



Internet Marketing Trends Report 2009

UNITED STATES

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Source of all statistics is eMarketer.



Internet Marketing in the US Remains Resilient to Economic Downturn

With today's global recession, the economic crunch is having an impact on overall advertising spend among businesses of all industry sectors. Though no form of marketing medium is completely recession-proof, current trends indicate that Internet advertising is far more resilient during a challenging economy than other forms of media.

Online advertising resilience is common within all regions around the world, but this report focuses specifically on the US market.

In the midst of today's economic turmoil, marketers are allocating more of their advertising budgets toward this medium. According to eMarketer, the online population in the US is growing steadily, giving business owners the opportunity to reach a larger audience through the Internet, today's fastest growing marketing channel.

This Internet Marketing Trends Report is a brief synopsis of the current online activities and features the projected trends for the next few years. Specifically, it covers Internet user penetration, online advertising growth, eCommerce revenue growth and social networking advertising spend.

US Internet Users Growing

- Based on recent statistics released from eMarketer, the Internet is now a mainstream marketing medium
- In 2009, the US Internet population will grow to nearly 200 million users, or 64.8% of the total US population
- This number is forecasted to increase in 2010 to 205 billion (66.2% of total population)
- By 2013, 221 million people will be online (nearly 70% of the US population)

Online Activities of US Internet Users

- According to eMarketer, the most popular online activity among US Internet users is search (94%)
- Email is the second most popular online activity at 92%
- 77% of respondents said they participate in social networks while 71% said they use the net for instant messaging
- Almost 60% of respondents use the Internet to read and participate in online wikis

US Internet Users and Penetration, 2008-2013 (millions and % of population)

2008	192.8 (63.4%)
2009	199.2 (64.8%)
2010	205.3 (66.2%)
2011	210.9 (67.3%)
2012	216.0 (68.3%)
2013	221.1 (69.2%)

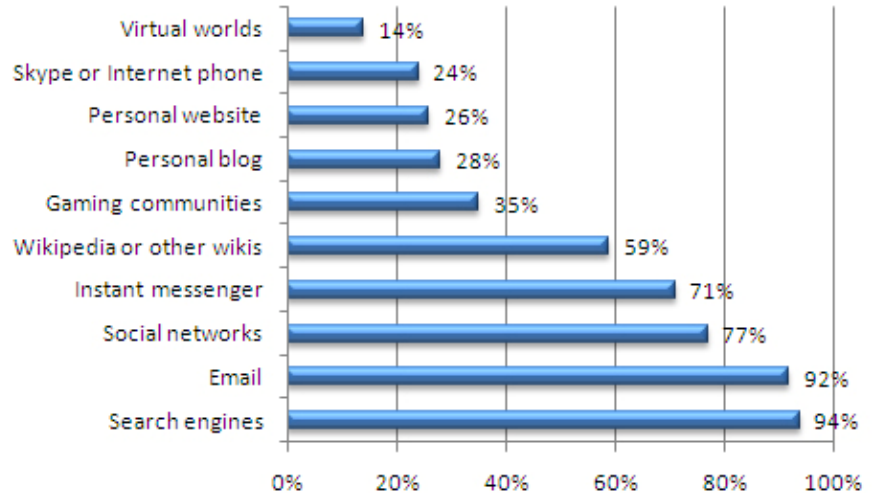
Note: an Internet user is a person of any age who uses the Internet from any location at least once per month

Source: eMarketer, February 2009

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www.eMarketer.com

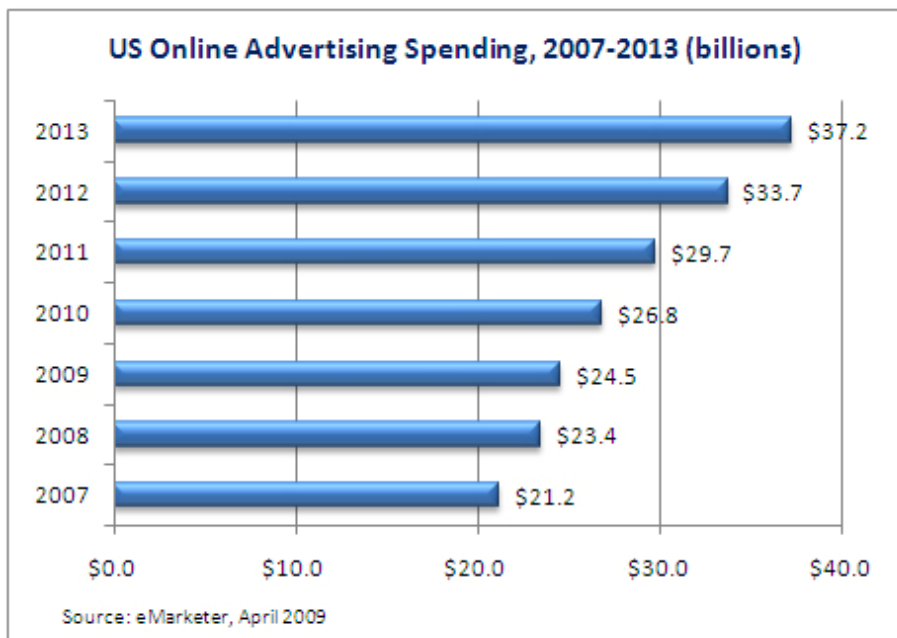
Online Activities of Internet Users in the US and Canada, March-April 2008 (% of respondents)



