

It's estimated that the average American sees around 2,000 advertisements every day, and online advertising represents a rapidly increasing portion of the industry. According to the Direct Marketing Association, researchers say U.S. companies spent an estimated \$400 million on e-mail marketing in 2006.

Andrew Westmoreland, CEO and founder of electronic advertising software company ADRevolution, calls this an "advertising arms race. Everybody's trying to do bigger, louder, faster, harder in online ads. But they've forgotten the critical element — the consumer."

And the consumer is the heart of Westmoreland's latest invention, the Natural Intelligence Marketing Engine, or NIME. This software dynamically collects non-identifying information about consumers, and targets them with ads that are customized for them. Another powerful feature is the real-time monitoring system enabling advertisers to tweak their campaigns for the best return on investment.

Westmoreland, who has been creating software applications since high school, says he started thinking about online marketing while working with retail customers who bought the e-commerce transaction management system he developed early in his career. His software helped companies build inventory management, invoicing and shipping solutions, but his customers said they also needed help with sales.

"I didn't know anything about advertising," recalls Westmoreland, "but I knew that the Internet was a great opportunity, so I started exploring it."

The result was NIME, which gathers transactional and behavioral information from sources such as online customer surveys, opened e-mail, viewed mobile ads and website registrations. It combines that data with user feedback on different ads, as well as the different products and advertisements from ADRevolution's partners, and creates personalized ads that can be sent to customers via a multitude of electronic platforms, including e-mail and mobile devices.

To Westmoreland, focusing online advertising on the consumer makes perfect sense. But the concept wasn't the easy sell he thought it would be. During the beta testing phase, some advertisers were skeptical about the approach. They didn't understand how only marketing to those who chose to receive ads could be fruitful. But in recent years e-mail spam legislation tightened, spam filters improved, and permission — or opt-in — marketing became a best practice among online advertisers.

These rapid changes to the advertising landscape have increased the value of marketing software, like Westmoreland's, that can produce results. Customers in that beta test saw average advertising earnings jump from an effective CPM (cost per mille, or thousand) of \$50 to \$140, with precision effort earnings soaring into the CPM range of \$500.

So far in 2008, ADRevolution has doubled its own revenue and more than doubled its client base. But what gets Westmoreland really excited is the future. He's focused on building a fully integrated advertising company with new lines of business.

A feature added this spring called the Consumer Choice Tool gives people the chance to say, "I don't like this ad; show me something else." Westmoreland likens this to TiVo for online advertising. Not only did

this addition double the number of ad interactions, it also gave ADRevolution valuable information about how certain ads rate among consumers.

With the NIME architecture, he believes the possibilities are many. For example, Westmoreland envisions giving retailers the ability to send customers coupons through their cell phones, rather than through costly, paper-based direct mail marketing. He says that while e-mail, banners and mobile phones are all important components of modern-day advertising, combining them will provide an integrated service with multiple channels to reach customers —the highest quality solution for advertisers.

“Today it’s e-mail, tomorrow it’ll be display advertising, and the next day it’ll be cell phone advertising,” states Westmoreland. “We’ll have a platform with which to do many types of advertising.”

Westmoreland says he frequently hears of other companies working on creating similar solutions, and points out that ADRevolution’s NIME software is fully functional right now, and growing and improving by the day.

But he believes their biggest advantage is the fact they’ve put the consumer first. So focused on the consumer is Westmoreland that ADRevolution staff includes a customer support department devoted to answering phone calls and e-mails about their ads. He says he doesn’t know of too many electronic advertising companies that provide real customer service, and believes this consumer-centricism will continue to give them an edge.

“At the very core of the engine, it’s about making ads that people like.”