

Hunter and Associates



STREAMING MEDIA

About 17 percent of US consumers, or 40 million people, listen to online audio or watch online video in a typical month, up from 13 percent last year. Thirty-five percent have listened or watched online at least once. Of those US consumers who have ever listened to Internet audio, 9 million would pay for the one audio channel they listen to most. Fifty-nine percent of people with broadband Internet access use streaming media, compared with 47 percent of dial-up users.

- source: *Arbitron*

[Comment - Streaming media is defined as a file that begins to play while it is still downloading, without having to wait. In practice we use the term loosely to include everything from live broadcasting, news feeds, webcams refreshing every few seconds, to Flash animations. The majority of websites add user satisfaction with pre-recorded sound and video clips. As website owners we should focus less on the nature of the media, and more on the element of refreshing - i.e. newness. Renewal of content is the most effective way to build repeat traffic.]

EDUCATION

Feb 22 2002: Over half of high schools in the US now offer online courses or are planning to do so. Thirty-two percent of public school districts will adopt online learning for the first time this year. Over 40 percent of high schools already offer online courses or plan to during this school year. A further 17 percent plan to offer them in the future.

- source: *Cyber Atlas*

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Newsletter

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Who's on The Web?

Over half a billion people worldwide are online, and by the end of 2002 more than 600 million people worldwide will have access to the Web. This year Internet users will spend more than US\$1 trillion shopping online. The United States now accounts for 40 percent of all money spent online.

- source: *IDC*

Mar 01 2002: Ninety-three percent of US companies and 86 percent of UK companies now use the Internet.

- source: *Taylor Nelson Sofres*

40 million Americans have Internet connections via their work PCs, and 104 million home Internet connections exist in the US. Even so, half of all online consumer purchasing in the US is done in the workplace(!)

- source: *Nielsen/NetRatings*

Jan 31 2002: More and more US consumers are opting for wireless or broadband services instead of getting a second telephone line.

- source: *Forrester*

Mar 2002: Over time Internet users become more purposeful, efficient, and self-assured in using the Web and email. The Internet has gone from novelty to utility for many Americans. Greater use of the Internet at work; large growth in serious email; more online transactions.

- source: *Pew Internet & American Life Project*

SHOPPING

Online holiday shopping spending for 2001 was up 15 percent on the previous year; online retail spending has not been hit as hard by the economic downturn as overall retail spending.

- sources: *Nielsen/NetRatings; Forrester; others*

Mar 08 2002: For the first time, online customer service scores higher than customer service offered by traditional retailers (77 points out of 100 versus 74 out of 100).

- source: *US-based survey by University of Michigan Business School*

In a survey of thousands of online shoppers in 124 countries, two-thirds said they do not have concerns about buying from overseas web sites. Almost universally they expected to increase or maintain online spending in the next year. And shoppers were nearly three times more successful at finding what they wanted on the Web by using search engines than by responding to advertisements.

- source: *WorldPay*

Building Relationships

Users who contribute product reviews or post messages on a website will visit the site nine times more often than noncontributors - and will make purchases nearly twice as often. The most effective community features are connected to all parts of the site. The most effective community sites also offer incentives, such as recognition and brief biographies, to frequent contributors, and are maintained to keep out inappropriate content.

- source: *McKinsey & Co.*

Customer Acquisition

Fiore & Collins estimates that in 2001, print ads cost \$958 per new customer, but online ads cost just \$21, and e-mail ads cost \$24.

- source: *eMarketer, "2001 Online Marketing Report"*

[Comment - Email ads are a third party ad included in someone else's mailing list, riding on the relationship built by its host with the end recipients. Success rates are an order of magnitude greater than direct postal mail, previously the marketing results leader. Email is now regarded as second only to word of mouth as the most successful form of marketing ever.]