Source: Microsoft, "Insurance Industry Survey" conducted by KRC Research as cited in "Millennials in Automotive Survey 2009," January 26, 2009

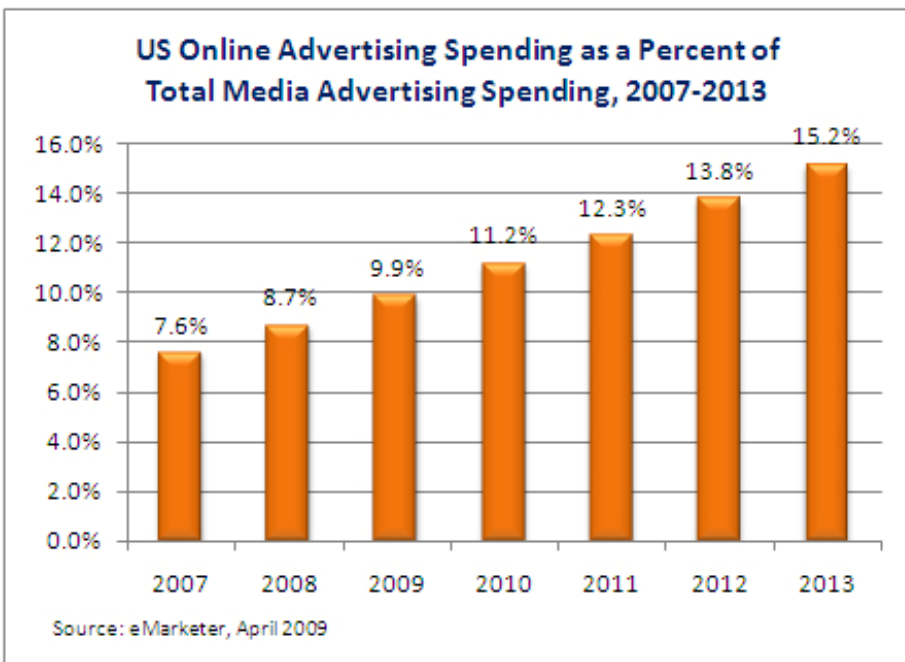
Online Ad Spend Increase

- Despite the economic downturn, online ad spending will rise in 2009 to a record high of \$24.5 billion
- This number is projected to increase to \$27 billion in 2010 and to almost \$30 billion in 2011
- eMarketer predicts that in 2012, online advertising spending in the US will reach \$33.7 billion
- The increase is expected to continue in 2013 with an estimated online ad spend of \$37.2 billion



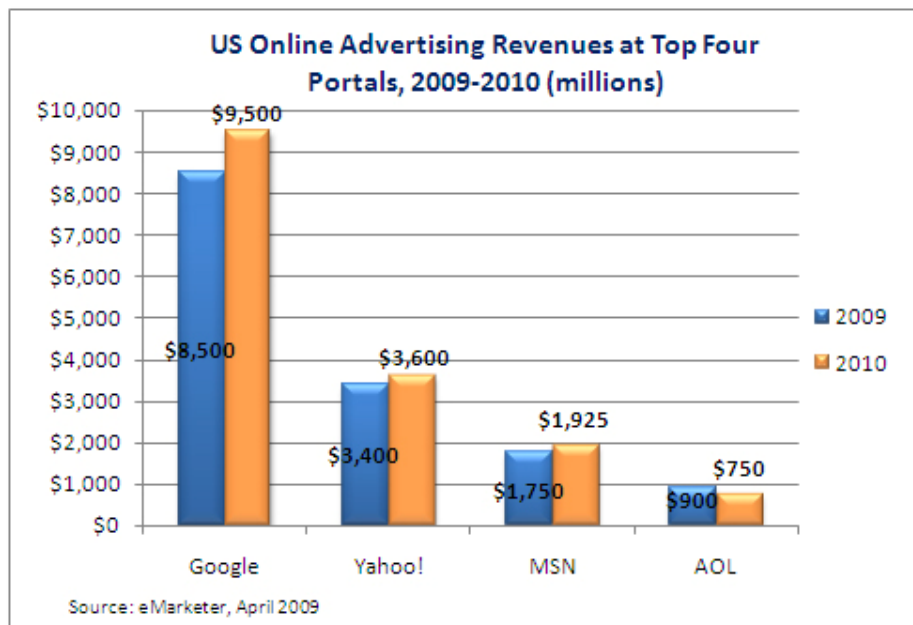
Online Ad Spend By Format

- The Internet's share of total media ad spending is rising by at least 1 percentage point every year
- According to eMarketer, the two reasons are: marketers are spending more on Internet ads and less on advertising placed in other media (ie: newspapers, radio, etc.)
- Nearly 10% of ad dollars will be Internet dollars in 2009
- That share is projected to soar to over 15% in 2013



