visitor-by-visitor basis.

Behavioral targeting uses information collected on an individual's web-browsing behavior, such as the pages they have visited or the searches they have made, to select and deliver online ads to the users who are most likely to be interested.

What's the difference between behavioral targeting and retargeting?

Retargeting is a variation of behavioral targeting. It refers to reengaging a user who has been to your site but did not convert with ads that send him or her back to your site.

For instance, if someone went to a branded site looking for a particular camera or a vacation package but did not buy, that person will be shown ads featuring the same brand or even the same product on other sites and be exposed about six or seven times to the ad until a purchase is made.

Kelly Reilly, LSFinteractive Media Director, said, "Retargeting is a way to capture the lowest hanging fruit -- people who have already demonstrated an interest in your product or brand -- bringing them back in via cost effective display ads."

LSFinteractive's clients are using our retargeting technologies in which a website visitor is retargeted on other destinations with ads from the original website, sometimes even product-specific ads. Our retargeting techniques are delivering significantly higher conversion rates to most of our clients.

Why is the use of behavioral targeting and retargeting growing?

As the effective mixing and mining of audience data has become increasingly important to online advertisers, the role of behavioral targeting and retargeting has grown more central.

Early adopters of these techniques were e-commerce sites. Recently, companies outside the e-commerce space have started to use these techniques as well.

eMarketer estimates online advertisers in the U.S. will spend more than \$1.1 billion on behaviorally targeted advertising. By 2014, spending will hit \$2.6 billion. The estimate represents steady growth rates of about 20% from 2009 through 2014.

Behavioral Targeting: How To Get Started

The typical approach to behavioral targeting starts by using web analytics to group visitors into discrete channels. Each channel is analyzed and a virtual profile is created to for each channel.

These profiles can be based around personas that give online advertisers a starting point to decide which content, navigation and layout to show to each persona and using specialized software to deliver the correct content.

Most platforms identify visitors by assigning a unique id cookie to each and every visitor to the site, allowing them to be tracked throughout their web journey.

They can then be served the ads that match their interests.

An example is a user who visits content about auto insurance, clicks on an insurance advertiser button or banner, and then searches for "auto insurance." This user would be assigned to the insurance prospect channel and the next time that user goes to Yahoo they will see ad for insurance.

Questions? Call LSFinteractive to learn more.



Want to find out more about geolocation? Dave Peck says

Average Conversion Rate Worldwide for Online Display Advertising on Ad Networks*, by Ad Segment, Q1-Q4 2009

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Full year 2009
Run of network	2.1%	3.6%	2.2%	3.1%	2.8%
Behavioral targeting	5.5%	8.8%	6.4%	6.6%	6.8%

Note: *12 ad networks

Source: Howard Beales, "The Value of Behavioral Targeting" sponsored by the Network Advertising Initiative (NAI), March 24, 2010

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www.eMarketer.com

Why should I use behavioral targeting?

Behavioral targeting has become an attractive model for advertisers because of its proven effectiveness. These ads generate twice the conversions and twice the revenue.

According to [The Network Advertising Initiative](#), behaviorally-targeted advertising in 2009 brought in an average of 2.68 times as much revenue per ad as non-targeted "run of network" advertising.

The NAI's recent study, called [The Value of Behavioral Targeting](#), found that behaviorally targeted advertising is more than twice as effective at converting users who click on the ads into buyers (6.8% conversion vs. 2.8% for run-of-network ads).

Anything else?

Stick to the basics: discover purchase intent, introduce yourself with a targeted message, and continue to cultivate loyalty after you've engaged your new customer. And please don't forget: never collect personally identifiable information.

About LSFinteractive

[LSFinteractive](#) is a full service global interactive marketing agency that leverages all Internet channels, including Search Engine Marketing, Search Engine Optimization, Social Media, Display, Email and Affiliate program management, and focuses on conversions, to help companies acquire new customers, qualified leads or traffic and increase their online revenues. The company employs 90 people worldwide, is headquartered in San Francisco, CA, and has offices in Chicago, IL, Conshohocken, PA, Boston, MA, Paris, France, and Hyderabad, India.

there's nothing hotter.

Visit [New Media Chatter](#) to get tips and tactics for social media marketing from Dave Peck, our New Media Strategist.

[Online Lead Generation Podcast](#)

Hosted by [Alterian](#)'s Marcus Tewksbury and featuring Karen Breen Vogel, Vice President, B2B, LSFinteractive.

Over the last two years the nexus of social media and digital interaction has matured to the point where it is now redefining what is successful marketing.

This [podcast](#) describes how marketers can move beyond traditional online approaches to optimize their online lead generation.

LSFinteractive On the Move

eTail East
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