

**WEB EFFORT AIMS AT TAILORING PITCHES TO THE RIGHT PEOPLE /
"PSYCHOGRAPHIC PROFILES," IT'S SAID, ARE BETTER THAN
DEMOGRAPHICS.**

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Body

The offices of Affinicast Corp. look very much like those of the typical south-of-Market Internet start-up. There are the beanbag chairs, the recliner rescued from the garbage on Ashbury Street, even the ballpoint pens left over from the start-up that failed earlier in the same space.

But the three former SRI International researchers running the company - Steve Krause, 29; Adam Gross, 24; and Bruce MacEvoy, 47; - say their niche differs in the matter of personality.

And by that, they don't mean their own - even though the trio once jokingly designated a cat named Road Kill as their vice president of strategy.

In the race to give Web sites more information about their customers - and thus to make advertising more worthwhile - Affinicast sets out to formulate psychological profiles of users.

What sets Affinicast apart from other companies that collect statistics or study behavior on the Web is its classification of people by a device known as a "psychographic profile," a portrait of how they're likely to respond to what they're seeing.

"A psychographic model talks to a user's buying behavior or lifestyle behavior," said Marc Friend, a venture capitalist with U.S. Venture Partners, which funded Affinicast with a \$300,000 seed investment. "If you have only someone's demographics, you're not going to know if they're interested in fly fishing or cruises or model airplanes."

Mind you, this isn't a computerized Rorschach test. No one is asked to talk about his or her dreams. The Affinicast people say they're not interested in invading privacy by assembling online dossiers or asking for e-mail addresses. And the use of psychographic research itself isn't new: When a frozen-food manufacturer attempted to sell high-end dinners with fancy French names years ago, a psychographic model suggested why the campaign was bombing: People who buy frozen dinners do not enjoy trying to pronounce French names.

But the Web offers a whole new field for advertising and content tailored to specific tastes. And Affinicast is drawing on years of research about customer habits to design software that will help Webmasters understand more about the people clicking on their sites.

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"The essence of our system is in fact knowing something about who's on the other end of the wire," said Krause, the president of Affinicast.

A number of other Internet companies are striving for the same grail. A company called Firefly, for example, attempts to match a user's musical preferences with particular CDs. Another called Net Perceptions draws on extensive statistical research to predict the behavior of Web users.

All of them are struggling to determine how Web advertising can be made more specific. Although some observers have predicted that online advertising will be a \$5 billion industry by 2000, much of it today works as barter: I'll trade a banner headline on my home page for one on yours.

"If you're trying to sell advertising on the Internet, it's becoming tremendously competitive," said Bennett Kleinberg, a vice president of the Edelman New Media Group in New York. "For the sites based on advertising, there's going to be a big shake-up. Some will live. Some will die."

The Affinicast people acknowledge they're in a very competitive field. But they've been developing their technology and establishing working relationships with search-engine companies such as Yahoo Inc. and Excite Inc., which help people find what they need on the Web. Both Yahoo and Excite say they're hopeful that the psychographic technique can work.

Essentially, Affinicast asks users to reveal their preferences in one of three ways - by clicking on an icon, by filling out a questionnaire, or by submitting their own lists of bookmarks for the Web. The company pointedly notes that it does not ask for e-mail or real addresses - though individual Web sites may.

Consider how this works: A user who signs on to Affinicast's home page (<http://www.affinicast.com>) meets a demonstration model for the software.

By clicking on the icon depicting teeth, which stands for "chat and flirt," he or she will get certain recommendations for other Web sites to visit - say, a chat club featuring supermodel Cindy Crawford.

By clicking on a picture of a keyboard, which stands for "technophile," the user will get an entirely different menu - say, the Human Gene Map.

The Affinicast people say this software, which can be adapted to other sites, allows you to have a personalized Web experience.

But perhaps more important, it gives the Web sites themselves a way of tailoring their advertising. The chat and flirt people, for instance, may see an ad for Vidal Sassoon hair-care products. The technophiles may see one for a high-end IBM computer.

Though the visitor doesn't give up his or her identity, the Web site now has an idea of the user's interests - through a "cookie," or tiny program, that is implanted in the user's hard drive.

Though this automatically raises the privacy issue in some people's minds, Affinicast officials say they ask no personally identifiable questions. "We're making clear we're profiling, and not getting any information that could be tied back to you," Krause said.

How good are the predictions? A reporter who filled out the Affinicast questionnaire (sample question: "The main reason you use the Web") found that it returned more highbrow fare than he regularly sampled, such as an article on Einstein or the "Human Gene Map."

The Affinicast people say their studies show that their questionnaire comes closer to predicting preferences than simple demographic information such as income, education level, and so on.

But there are skeptics in the advertising community who wonder how candid people are in filling out questionnaires.

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"If you're a very boring person, would you put that down?" asked Russ Yanda, the vice president of marketing for Media Lab, which advises on targeting for online advertising. "I'd put myself down as a virile hunk of a man who likes to adventure and scuba dive. A lot of the time, the reality isn't that pretty."

Graphic

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The four men who lead Affinicast Corp. - (from top) Jonathan Hart, Bruce MacEvoy, Steve Krause and Adam Gross - are working to help Internet advertisers target their messages by providing profiles of the buying or lifestyle behaviors of potential customers. (Knight-Ridder Tribune, LEN LAHMAN)

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