US Online Ad Revenues at Top Four Portals

- According to eMarketer, US online ad revenues for the top four portals are expected to increase from 2009 to 2010, with the exception of AOL
- For example, ad spend on Google will reach \$9.5 billion in 2010, up from \$8.5 billion in 2009
- In 2010, \$3.6 billion will be spent advertising on Yahoo!, an increase from the \$3.4 billion spent in 2009



US Online Advertising Spending Growth by Format

- Marketers will spend \$12 billion on search in 2009
- Meanwhile display ad spend will reach \$4.7 billion this year
- These numbers are expected to increase every year until 2013
- In 2013, marketers will spend \$18.3 billion on search and \$5.5 billion on display ads
- Other online advertising formats are expected to see an increase in spending as well

US Online Advertising Spending, by Format, 2008-2013 (millions)

	2008	2009	2010	2011	2012	2013
Search	\$10,546	\$11,956	\$13,534	\$14,969	\$16,648	\$18,340
Display ads	\$4,877	\$4,655	\$4,824	\$5,034	\$5,426	\$5,543
Video	\$734	\$1,054	\$1,501	\$2,109	\$3,134	\$4,092
Classifieds	\$3,174	\$2,671	\$2,412	\$2,554	\$2,831	\$2,976
Rich media	\$1,642	\$1,691	\$1,849	\$2,079	\$2,359	\$2,641
Lead generation	\$1,683	\$1,764	\$1,930	\$2,138	\$2,393	\$2,604
E-mail	\$405	\$392	\$402	\$431	\$472	\$521
Sponsorships	\$387	\$319	\$348	\$386	\$438	\$484
Total	\$23,448	\$24,500	\$26,800	\$29,700	\$33,700	\$37,200

