

## Online Advertising Must Change, Says Former Yahoo Exec

Posted October 22, 2010 By [Paul Shread](#)

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ALEXANDRIA, Va. — The internet makes it easier to target consumers, but the ads served to online users need to become more engaging, according to a pair of former Yahoo (NASDAQ: YHOO) executives who spoke at the Predictive Analytics World conference this week.

Former Yahoo Chief Data Officer Usama Fayyad, now CEO of Open Insights and soon to become [chief scientist at Adknowledge](#), said behavioral targeting and predictive analytics was "pure profit" for Yahoo.

By tracking factors like a user's sites visited, their searches and location, sites like Yahoo can "guess intent based on behavior" and display an ad that the user is more likely to click, he said.

But there's a catch — those ads need to become more engaging, according to Nick Besbeas, former senior vice president of marketing at Yahoo.

Despite the interactive nature of the internet, Besbeas said people still find TV ads to be more engaging. He said digital media "requires a new ad type," and he offered a few examples, such as Tipp-Ex's [YouTube ad](#) that lets users decide what a hunter does with a bear to market the company's error correction products, and an [Apple iPod Touch ad on Yahoo Games](#).

Such ads "bring the products to life," said Besbeas, who urged advertisers to experiment.

Fayyad noted that social media can make a big impact for very little money. He cited the example of the heavy metal movie Anvil, which reached two million people on Twitter by sending 20 DVDs to influential artists and groups.

### Microsoft's Aziza: BI and Analytics Changing Business

Bruno Aziza, Microsoft's worldwide strategy lead for Business Intelligence, noted a number of ways that [business intelligence](#) and [analytics](#) are changing the way companies operate and helping them anticipate user's needs.

He cited the example of a Bing airline ticket purchasing service that can predict fares and let users know when it's a good time to buy, and Clalit HMO is using analytics to predict what patients will need next.

Aziza stressed social media, calling it "the digitization of the water cooler conversation," bringing to light "things we would have ignored before because they weren't put into systems."

He said bringing in any external data at all on competitors can result in a big boost to BI, citing the example of a company that realized it didn't have to worry about a new startup because an unfavorable currency situation would keep it from coming to market.

Aziza also cited an example of getting a call center to help with product development. Lego asks parents to put their children on the line when they call in for customer service, and the resulting recordings are played in boardroom meetings.

In a panel on analytics hitting the mainstream, Fayyad, SAS R&D Director David Duling and Jason Verlen, director of product strategy and management of IBM SPSS, agreed that predictive analytics is in the very early stages.

Data integration and usability is a big hurdle, said Fayyad. "The reason most data is unused today is that most people don't even know how to get to that data," he said. But he sees great promise for analytics, saying that the "ability to extract value from data," especially from large data sets, "exceeds the hype."

Noting the growing influence of social media and the effect it can have on product success, Duling recommended determining who your most influential customers are and going to them first.

In a presentation on the use of analytics to enhance sales force effectiveness, Nancy Hersh of the Corporate Executive Board said a few well-chosen parameters can make a big difference, and she cautioned attendees not to over-optimize their models and make them too complex. "Make sure they're useful," she said.

Large vendors like IBM, SAS, SAP, Oracle, Teradata and Tibco were well-represented at the conference, but smaller vendors were also there, like Miner3D, which is developing 3-D data visualization technology, and 11Ants Analytics and Forio, which offer easy-to-use BI and analytics products.



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