

Majestic Research

Rigorous | Unbiased | Real-time

Data, Trends, Behavior

mediacenter.org 2/9/05

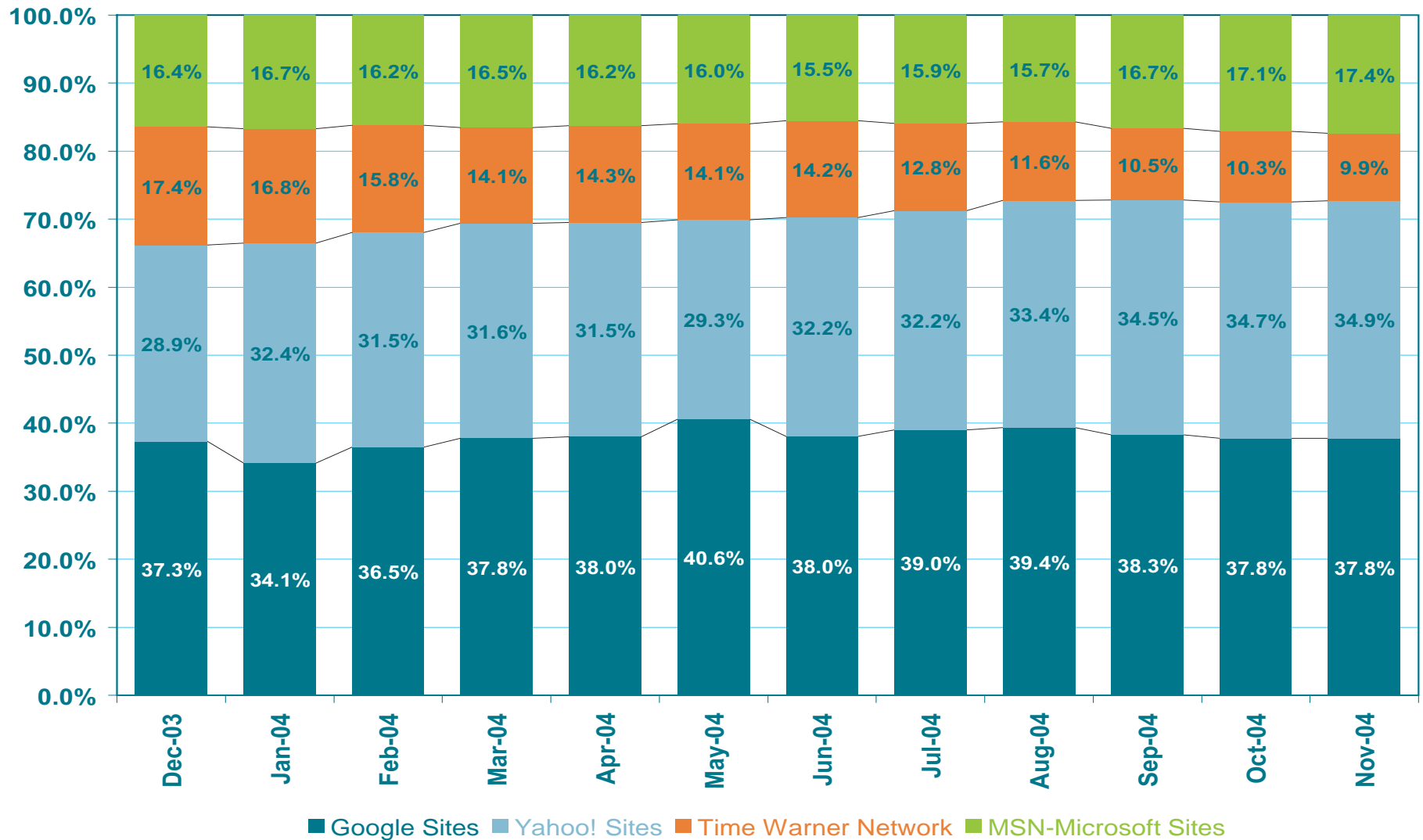
Seth Goldstein
Co-Founder & Chairman
Majestic Research

Majestic Research

- Independent Investment Research for Hedge Fund and Mutual Fund Managers
- Unique data driven approach integrates internally generated and externally licensed data in order to provide transparency into fundamental corporate performance
- Reports, Custom Research, Events
- Internet, Auto Retail, Video Games, Homebuilders, Casinos, Health Care...
- In past month, we recruited former Instinet CEO Doug Atkin to run company, closed Series A financing, and brought Bill Hambrecht onto the board