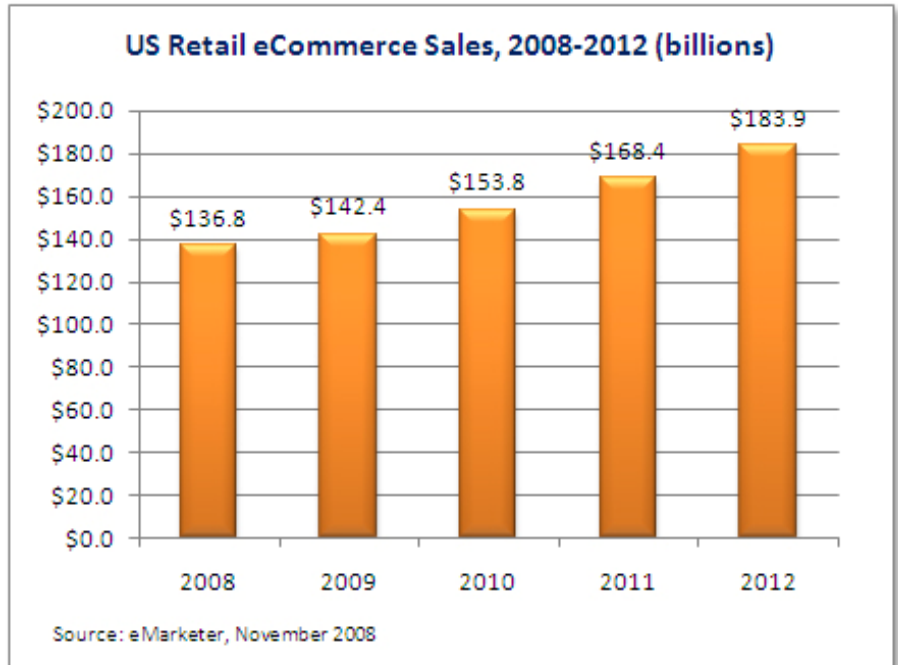
Source: eMarketer, April 2009

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www.eMarketer.com

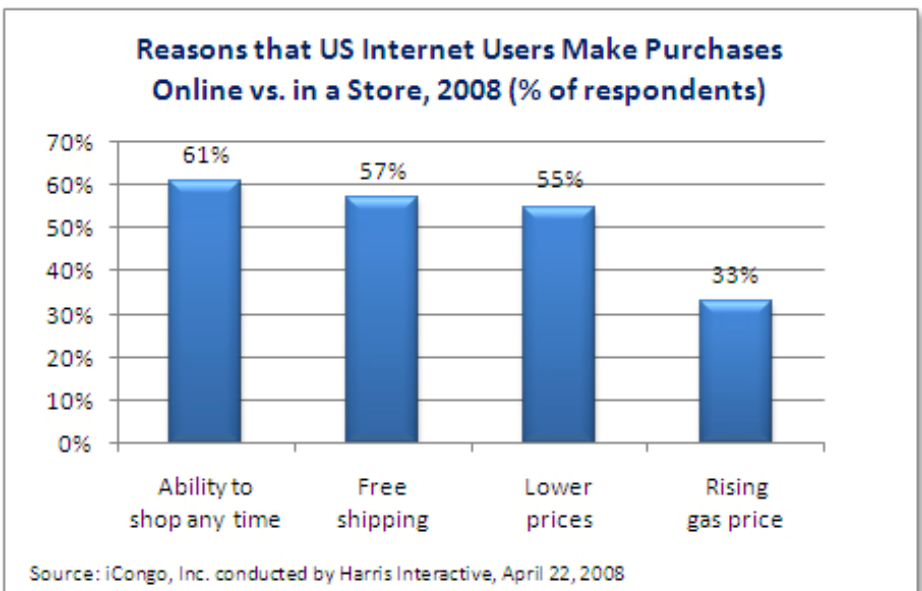
US Retail eCommerce Sales

- US retail eCommerce sales will continue to rise each year
- In 2009, US eCommerce sales will reach \$142.4 billion, an increase of 4% over the previous year
- eMarketer projects this number will reach \$153.8 billion in 2010 (8% increase over 2009)
- US shoppers are expected to spend \$168.4 billion shopping online in 2011 and almost \$184 billion in 2012



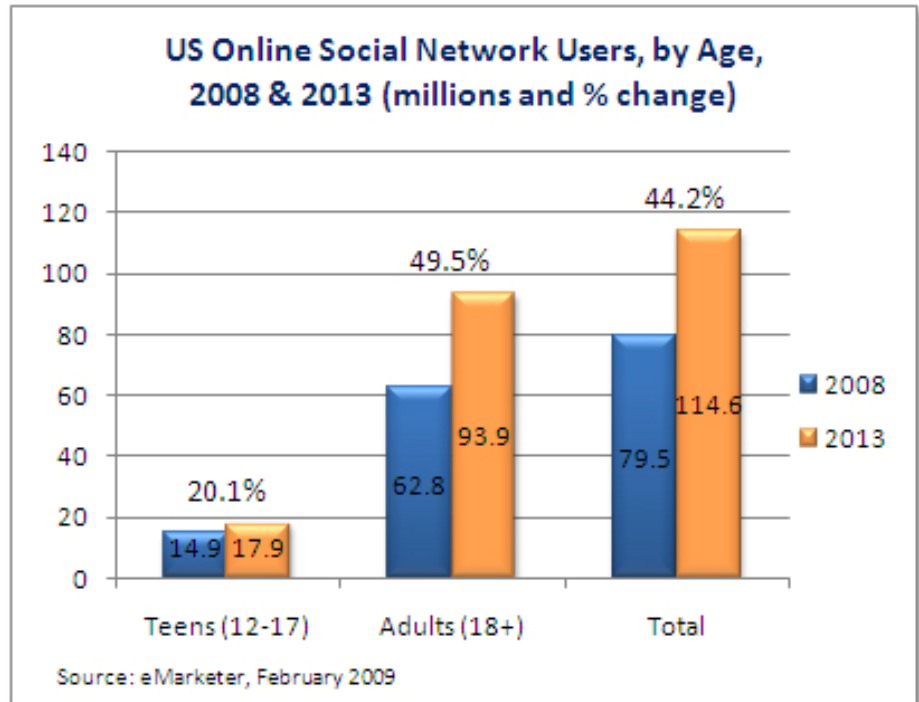
Top Reasons for Shopping Online

- According to a survey conducted by iCongo Inc., convenience was the most common reason US shoppers purchase online (61%)
- 57% of respondents said that free shipping is why they favored online shopping versus in-store shopping
- 55% said that lower prices would lead them to online shopping while 33% said higher gas prices was an incentive to shop online



US Social Network Users

- The social networking community is growing rapidly in the US
- In 2008, about 80 million people visited social networking sites at least once a month
- 15 million of those people were teens between the ages of 12-17 years and 63 million were adults
- In 2013, 114.6 million Internet users will visit social networking sites, an increase of 44.2% from 2008



Online Social Network Advertising Spend

- According to eMarketer, online social network advertising spending in the US reached \$1.2 billion in 2008 (58.7% of worldwide total)
- In 2009, about \$1.3 billion will be spent advertising on social networks in the US (55.2% of worldwide total)
- By 2013, online social network advertising spending in the US will reach \$1.6 billion

Online Social Network Advertising Spending Worldwide, US vs. Non-US, 2008-2013 (millions and % of total)

	2008	2009	2010	2011	2012	2013
US						
Spending	\$1,175	\$1,295	\$1,335	\$1,410	\$1,515	\$1,620
% of worldwide total	58.7%	55.2%	51.4%	49.1%	47.6%	46.5%
Non-US						
Spending	\$826	\$1,051	\$1,265	\$1,460	\$1,666	\$1,866
% of worldwide total	41.3%	44.8%	48.6%	50.9%	52.4%	53.5%

Source: eMarketer, March 2009

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www.eMarketer.com



Business Case Studies

“Thanks to WSI, our new website looks terrific. It’s clean and easy to navigate. This really changes the way we market our business.”

