



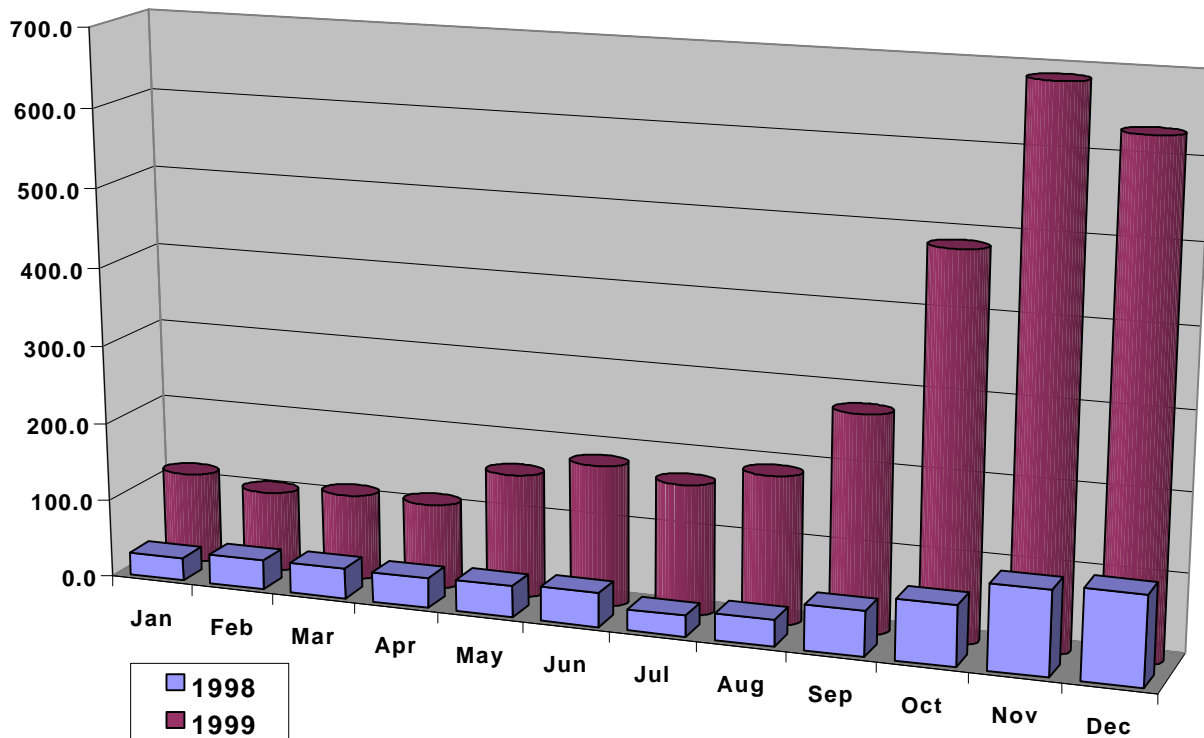
DOT-COM ADVERTISING

Dot-com spending in the traditional 11-media through December of 1999 was \$3.2 billion, five times what it was in 1998 (\$645 million). Magazines and television received the lion's share of expenditures in both 1998 and 1999.

In 1998, CMR listed advertising activity for 983 internet brands in 106 subclasses; during 1999, there were 3250 brands in 196 categories.

There is a strong seasonal pattern to the spending, in that fourth quarter is clearly where the heaviest spending is concentrated. Spending was slightly lower in December than in November, possibly as e-tailers recognized that last minute Christmas shoppers, unsure that online orders would arrive in time, headed to bricks-and-mortar stores, a phenomenon which was widely reported at the time.

