



Turning the Desktop or Browser  
Into an Online Traffic and Revenue Machine

A W3i White Paper

*Robert Weber, VP of Business Development  
Deborah Manthei, Director of Marketing Communications*

November 21, 2008

## Table of Contents

---

Introduction .....	3
Background .....	3
Proposed Solution.....	3
Case Studies .....	4
Planning .....	6
Implementation .....	6
Distribution .....	6
Summary.....	6
Source .....	7

**The high cost of search advertising and ineffectiveness of display advertising open the door to alternative marketing tactics.**

Historically, interactive marketers spend most of their online marketing budget on advertisements that appear after an Internet user opens their browser and visits a website.

Quietly, the creation and distribution of desktop widgets and browser extensions is proven to generate a double digit percentage of top online marketers' overall web traffic for those who have incorporated this unconventional strategy into their online marketing mix.

This white paper will show how innovative marketers can use desktop widgets and browser extensions to reach their loyal users, by employing tactics outside of their current online marketing spends in search and display advertising.

### **Search advertising prices continue to soar.**

Online marketers face stiff competition when it comes to their search marketing campaigns. A study by William Blair and Company and AdGoroo demonstrates Google's monopoly on search marketing, showing 90% of search advertisers working with Google. Efficient Frontier shows Google with 76% of total spend. This growing concentration is causing keyword prices to sky rocket to unprofitable levels.

"Consumers are increasingly adopting content-based activities...users have a high propensity to stay within a site once they have arrived," states Goldman Sachs. This Internet usage trend decreases search query as the user goes directly to their destination site.

### **Previous options.**

Marketers looking to break out of these search engine wars have tried turning to other forms of online advertising without much success.

Display advertisements have notoriously low click through rates.

If email campaigns aren't getting filtered, they are ignored as the average user is inundated with messages.

Portal deals are largely dead because portals have lost their strength to the pure search model.

Emerging channels like video, social networking, and mobile show promise based on audience growth rates, but are yet to be proven as effective.

### **A proven alternative.**

Desktop widgets and browser extensions can get your message in front of users before they ever get to a search engine. A total of 615 million people, representing 65% of worldwide internet users, viewed or engaged in a widget in June, 2008 according to comScore.

Users spend 60% of their computer time outside the browser (Kertson, 2008). History proves that ads follow eyeballs, and based on the case studies that follow, you'll see that several effective desktop widgets were created and distributed to drive measurable performance for marketers.

Browser extensions can be a win-win for users and marketers. For the 40% of the time users are in their browser, marketers get a competitive edge by creating and distributing browser extensions that provide added utility for the user, as well as a way to break through the clutter for the marketer.

**Benefit 1:** Measurable new and repeat traffic at low to no cost creating on-going value for the brand and the end user generating additional profit.

**Benefit 2:** Increase brand loyalty and top-of-mind awareness.

**Benefit 3:** Increase engagement. Good widgets are interactive; ensuring that users are engaged by pushing fresh information to retain interest.

**Benefit 4:** Measurable increase in brand impressions.

**Benefit 5:** You control the experience; you create a direct, on-going relationship with your brand that can be refreshed continuously and integrated into a user's life.

**Benefit 6:** Facilitates viral marketing, turning engaged customers into evangelists.

### Desktop widget case studies by category:

#### Media

- *WeatherBug* – In 2000, AWS Convergence launched the WeatherBug desktop application offering users live local weather conditions, forecasts, and life saving, severe weather alerts. Within eight months of the launch, 1.5 million users downloaded the widget. To date, WeatherBug has registered 65 million users and is now the largest news and information site on the Internet.



- The *Weather Channel* Desktop widget followed shortly thereafter to increase competitive pressure.

#### Travel

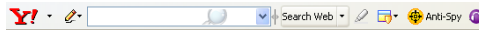
- *Southwest Airlines* introduced DING in 2005. Whenever exclusive discount fares are offered, the program emits the familiar ringing sound of the in-flight seatbelt bell. The discounts can only be accessed through the Ding application. In the first two years, about 2 million consumers downloaded DING, and it generated more than \$150 million in ticket sales. Industry sources estimate that 45% of Ding users come back to book again compared to the industry rate of 27% repeat ticket sales.



