



## When New Media Becomes Old Hat

MARCH 13, 2008

### Why the need for fresh data will never go away.

Marketers always want to know if a new tactic, channel or consumer behavior is The Next Big Thing. For a shot at the answer, they rely on market data and analyst projections.

But what happens once The Next Big Thing is an established hit?

For instance, three-quarters of Internet users now use online video. With usage so high, will the behavior become a given, making estimates of online video usage less relevant and valuable?

eMarketer CEO Geoff Ramsey and some senior analysts give their perspective below.

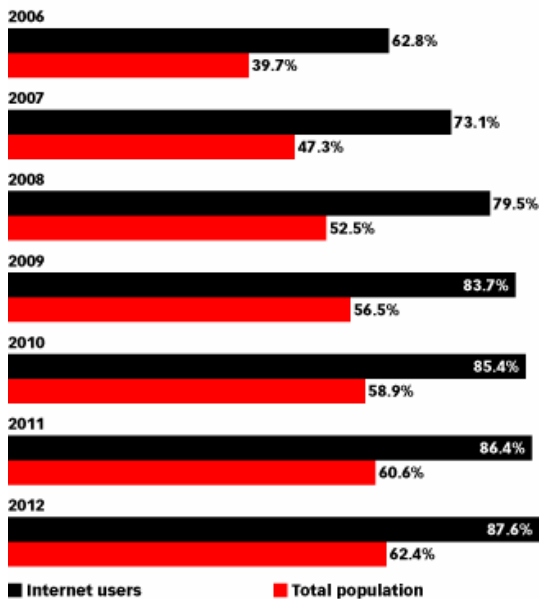


**David Hallerman**

With online video, it's not so much a question of who has watched video, but the questions that follow: How many videos did each person watch on average? How much time did each person spend watching videos?

Even with the most saturated types of technology and usage, there are questions that are not clearly answered by the mere fact of great market penetration.

### US Online Video Viewers As a Percent of Internet Users and Total Population, 2006-2012



Note: ages 3+; online video viewer defined as an individual who downloads or streams video (content or advertising) at least once a month  
 Source: eMarketer, February 2008

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**Karin von Abrams**

Many of today's emerging consumer behaviors will become "wallpaper" activities in the future, when they are no longer remotely novel. So people may leave a video playing, just as they leave the TV on now for hours at a time.

In these circumstances, a single percentage point in the viewer audience may not mean much.



**Jeffrey Grau**

One implication of a maturing market is a shift from customer acquisition to customer retention.

In retail e-commerce this means paying more attention to customer satisfaction by improving Web site usability and customer service, and bulking up customer loyalty programs and other retention tactics.

Keep in mind that in a big market growth rates can slow down, but the sheer volume of new customers can still be very high.

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**US Online Buyers, 2006-2011 (millions and % of Internet users)**


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|      |               |
|------|---------------|
| 2006 | 111.9 (65.6%) |
| 2007 | 116.9 (66.3%) |
| 2008 | 121.8 (66.9%) |
| 2009 | 126.3 (67.5%) |
| 2010 | 130.0 (68.0%) |
| 2011 | 133.2 (68.4%) |

Note: ages 14+  
Source: eMarketer, November 2007

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**Lisa Phillips**

The majority of consumers now use the Internet to learn about specific health conditions or fuel efficiency in various models of cars.

As a result, marketers in the healthcare and automotive industries are asking more targeted questions. The idea is to ask new questions, to divine the best ways to reach and capture the attention of Internet users.

For instance, consumers may watch videos online, but do they watch them for entertainment, information or both?

**Geoff Ramsey**

Sure, 75% of Internet users watch videos.

But they spend about 3 hours on average watching them per week. Compare that with television, which the average American watches 4.34 hours per *day*.

Saturation is relative.

**John du Pre Gauntt**

In the early days of a new channel or behavior, you go for raw reach because it isn't there. At that point, volume attracts marketers following eyeballs.

Post-saturation, the game flips to relevance and targeting.

The more important questions become things like "What is our penetration of college-educated, 18-to-34-year-old professional, extreme sports-loving, DMA-dwelling eyeballs?" and "What are they watching, how often and bundled with what?"

Those are profit-related questions. How many bodies are out there watching is a revenue-related question.

Getting the timing, assets, skills and investments right when the flip occurs are the marketer's challenge.

**Ben Macklin**

The value of certain statistics does decline with saturation; broadband and Internet users are obvious examples.

The relevant questions now are: "How are different people using the Internet? and "How is that changing and affecting traditional media usage and the way people live their lives?"

Eventually bandwidth will flow like water (with some countries experiencing drought conditions) and then it will just be usage that is interesting rather than access.



**Debra Aho Williamson**

Let's not forget that some Internet activities that appear to be approaching saturation may not in fact ever reach saturation. They could lose favor and decline.

So it makes sense to keep watching the usage levels and understand whether something is rising, peaking or declining.

The eMarketer **US Online Ad Targeting** report will be published in May. [Click here](#) to be notified when it is released.

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