

*How to Provide Engaging, Relevant and
Accurate Product Information to
Customers*



Whitepaper by Web 3D Studio

Definition of Internet Advertising Effectiveness

Online spending has risen to new heights. Customers are feeling more comfortable shopping online and companies are regaining confidence in the medium since the dot com crash. Internet advertising is viewed as a cost-effective alternative to offline advertising and is becoming a very powerful marketing channel.

Internet advertising has evolved over the past decade. According to the Interactive Advertising Bureau, there are currently nine formats of internet advertising. Keyword search/ search engine optimisation has grown significantly and became the most influential advertising format of internet advertising (IAB, 1999-2004). Recently this has provoked companies into page ranking warfare.

However, increased traffic to the marketer's website is just one aspect of internet advertising. A successful internet advertising campaign should also aim to increase brand awareness, enhance the customer's experience, and improve product knowledge and customer satisfaction. The implementation of all of these aspects ultimately leads to increased sales, both online and offline.

“Advertising ROI lies in branding, not clicks or traffic.”

**ClickZ Network,
Michael Pastor**

Many companies suffer from low conversion rates from their internet advertising campaign. In effect their website is like a shop; adverts on the shop window can attract customers, but what is in the shop has more impact on their decision to buy. Many web visitors simply leave a website if they discover nothing of interest to them after a short time.

The Challenge

From many customers' points of view, most websites are boring. Pages full of plain text and static images are not the most engaging form of communication. Though the web is the latest marketing channel, it's capability to impress the audience has been somewhat limited.

Using traditional advertising techniques is no longer good enough. The modern consumer has different expectations of what they want to see on the web. Our cash-rich, time-poor society values convenience very highly, they have little time to browse a website for what they want. Online customers are also highly selective of the content they view - anything that is not immediately engaging will put them off.

A Three Dimensional Problem

There are three problems that have been identified.

1. One-way Communication

Like many traditional sales and marketing methods, most internet advertisements are one-way communication to customers. Companies make assumptions about what the customer wants and then presents this information to them.

The problem is that every customer is unique in what they require from a product, from specific features and levels of performance to the aesthetics of the product. Presenting a message that is tailored to that individual customer will have a strong impact on the decision to buy. However, this is often very difficult to achieve due to time and other constraints.

Many companies simply “dump” the full features and specifications of the product on the website, some information maybe presented as documents, diagrams and even videos. However, customers don't want to go through the full product documentation to gather the information they want.

Essentially, what they want to understand are the key features of the product.

Customers expect to have the full control over what information is being provided. The most effective way to do this is to allow a high level of interaction with the product so they can explore the product and test the main features.

2. Lack of Product Presence

The products on an e-commerce website are only as real as how they are presented. On many websites the products are represented by small thumbnail images. Not only do customers have trouble seeing them, it is almost impossible for them to fully understand the functions and features of the product. This approach relies too heavily on their imagination and existing knowledge of similar products. Would you buy a product that you do not fully understand?

A major factor that affects a customer's decision to buy is a sense of presence. In this context presence means the intensity with which a mediated environment is able to present information to the senses. Without a sense of presence customers lose confidence and feel a perceived risk in purchasing the product. They will either visit a trusted retailer to learn about the product, or look for more appealing alternatives offered by other manufacturers.

3. Keeping the Customer's Attention

Customers want something succinct and straight to the point. As customer expectations rise and many products have an increasing range of features, the customer is often bombarded by long lists of product specifications and technical notes. In this existing format it is virtually impossible to present all the features to the customer in an easy-to-understand style. The unique feature or selling point can often be lost in the confusion.

Time spent on a website is one of the key performance indicators for any type of e-commerce websites. Obviously the longer

customers stay and gather information from a website, the more interested they are and there is an increased likelihood that purchases are going to take place. Attracting customers to the website is only half the battle.

It has proven to be difficult for many companies to retain their audience online. They have games, videos, competitions, forums and all kinds of mechanisms to keep their visitors entertained. However, they are not relevant to the products or the level of service the company provides. Customers visit an e-commerce website for their products, not to kill time.