Yahoo, America

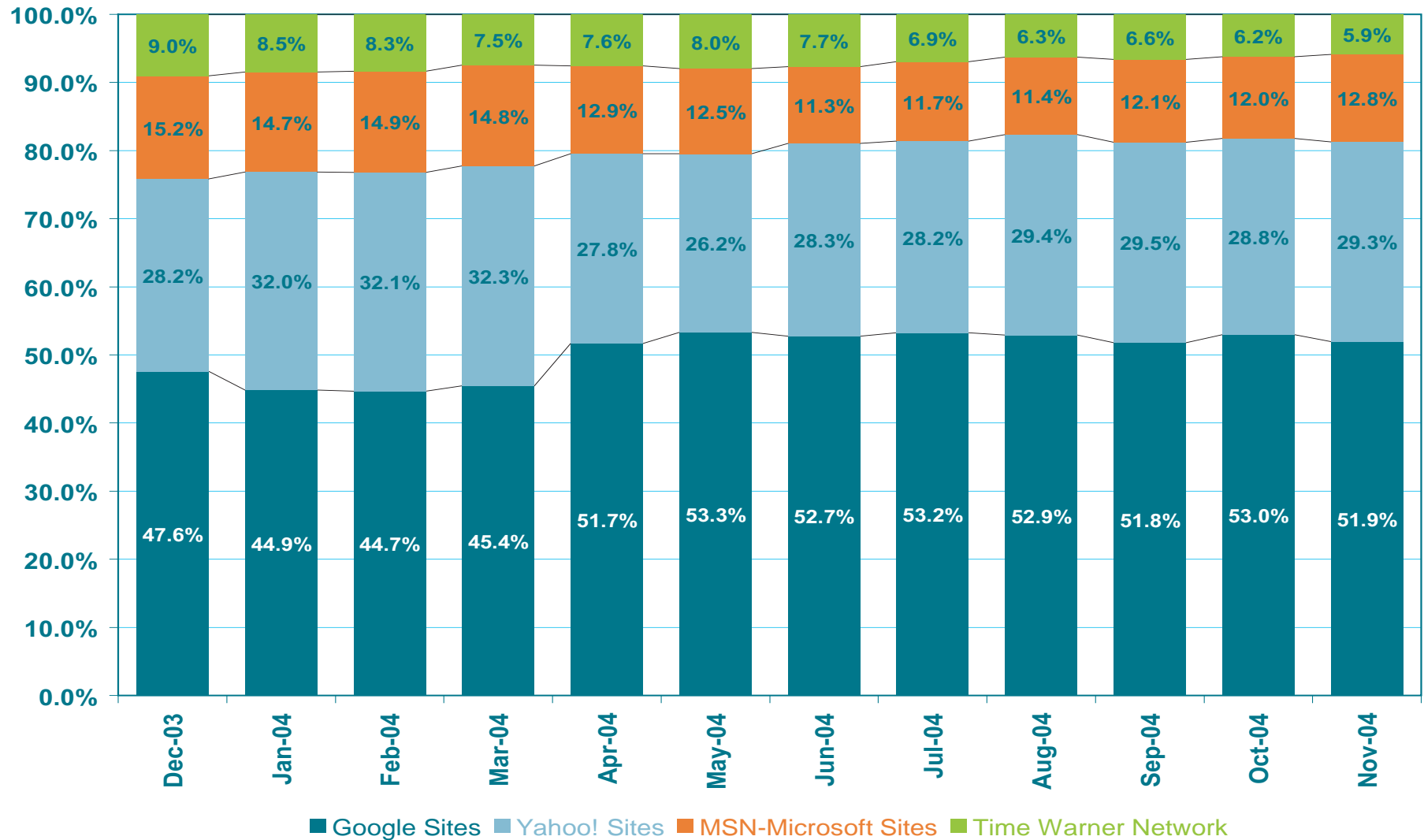
US Search Big Four Monthly Search Share



Source: Majestic Research and comScore Network

Google, the world

Worldwide Search Big Four Monthly Search Share



Source: Majestic Research and comScore Network

Paid Click Inflation?