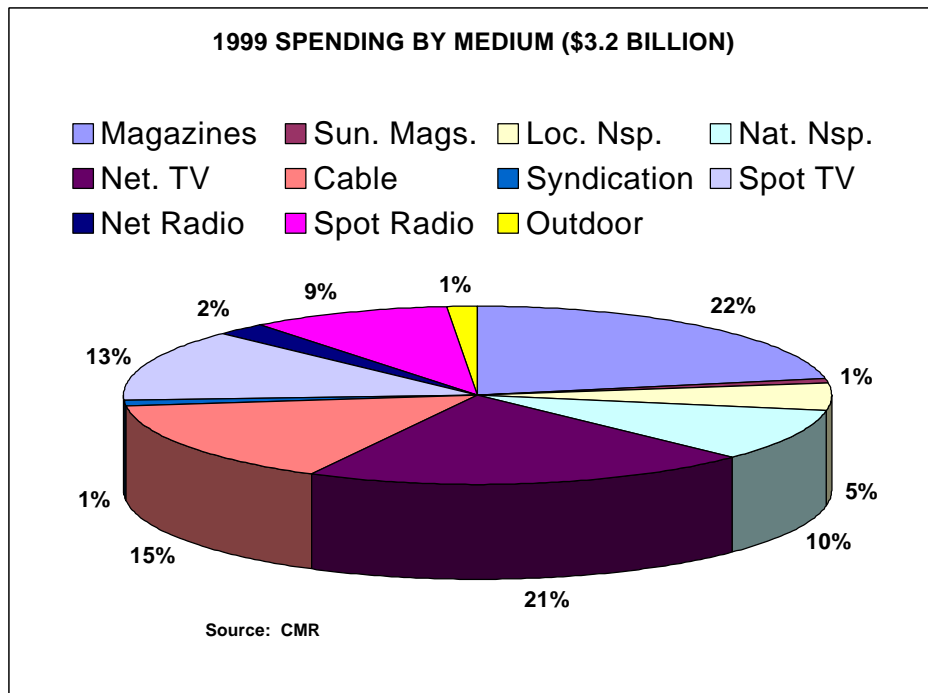
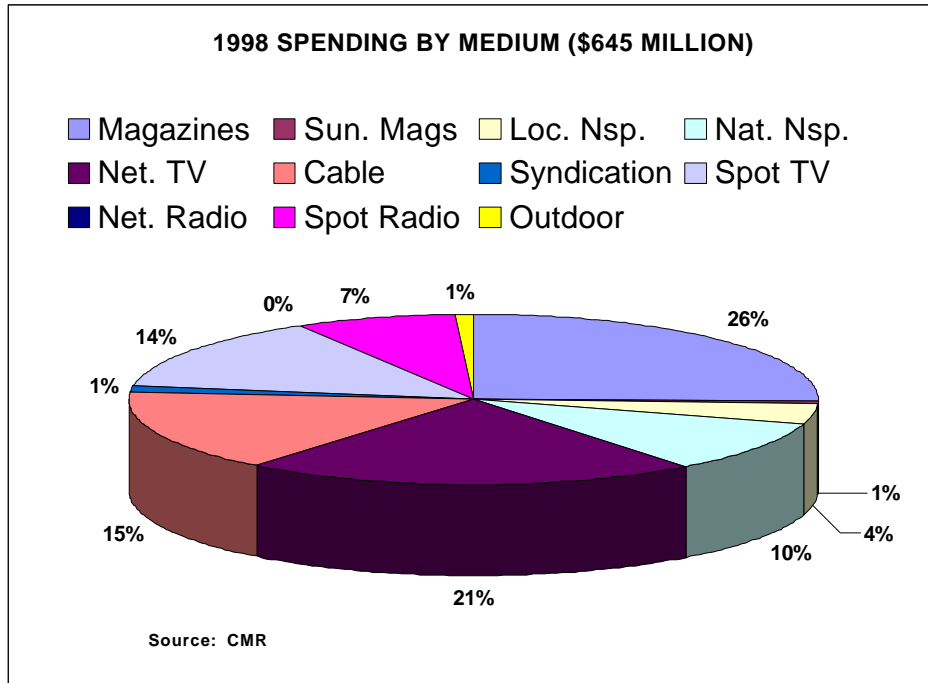
11-MEDIA SPENDING BY MONTH (\$ MILLIONS)





CREATIVE MED!A RESEARCH BULLETIN

Spending patterns were remarkably stable from 1998 to 1999 across the 11 measured media. Magazines ranked number one both years, followed by network television, cable, and spot television. The four television media (network, cable, syndication, and spot), however, collectively receive half the dot-com advertising dollars placed in traditional media.





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Five of the top six CMR subclasses in 1998 retained their positions in 1999. However, toy, sport and hobby stores appeared in fourth place in 1999, up from 21st place the previous year. Business, personal and residential phone services, number four in 1998, slipped all the way to 24th place; it was the only category among the top 25 to have spent less in 1999 than in 1998.

The table below shows the top 25 categories for each year, along with the percent increase in spending from 1998 to 1999. Pet stores and Banks/S&Ls are new categories among the top 25 in 1999.