- Leonard Alsfeld, President, FBT Film and Entertainment

“I’m really impressed with our website. The best part of this project for me has been working with WSI. You’ve made every aspect of this huge project simple and fun!”

- Tonya Woody, Coordinator, Harford County Cultural Arts Board

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WOLVERINE BANK CASE STUDY



www.WolverineBank.com

ABOUT THE CLIENT

Wolverine Bank

Wolverine Bank is headquartered in Midland, MI and has five branch locations. Their flexibility and exceptional service have made them a trusted financial partner. Their decision makers are all local and know the local communities, enabling them to offer the people in the community the products they want and need.

ABOUT THE CONSULTANT

Eric Cook, Michigan, USA

Eric started his WSI business in September 2007. Formerly a community banker for 15 years, he held positions of chief operating officer and regional president. But having a passion for the Internet and seeing where this industry was headed proved to be enough to lead him to go out on his own and start a career as an Internet Consultant with WSI.

Goals and Challenges:

Wolverine Bank was getting ready to celebrate their 75th anniversary (in 2008) and wanted to update their website with a new look and feel to help convey the progressive nature of their organization.

Their current site was difficult to update, and as a result, had become stale and did not match their current marketing and branding activities. They also wanted to implement a newsletter and be able to promote different products and services more proactively on their home page.

Summary:

WSI spoke to the client about the concept of Internet marketing compared to simply “having a website” and how the WSI process would ensure their Internet efforts would take into consideration the “big picture” and strategic objectives of the organization.

WSI also stressed how the client would benefit by working with Eric personally, since he not only was able to provide expertise of Internet marketing strategies, but he also brought with him a wealth of knowledge from his banking experience that would benefit their organization.

Objectives:

Wolverine Bank wanted a fresh, new look and feel and to be able to convey their brand more effectively to visitors and customers through their website.

By knowing the banking industry and the products they offered, it enabled Eric to help be their “expert” on a variety of different levels – not only from a technology perspective, but also by offering advice and guidance on ways to promote their products and services.

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WOLVERINE BANK CASE STUDY



www.WolverineBank.com

The Solution:

WSI developed this site using the OBS (Online Business Solution) eCommerce platform because of its flexibility and ease of use. WSI designed the site to be simple to navigate and provided quick links to get to the bank's consumer and business online banking solutions. WSI also created a convenient navigation bar that provides categories for the main operational areas of the bank (personal banking, business banking and electronic banking).

Additionally, the bank really likes the ability to create pages "ad hoc" when they want to promote a special event or new product. They are in the system, making updates almost daily. This is the power of having a content management system like this since a client does not have to be an HTML expert to create content for their site.

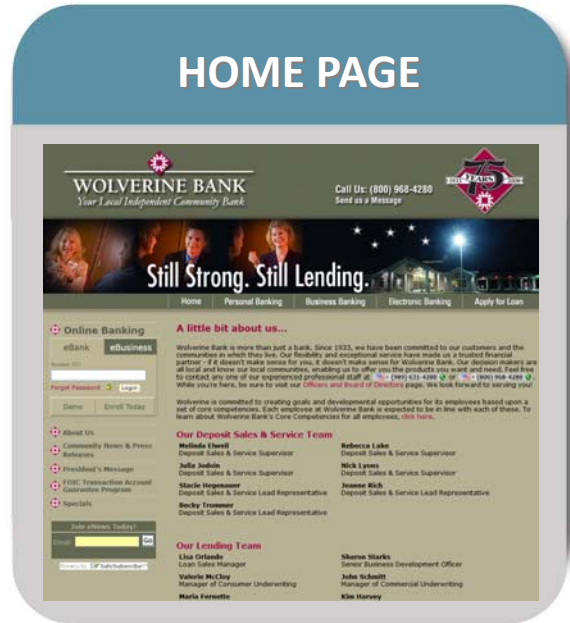
Benefits to the Client:

WSI has received a lot of positive comments from the bank on their new site, the ease at which they are able to update information and the feedback they have been receiving from their customers. Being able to update their site when they want has enabled them to provide information more quickly than before. WSI is in discussions with them about several Phase II items that will further help grow the business (such as online chat, click-to-call, SEO and possibly a PPC campaign to make the site more interactive and ROI-focused).

Conclusion:

Eric is in the process of organizing "mini" marketing summits for his banking clients. These events will be promoted to the bank's business customers to help educate them on the strategies and techniques of Internet marketing. This will also benefit the bank by allowing them to offer something of value to their customers that no other bank is doing.

HOME PAGE



INTERNAL PAGE



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FRONT RANGE HONDA SEO / PPC CASE STUDY

Summary:

Front Range Honda had been implementing a pay-per-click (PPC) campaign in-house, spending \$2,500 per month and not tracking any results. WSI requested for and received permission to review their campaign.