December

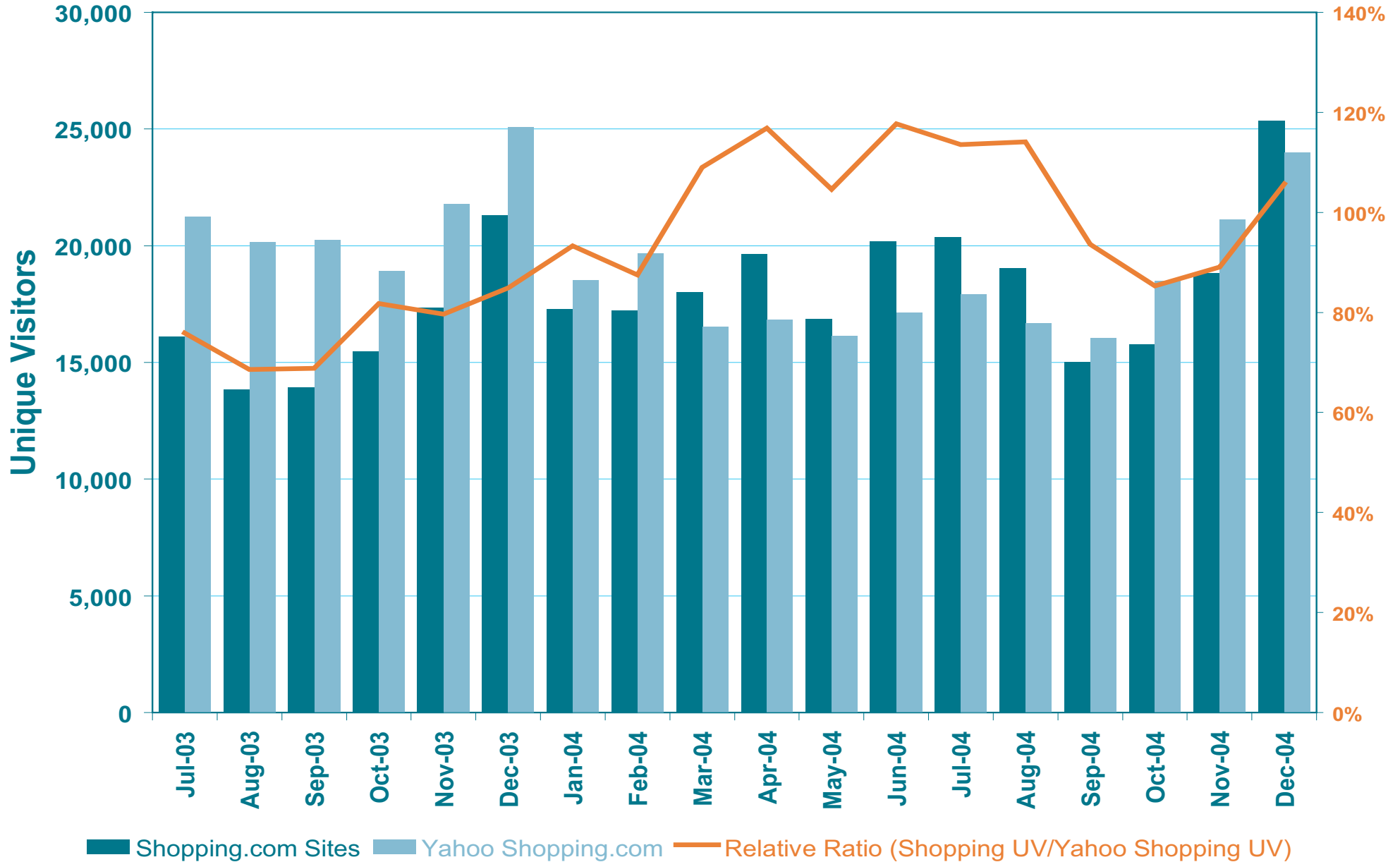
Keywords	Bid	Domain
Debt Consolidation	\$20.00	www.bankone.com
Home Equity Loans	\$15.52	www.eloan.com
Home Equity Loan	\$15.52	www.eloan.com
Home Equity Loans	\$15.50	www.bankone.com
Home Equity Loan	\$15.50	www.bankone.com
Debt Consolidation	\$15.01	www.bankone.com
Home Equity Loans	\$14.68	www.eloan.com
Home Equity Loan	\$14.68	www.eloan.com
Refinance	\$14.56	www.eloan.com
Refinance	\$14.56	www.lowermybills.com

**Google's searchers are
Ebay's buyers**

“Auctions saw a sharp uptick in spending in December, largely driven by an increase in average bid price across a broad base of keywords by eBay.”