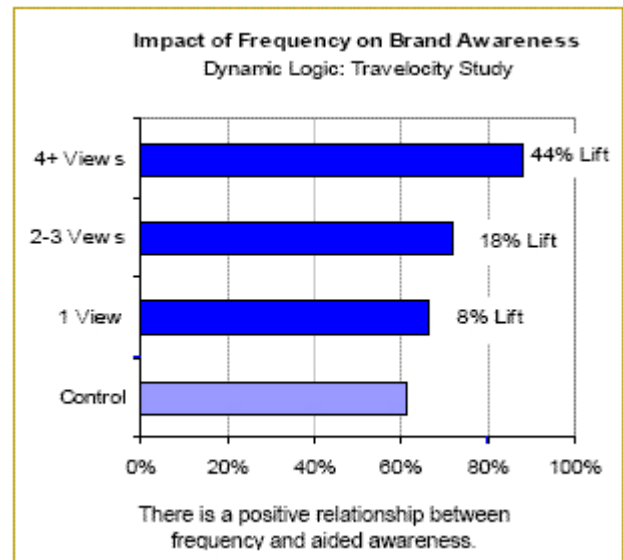


Figure 1. Impact of Frequency on Brand Awareness. Source: Proof That Online Advertising Works, Atlas Institute

Delivering the Right Product Information

A solution is needed that enables the most important product information to be delivered. This should harness the full interactivity of the internet by allowing the customer to choose what they want to see. The result would be a more engaging positive experience.

Interactive 3D Product Presentation – A Rich Media Solution

As internet bandwidth and the performance of PCs have improved exponentially over recent years, internet advertising has also developed. Banner ads have become animated with sound effects and interaction, company emails look more like professionally produced newsletters and brochures. Rich Media advertising was born.

As there are almost twice as many broadband than dial-up users (National Statistics, Internet Connectivity, December 2005), it is evidenced that broadband begins to dominate the market. Broadband is accountable for more than two-thirds of online retail purchases (Nielsen, January 2005). Rich media is about harnessing broadband to build brands. The increased creative possibilities for interactivity and audio-visual presentations allow richer content and a richer experience for the consumer, resulting in improved user response. Research has shown that on average, rich media advertisements perform six times more effectively than standard GIF banners (DoubleClick, 2004).

Connection	Average Online \$ Spend Per Person	Shopper/Buyer Conversion Rate
Broadband	\$158.21	26%
Narrowband	\$117.89	21%

Source: Nielsen/NetRatings MegaView Online Retail Custom Data, January 2005

Figure 3, Retail Sales and Conversion Rate on Connection Speeds

Rich Media solutions often consist of vector-based graphics and animations, streaming audio and video and java-powered interactivity. The logic of rich media is that high quality messages are perceived by customers much more effectively than lower quality ones.

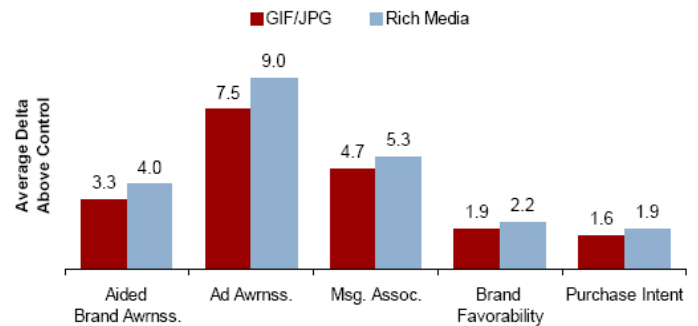


Figure 2, Rich-Media Effectiveness compared to Static Images.

Source: Dynamic Logic MarketNorms, Q2-2005

3D advertising is a new and innovative form of rich media that provides pre-purchase product inspection on the internet using real-time 3D technology to simulate real products. Different from many banner ads which enable users to interact with a website, 3D product presentation allows consumers to interact with simulated products on the Web.

The navigational control of a 3D product presentation reacts much like the real product and gives a natural feel to the customers. Interactivity and media richness are critical factors in improving the sense of presence in an online environment. These are also the core characteristics of 3D advertising.

Interactivity

Interactivity is the key to engaging and effective product presentations. A fully integrated interactive experience enables customers to decide what information appeals to them, without wasting any precious time.

3D advertising allows customers to interact with the simulated products in the same way as if they were actually physically interacting with the product. For example, consumers can inspect a 3D product by rotating it to view from any angle, zooming in and out for details. Customers can even try product functions through 3D animations.

