

ACTIVITY-BASED MEASUREMENT KEY TO DRIVING ADVERTISING AND MARKETING DOLLARS ONLINE

Marketing and advertising professionals look to mobile and social networking platforms for significant growth, according to Halyard Capital survey

New York, NY – November 14, 2008 – Marketers and advertisers, faced with intense budget scrutiny, are clamoring for better ways to measure the return on their online marketing spend, according to a survey conducted by Halyard Capital, a New York-based private equity firm. More than two thirds of respondents surveyed at Ad:Tech New York last week said that effective measurability of an online campaign's performance relative to its cost was the most important factor driving advertising and marketing dollars online, outstripping demand for detailed customer data and significant customer engagement, respectively.

Looking at alternative marketing channels, nearly seven out of 10 respondents (68 percent) believe social networking is in the strongest position to expand and deliver on that promise over the next two years, compared with one quarter who said branded entertainment and experiential marketing will grow the most.

Some 62 percent of participants in the survey cited mobile as the platform that will grow the most in the next two years relative to others, with 15 percent each citing online advertising networks and display advertising, respectively, as the areas which will grow fastest. Only eight percent expected search marketing to outpace other areas when it comes to growth.

“Mobile marketing platforms and social networks are poised to offer a greater level of user activity measurement and application of the accompanying data to enable contextual advertising around consumers’ points of passion,” said Robert B. Nolan Jr., managing partner at Halyard Capital. “Services on mobile, social networking and other platforms that focus on user action and self-identification to generate contextualized advertisements, and thereby convert users into active consumers, will be the winners in the digital economy.”

“Attracting and retaining customers is essential to brands today,” Nolan added. “Parties who can deliver on that objective and spur customers to action around their points of interest will be rewarded with major marketing dollars.”

Separately, respondents offered a wide range of estimates of how the global financial slump will impact online marketing spend, with responses ranging from growth of up to 10 percent to a decline of more than 20 percent. The largest concentration of survey participants anticipated a 10 to 20 percent decline from current levels.

“The fact that marketers are so uncertain about how online spend levels will fare in this market signals the absence of consistent, quantifiable returns from online campaigns,” said Bruce Eatroff, partner at Halyard Capital. “Businesses seeking to measure the effectiveness of their online marketing spend are mired in an antiquated broadcast model based on passive metrics such as eyeballs and unique visitors.”

Added Eatroff, “A measurement that reflects the level of customer activity – self-identification and pro-activity, for example – is desperately needed to fully unlock the potential of the one-to-one interactive economic model.”

About Halyard Capital

Halyard Capital is a New York-based private equity firm with over \$600 million of assets under management, focused on investing opportunities within the media, business services and communications industries. Halyard specializes in middle-market leveraged buyouts and growth equity investments. The firm has extensive experience and a proven track record within each of these sectors and has invested in 23 separate companies. The firm’s investment funds will commit up to \$40 million to individual portfolio companies. Additional information regarding Halyard’s strategy, principals and investments can be found at www.halyard.com.