Intermediaries are growing

Shopping.com vs. Yahoo Shopping Unique Visitor Trends (000s)



Source: Majestic Research and comScore Network

Advertising = Science

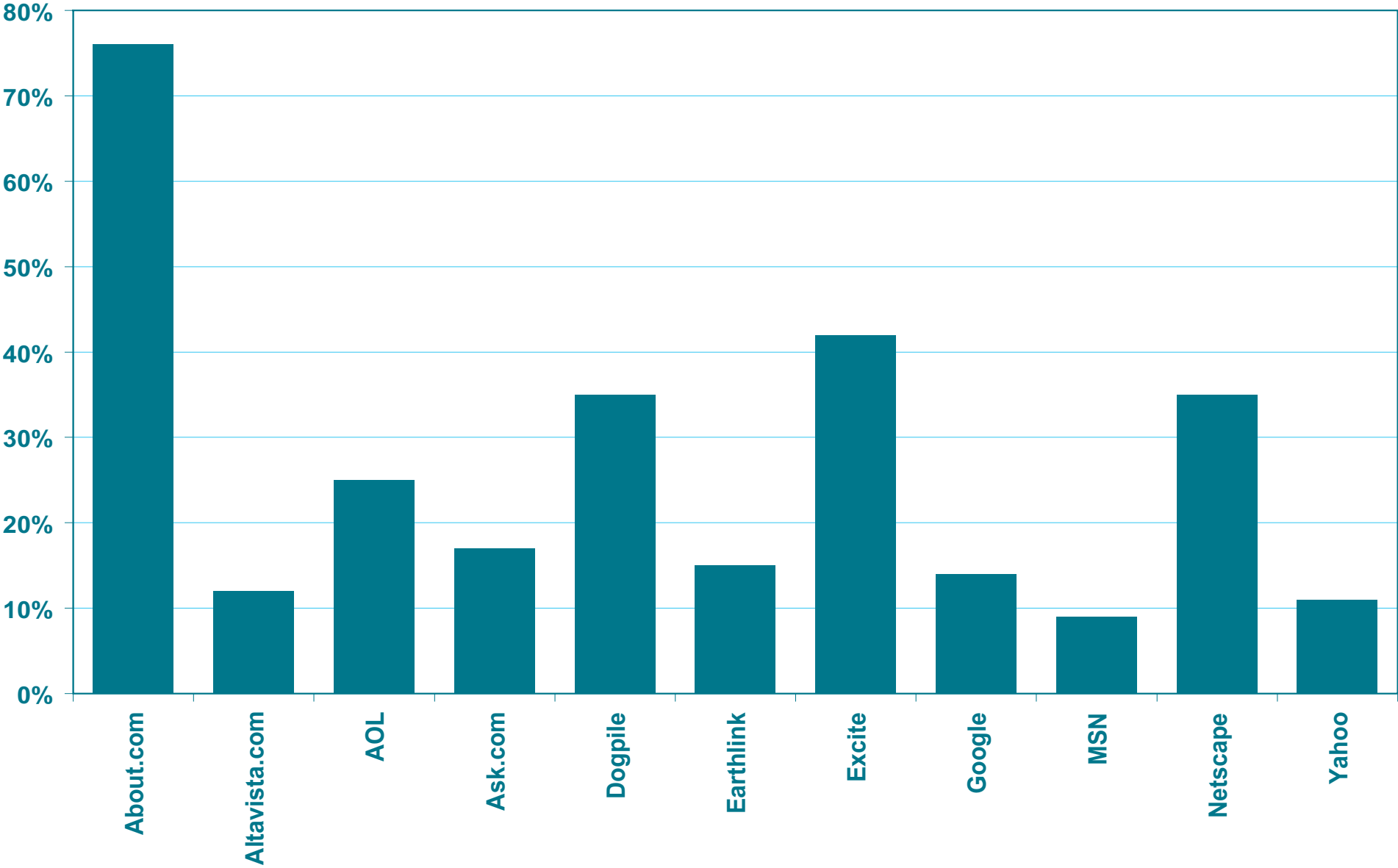
The time has come when advertising has in some hands reached the status of a science. It is based on fixed principles and is reasonably exact. The causes and effects have been analyzed until they are well understood. The correct methods of procedure have been proved and established. We know what is most effective, and we act on basic laws. Advertising, once a gamble, has thus become, under able direction, one of the safest of business ventures. Certainly no other enterprise with comparable possibilities need involve so little risk.

~~madison ave wall street:~~

- azoogleads
- adteractive
- datran
- efrontier
- fastclick

but, people sell

Percentage Sponsored Clicks of Total Clicks in November



and, people tag

del.icio.us tagging

- 62k registered users
- 1.5m urls
- in past 24 hours:
 - 7,200 users have generated 27k posts

api + web service =
new media

- flickr/ mappr
- del.icio.us/ hublog.hubmed.org
- amazon & google adsense / typepad

media futures

- consumers pay algorithms (popular, relevant, targeted) with their attention
- algorithms employ taggers, bloggers, pages
- internet media arbitrageurs provide liquidity, enhance efficiency, and push advertisers out of the market

key questions

- not enough inventory?
- keyword price inflation?
- domain registration redux?
- elegant rss advertising?
- how to value brands?