### Browser extension case studies by category:

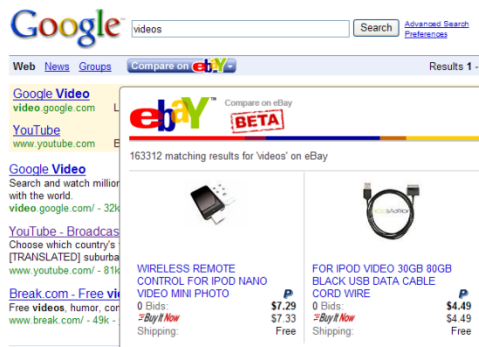
#### Toolbars

- Toolbars represent 12% of all search queries, according to comScore. Distribution of the *Yahoo! Toolbar* has captured 18% of all search queries for 19.2% of search engine spend (which equates to approximately \$2.3 billion of the North American SEM spending of \$12.2 billion in 2007).



## Shopping

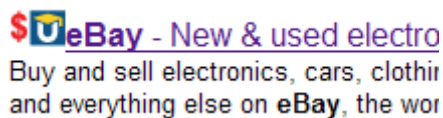
- eBay Browser Highlighter was launched in September, 2008. It is currently in Beta and allows easy comparison shopping. The jury is out on this one.



## Loyalty

- *Upromise TurboSaver*

With browser layering technology, Upromise has quickly grown to over 8.5 million members, incentivizing them to buy from over 600 online retailers.



## Telecommunications

- *Skype* needed a way to extend the functionality of its primary offering to make Web-based dialing faster and easier for users. With the Skype toolbar, the Skype service is readily accessible each time a user sees a phone number on the Web. To date, they have distributed more than 50 million installations, which generates over 10% of their revenue.

## Planning

Here are some basics:

1. Know your user. What can you provide that would be of value to your user—entertainment, utility, etc.?
2. Keep your content fresh.
3. Brand your widget.
4. Give your user a way to get more information, keep the conversation going.
5. Provide a system that simplifies the viral aspect of widgets.

## Implementation

WidgetBox.com, Dapper.net, Sproutmixer.com, and Google Gadgets make it easy to build a widget. An easy-to-follow guide can be found [here](#).

## Distribution

Distribute your desktop widget on your site, as well as [Clearspring](#), [Gigya](#), [Windows Live Gadget Gallery](#), [NetVibes Widget Library](#), [Google Gadget Gallery](#), [Yahoo! Desktop Widget Gallery](#), and [Widgetbox Gallery](#).

For additional traffic (and revenue) for your desktop widget, W3i offers its Application Network (AppNet). W3i has established a network of partners with applications, as well as a proprietary Windows installation manager, InstallIQ. There are two ways to work with AppNet:

1. Plug into our proprietary AppNet Windows installation manager; you do the marketing, we pay you.
2. Become an offer in the AppNet Windows installation manager; we'll cross-sell your product to our users, you get free traffic and pay for installs only, you pay W3i.

W3i has nine years invested in AppNet; and the solution was optimized on over 300 million installations, currently averaging 7.1 million installations each month. Partners include Yahoo!, the Weather Channel, and Weatherbug.

For more information, email W3i at [info@W3i.com](mailto:info@W3i.com) or call 1-877-257-7025.

## Summary

The benefits of creating a branded desktop widget far out-weigh the cost. Desktop widgets allow you to build a deep and engaging brand experience, turning your customer into a brand evangelist. The more entertainment and/or utility you build into your widget, the more likely you are to create a strong relationship and keep your widget on the desktop, increasing value for both you and your user. Your widget can generate additional revenue and traffic using the W3i Application Network.

Toolbars have increased traffic substantially for Internet portals and companies like Skype, making their solutions readily accessible to the user. The use of "layering technology" is gathering momentum as it helps brands break through the clutter. Contact [W3i](#) if you are interested in discussing how you can use layering technology or applications in your marketing efforts.

## Sources:

- Widgets to Wiggle into Budgets, EMarketer, [Read More](#)
- Brad Kertson, speaker Ad:Tech NY [Read More](#)
- Weatherbug, AWS, [Read More](#)
- Search Spend Seems Healthy Despite Slowing Economy, Kevin Newcomb, 3/17/08, [Read More](#)
- Google's Chrome Kills the Lucrative Toolbar Business, Saul Hansell, 9/3/08, [Read More](#)
- Southwest Keeps Fans From Straying, AdWeek, Joan Voight, 8/20/07, [Read More](#)
- Upromise – Upromise Deploys Mall Networks 3.0 to Power Next-Generation Comparison Shopping for Its 8.5 Million Members, Amy Paladino, 6/17/08, [Read More](#)
- Skype, Bestoolbars Case Study, [Read More](#)

**For more information, contact W3i at:**

**1.877.257.7025**

**info@W3i.com**