Rank	Category	Jan-Dec 99 (\$000)	% incr. 99/98	Category	Jan-Dec 98 (\$000)
1	ON-LINE & INTERNET SERVICES	610,674.1	205	ON-LINE & INTERNET SERVICES	200,432.3
2	INVESTMENT BROKERS	482,643.6	504	INVESTMENT BROKERS	79,862.3
3	PUBLISHING & MEDIA: COMB COPY & NEC	383,500.3	707	PUBLISHING & MEDIA: COMB COPY & NEC	47,498.0
4	TOY, SPORT & HOBBY STORES	122,836.9	3,590	BUSINESS,PERSONAL &RESIDENTL PHONE SVCS	42,205.5
5	CARD, GIFT & BOOK STORES	115,845.1	211	CARD, GIFT & BOOK STORES	37,217.5
6	RETAIL: COMB COPY	97,370.2	208	RETAIL: COMB COPY	31,659.6
7	RETAILERS: COMB COPY & NEC	87,728.9	2,789	MAGAZINES	28,384.6
8	TRAVEL SERVICES	75,085.7	337	COMMUNICATIONS NETWORKING SYSTEMS	26,032.9
9	EMPLOYMENT AGENCIES	69,990.8	1,289	TRAVEL SERVICES	17,188.1
10	LOCAL SERVICES: COMB COPY & NEC	55,031.7	909	MUSIC & MUSICAL INSTRUMENT STORES	14,950.9
11	COMPUTER & SOFTWARE STORES & SERVICES	52,549.2	296	COMPUTER & SOFTWARE STORES & SERVICES	13,254.7
12	BUSINESS SERVICES NEC	51,334.2	1,125	FINANCIAL EXCHANGES & BOARDS OF TRADE	10,435.5
13	MAGAZINES	49,929.6	76	CAR & TRUCK DLRS, SALES & LSG: COMB&NEC	8,854.8
14	DRUG & TOILETRY RETAILERS: COMB&NEC	48,739.6	3,688	COMPUTERS & COMPUTER SYSTEMS	6,912.8
15	PET STORES & SERVICES	40,548.7	n/a	COMPUTER SOFTWARE (EXCL GAMES & EDUC)	6,562.6
16	BANKS, S&LS	38,648.3	n/a	LOCAL SERVICES: COMB COPY & NEC	5,451.8
17	COMMUNICATIONS NETWORKING SYSTEMS	38,470.6	48	BUSINESS RETAILERS: COMB COPY & NEC	5,223.1
18	FINANCE & MORTGAGE COMPANIES	37,658.9	36,226	EMPLOYMENT AGENCIES	5,038.8
19	COMPUTER COMPONENTS (EXCL PRINTERS)	37,356.5	59,196	BUSINESS SERVICES NEC	4,190.8
20	FINANCIAL PRODUCTS & SVCS: COMB&NEC	36,156.3	1,382	HOME ELECTRONICS & VIDEO STORES	4,186.4
21	COMPUTER SOFTWARE (EXCL GAMES & EDUC)	35,190.4	436	TOY, SPORT & HOBBY STORES	3,329.3
22	HOME ELECTRONICS & VIDEO STORES	34,459.5	723	AIRLINE PASSENGER TRAVEL, DOMESTIC	3,164.3
23	MUSIC & MUSICAL INSTRUMENT STORES	31,405.7	110	NEWSPAPERS, NATIONAL	3,093.5
24	BUSINESS,PERSONAL &RESIDENTL PHONE SVCS	28,589.4	-32	RETAILERS: COMB COPY & NEC	3,036.7
25	OFFICE EQUIPMENT, FURNTR & SUPPLY STORES	27,486.1	5,555	PHOTOGRAPHERS & PHOTO STUDIOS	2,842.7

Source: CMR

The top 25 dot-com spenders in 1999 consist of the online brokers, a few of the biggest portals, and a number of e-tailer sites. Indeed, five of the top 10 are online brokers. The e-tailers on the list are: Value America (#5), Amazon.com (#8), Etoys (#11), K-Bkids (#15), and Pets.com (#25). Only one online recruiter, Monster.com, was among the top 25 spenders. **Together, the top 25 brands spent 31% of the offline dot-com advertising dollars for 1999.** The following table shows the complete list of the top 25 brands, along with their 11-media expenditures.



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Rank	Brand	CY 1999
		Total (\$000)
1	E TRADE BROKERAGE+ONLINE	129,612.8
2	AMERITRADE BROKERAGE+ONLINE	88,747.7
3	SNAP.COM+INTERNET SERVICES	75,786.0
4	CHARLES SCHWAB BROKERS+ONLINE	59,125.1
5	VALUE AMERICA STORE+ONLINE	58,489.9
6	AMERICA ONLINE+INTERNET SERVICES	52,819.3
7	FIDELITY INVESTMENTS+ONLINE	44,594.9
8	AMAZON.COM+ONLINE	36,555.9
9	ALTAVISTA+INTERNET SERVICES	35,823.4
10	DATEK SECURITIES BROKERS+ONLINE	35,789.0
11	ETOYS+ONLINE	35,767.8
12	CNET+ONLINE	33,139.4
13	AT&T BUSINESS NETWORK+ONLINE	33,061.5
14	WEBTV NETWORK+INTERNET SERVICES	32,955.8
15	K-BKIDS.COM+ONLINE	31,358.3
16	INTEL+ONLINE	30,092.9
17	PRICELINE.COM TRAVEL+ONLINE	29,333.8
18	MONSTER.COM+ONLINE	28,955.8
19	YAHOO+INTERNET SERVICES	25,665.6
20	IVILLAGE.COM+ONLINE	24,506.1
21	UUNET+INTERNET SERVICES	21,448.3
22	GO.COM+ONLINE	20,814.0
23	MYSAP.COM+ONLINE	19,771.6
24	MERRILL LYNCH BROKERS+ONLINE	19,688.2
25	PETS.COM SUPPLY+ONLINE	19,123.1
	TOP-25 TOTAL	1,023,026.0

Creative Media maintains a full file of detailed expenditure data by category, brand, and medium, which we update on a regular basis. Please feel free to contact me for further information on categories of interest.

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