The next day, WSI came back and declared we could get them as many clicks as they were currently receiving for \$1,000 less, as approximately 50% of their ads were not being seen. We planned to accomplish this goal with some optimization efforts and by reducing the client's bids.

Goals and Challenges:

Challenge: Spending \$2,500/month on Google and Yahoo! PPC campaigns with no understanding of the results

Goal: Dramatically increase the client's Internet exposure, branding and click-through rate for less money

The Solution:

Within the first 30 days, WSI accomplished what we said we would with regards to the pay-per-click campaigns. Next, WSI advised the client to apply the money they saved toward a 10-term/10-page search engine optimization and link building campaign.

Benefits to the Client:

The client's website traffic increased 80% in 6 months.

Conclusion:

WSI is currently maintaining a Google AdWords campaign and the 10-term SEO and link building campaign for the client. This account led WSI to later close the Al Serra Auto Dealership made up of 4 separate businesses and websites.

www.FrontRangeHonda.com

ABOUT THE CONSULTANT

Jerry Kane has been a WSI Consultant since 2003. He has achieved distinction by winning WSI's 2008 Excellence in SEO Services Award and is a Certified Google AdWords Professional. Prior to owning a WSI franchise, Jerry spent over 20 years in the Air Force retiring as a Lieutenant Colonel in 2000.

CLIENT TESTIMONIAL

"I would highly recommend WSI as a search engine marketing provider. WSI is a professional organization with top-notch customer service. They are always available to answer my questions. We have been more than satisfied with WSI and their performance and support. They have more than exceeded our expectations within a very short period of time." - Diana Weaver, Front Range Honda

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FBT FILM AND ENTERTAINMENT CASE STUDY

www.FBTFilm.com

ABOUT THE CLIENT

FBT Film and Entertainment

FBT Film is an investment division of First Bank and Trust that focuses on financing film and entertainment projects in the state of Louisiana. FBT Film focuses on providing financing and insurance services for film productions as well as handling the sale of tax credits generated by the project.

ABOUT THE CONSULTANT

Andre' Savoie, Louisiana, USA

Andre' has been a WSI Consultant since 2008 and previously had 12 years of experience in direct sales and territory management positions for a national mortgage lender. His contacts in sales and marketing have offered a good starting point for building his WSI business.

Goals and Challenges:

FBT Film's services include underwriting films, insurance, budget analysis, tax credit filings and location assistance.

Prior to building a website, FBT Film had relied largely on direct word-of-mouth referrals for their business. But with the rapid growth of the industry, they wanted to reach out to film producers and executives that they did not have direct contact with via their website.

Summary:

The client was looking for a new website to promote a new business line (offering financing and insurance services for production companies looking to film TV and movies in the state of Louisiana).

WSI put together a keyword list, competitive analysis of the other sites out there and wrote 12 pages of original content for the site. WSI also provided the graphic design and site layout, as well as SEO basics for the site including page optimization, title tags and headers.

Objectives:

The objective of this project was to design a new site for the client that would help them develop new client relationships by being found in the search engines for key phrases related to their business.

The Solution:

WSI delivered a basic solution using the OBS (Online Business Solution) with a news feed and e-marketer for email marketing purposes.

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FBT FILM AND ENTERTAINMENT CASE STUDY

Benefits to the Client:

As a result of WSI launching the new site and conducting SEO services, the client is now getting exposure on the Internet for their new business line.

After only 90 days with a brand new domain name and no PPC, the client's site is now on page 1 of Google for key phrases for their business and on page 2 for some others. The keywords include:

- Louisiana film credit
- Louisiana film incentive
- Louisiana film tax benefit
- Louisiana film tax credit
- Louisiana film and television
- Louisiana sound stage film

The client received their first lead from a website contact soon after the site was launched. Also, one sale from the website more than covered their ROI for the project.

Client Testimonial:

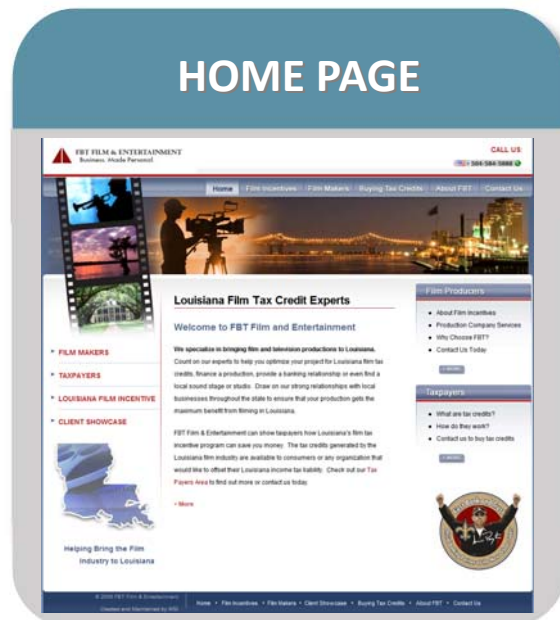
"Thanks to WSI, our new website looks terrific. It's clean and easy to navigate. This really changes the way we market our business." - Leonard Alsfeld, President of FBT Film and Entertainment