Shoppers are likely to gain a unique experience when they feel physically involved, because a

virtual e-commerce environment is able to simulate many of the same experiences as a real store.

A recent Price Waterhouse Coopers (PwC) survey on Web Marketing discovered that the features most likely to increase purchases on websites are tools that make the shopping experience more like the in-store experience.

Media Richness

Media richness is another characteristic of 3D advertising that enhance a sense of presence. For example, television has greater media richness than radio and is therefore much better perceived.

“On average, Rich Media ads perform six times more effectively than standard gif banners”

DoubleClick Through Rates, 2004

There is no doubt that graphical elements are essential in delivering product information effectively to the customer. Sales materials usually make use of illustrations and diagrams to increase the customers understanding of the product. 3D advertising is at the forefront of multimedia technology, building on the visual emphasis of traditional advertising.

Photo-realistic representations of the product can be created, without having a major impact on the download time. The 3D products can be examined in great depth and respond dynamically to customer manipulation. By combining visual realism with intuitive interactivity, customers have a greater sense of presence, of actually “being there”.



Figure 4, Prior Online Shopping Experience and Product Choice Shares

Source: Interactive 3D Presentations and Buyer Behaviour, G. Haubl, P. Figueroa

Intuitive and Easy to Use

With a high level of realism and interactivity, 3D product presentations are surprisingly user friendly. The interaction is straight-forward and intuitive, so the customer feels as if they holding the product in their hand.

This method creates an engaging shopping experience for online customers in the same way as they prefer to “try before they buy” a product in a shop.

Concise and Relevant

Rich media solutions need to be relevant to the unique product features. Often customers lose interest when viewing a lengthy product presentation, no matter how visually impressive it is. A short and powerful presentation is needed that highlights the key features and benefits of the product that is relevant to them. A succinct message is much more memorable.

“Research shows that compared with graphical presentation of products on the web, 3D product visualisation results in improved product knowledge, more positive brand attitude and heightened purchase intention for products”

**Internet Advertising Formats and Effectiveness,
H. Li, J. D. Leckenby**

Web 3D Marketing Solution

Web 3D Studio is a leading agency specialising in real-time 3D marketing solutions. Our unique approach can help you to deliver a crisp and personal product message to your customers. We have worked with many leading companies in industries ranging from consumer electronics and medical devices to property and manufacturing.

Our Unique Approach

Using an in-depth analysis of each product we work with our clients to create clear product presentations which fit seamlessly into their existing sales channels. Our goal is to create an engaging interactive experience which clearly focuses on the unique selling points and features of each product.

“Retailers must teach customers through demonstration”

**How to Sell Consumer Electronics,
Forrester Research**

We help our clients to differentiate themselves in the marketplace, providing a solution tailor-made to their product. Our innovative approach can bring the product to life in front of customers, resulting in a compelling e-commerce experience. We allow customers to test, explore, move, alter, rotate, and even take apart a product before they buy it.

Visually Stunning Quality

By integrating various Rich Media technologies, Web 3D creates photo-realistic, visually stunning product presentations that inform, educate and engage the target consumer group. The talented team of designers at our agency are dedicated to creating visually compelling solutions that will make an immediate positive impact.

A Solution for Everyone

Our product solutions are based on freely available, open source java technology. It means that both PC and MAC users can enjoy the product presentations. More importantly it requires no plug-ins, which can be a deterrent for many online customers.

We work with our clients and come-up with feasible solutions that are user-friendly. We also follow the rich media standards as set out by the internet advertising bureau.

More Than Just the Web

Our solutions are versatile and can be fully integrated into your current sales and marketing strategy. The product solution we provide can be incorporated into a website, used in PowerPoint presentations, embedded within PDF files or copied onto CDs or DVDs.

Summary

The key to effective internet advertising lies in branding, website stickiness and conversion rates. With website traffic and clicks being driven by other forms of advertising it is vital that the customers are fully engaged and educated in their first visit, and they regularly return for new product information.

Web 3D Marketing Solutions help companies to deliver their product information more effectively. Our goals are to:

- Increase internet advertising effectiveness
- Enhance brand image and the customer's attitude towards the company
- Positively influence the customer's decision to buy
- Improve the customer's product knowledge
- Reduce the perceived risk of buying online

For more information about Web 3D Marketing Solutions, visit www.web3d.co.uk or call +44 (0)131 228 9722