Conclusion:

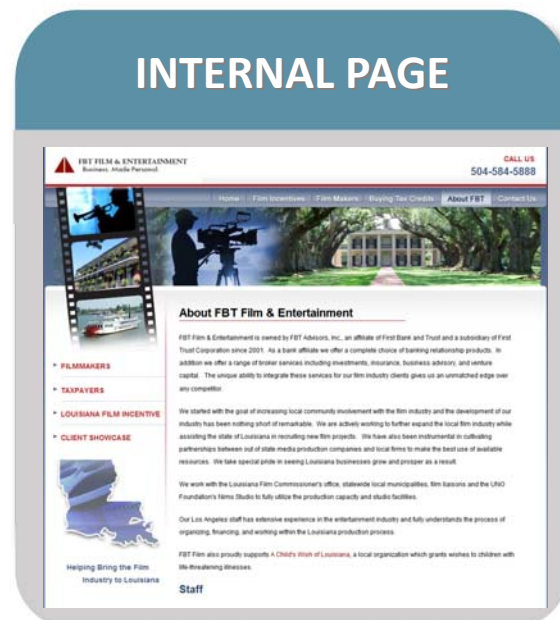
This is a great example that with WSI's quality content and good site structure, a client can achieve good search rankings quickly. By getting very specific with the client about the key phrases they wanted to be ranked for, WSI was able to focus in on these phrases to achieve results.

www.FBTFilm.com

HOME PAGE



INTERNAL PAGE



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SPA VURE PPC AND EMAIL MARKETING CASE STUDY

www.SpaVure.com

Goals and Challenges:

Spa Vure was looking for an Internet marketing solution to generate leads and increase sales. Traditional marketing was deemed expensive and not very effective. The objective was to generate bookings or appointments for their Newport and Narragansett, Rhode Island spas.

Summary:

WSI presented a proposal for PPC and email marketing. There was a meeting via a conference call to demonstrate the PPC capabilities. At the next meeting, the client signed an agreement with WSI for a PPC campaign with a \$300 click budget along with an email marketing program.

The Solution:

For the PPC campaign, WSI wrote a dynamic ad around the targeted services and their associated benefit. With email marketing, the client offered 20% off the price of their products when any services were purchased.

Client Testimonial:

"The results have been incredible. Both spa location managers stated that the increase in business has been dramatic—to the point where they are fully booked on most days." - **Vure Kpea, VP of Marketing, Spa Vure**

Conclusion:

A PPC campaign works tremendously for service industries, especially if the campaign is configured correctly. Dynamic ads with dynamic landing pages make it very effective. Email marketing can be effective as long as there's a strong subject line, succinct copy / content and an attractive offer.

SAMPLE EMAIL



BENEFITS TO THE CLIENT

After the first month on a \$300 click budget, the client received 101 phone calls, which led to 63 appointments totaling more than \$2,500 in sales. The second month resulted in 115 calls on the same budget resulting in 65 appointments and almost \$3,000 in sales. Email marketing was also effective in increasing product sales. The client is ecstatic with the results at both locations.

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BUY RECYCLED PRODUCTS ECOMMERCE CASE STUDY

Goals and Challenges:

Before working with WSI, the client had a brochure-style website (FibreXGroup.com) that lacked even the most basic optimization. He was spending over \$2,000 per month for Google AdWords paid search advertising and sending traffic to the site with no regard to conversion tracking and conversion architecture. So he had no idea how effective his site was at capturing leads and converting visitors into paying clients.

Objectives:

- Sell their products to a national market
- Shorten the time of sale
- Provide a wider selection of products
- Take advantage of drop shipping relationships
- Increase revenues by \$100K/year

The Solution:

For this project, WSI used the eMerchant Pro eCommerce solution because of its capability of having multiple categories, cross-selling, order tracking, customer tracking, etc. WSI was responsible for project management, troubleshooting, and assisting the client with advanced features of the platform.

WSI also fully optimized the site for search and continues to provide advanced SEO techniques to improve search results. We are also running a limited paid search advertising campaign for 2 of the client's product categories.

Benefits to the Client:

The client recouped his investment within the first month after launching the eCommerce site with sales exceeding \$14,000 USD. Site sales after the first year reached \$125,000 USD exceeding business revenue goals by 25%.

www.BuyRecycledProducts.com

ABOUT THE CLIENT

Buy Recycled Products

The Buy Recycled Products website contains a unique selection of innovative green products. The client manufactures and sells recycling containers, park benches and playgrounds all made with a considerable amount of recycled content.

ABOUT THE CONSULTANT

Darren Kincaid, Virginia, USA

Darren has been a WSI Consultant since 2006 operating out of South Eastern Virginia with his business partner and project manager, Mark D'Etcheverry. They have a strategic partnership with fellow Consultant Joe Coupal in Massachusetts. Between them, they have about 90 clients. Darren is also a Mentor who helps new Consultants jump-start their businesses.

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BUY RECYCLED PRODUCTS ECOMMERCE CASE STUDY



The client was so pleased with the results that he contracted WSI to redevelop his brochure site, FibrexGroup.com, to coincide with his new catalog publication. FibrexGroup.com, which averages 5,000 unique visitors a month, compliments BuyRecycledProducts.com by giving site visitors the option to purchase the item through a “Buy Now” button that links to the eCommerce site, saving sales reps significant time.

Client Testimonial:

“WSI has been wonderful to work with. They have been so responsive to all our needs. The website is amazing. It has helped us realize our dream of an online store and it couldn’t be more impressive. WSI is our Internet partner for life!”
– Suzanne Leenders, VP, Buy Recycled Products

Conclusion:

After BuyRecycledProducts.com was launched, WSI installed Web analytics, performed fundamental SEO, developed a highly targeting Google AdWords campaign and performed A/B split testing on several campaign ad groups. All the activities provided valuable keyword intelligence that enabled WSI to further expand the SEO work on the site.

Traffic to the site has steadily increased every month and now captures over 4,000 unique visitors each month and has a substantially improved presence on Google, Yahoo!, and MSN. Both sites, FibrexGroup.com and BuyRecycledProducts.com, now rank on the first page of Google in positions 4 and 7 respectively for the highly competitive keyphrase: “recycling containers.”

The sites also dominate the big 3 search engines for hundreds of other key phrases and derivatives. Each site garners a half dozen leads / sales per day and does very well attracting the right prospect demographic.

www.BuyRecycledProducts.com



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HARFORD COUNTY CULTURAL ARTS BOARD CASE STUDY

Goals and Objectives:

The Harford County Cultural Arts Board was looking to:

- Improve customer service by providing online grant application submissions
- Increase their exposure within the greater Harford County arts community in order to make grants available to a greater number of artists / organizations
- Become THE resource for arts-related events in the area
- Develop an online community for the artists in the area
- Provide greater exposure for some of the smaller or lesser-known arts events and groups in the county
- Be able to update their own website at will (which they could not do before)
- Utilize the talents of local artists to create the design for the website

Summary:

WSI addressed the client's needs by proposing a WSI Business Edge website that could be placed on the client's domain and could be optimized for the search engines.

WSI Business Edge was the chosen platform because of its ease of use for the client and end user, as well as the wide selection of modules and features that are included within this WSI branded solution.

The Solution:

The Web solution required customized forms for the grant applications and an interactive events calendar with a customized Add Event module. It also required site registration that would allow only registered members to have access to certain pages, including the interactive grant applications. The site also needed the ability of adding events to the arts calendar.

www.CulturalArtsBoard.org

ABOUT THE CLIENT

Harford County Cultural Arts Board

HCCAB is a non-profit organization supported by county and state government agencies. They provide grants to enhance and encourage development of the arts within the county. As of January 2008, all they had was a single Web page on the Harford County website and downloadable PDF application forms for grants and final reports.

ABOUT THE CONSULTANT

Jeff Harrison, Maryland, USA

Jeff became a WSI Consultant in April 2006. His background is in teaching, customer service and mathematical analysis. He has focused a great deal of time and effort into learning as much about SEO and PPC advertising as possible, and he really focuses on providing SEO / SEM services more than building websites.

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HARFORD COUNTY CULTURAL ARTS BOARD CASE STUDY



Lastly, WSI included an opt-in email marketer to replace a rather clumsy one the client was already using. They hope to eventually add discussion forums in each discipline within the arts, and perhaps some news feeds related to the arts nationwide.

Benefits to the Client:

- In the last 30 days, the HCCAB website has logged over 580 site visits, with 57% of those being return visitors who utilize the site regularly
- 51% of site visitors found the site through search engines
- The site ranks #1 in Google for “Harford County Arts” (out of 177,000 results), “Harford County Artists,” and “Harford County Grants for the Arts,” “Harford County Arts Calendar” and “Harford County Arts Events” – all goals prior to the start of the project.
- The site even ranks higher than the Harford County Government website (parent organization) for all of these key phrases
- The site has over 100 registered users, with more than 30 arts groups regularly contributing events to the arts calendar

Client Testimonial:

“The Harford County Cultural Arts Board is very pleased with the website that WSI created for us, and it was a well-placed investment. The e-newsletter application helps us reach over 100 subscribers – saving cost of paper, copying, postage and time. The e-grant system was specifically designed for our granting program and helped us reach 100% compliance this year. It saves us paper and time and archives the forms for our clients’ convenience. The best part of this project for me has been working with WSI. You’ve made every aspect of this huge project simple and a lot of fun! Huge kudos to you!” - Tonya Woody, HCCAB Coordinator

www.CulturalArtsBoard.org



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