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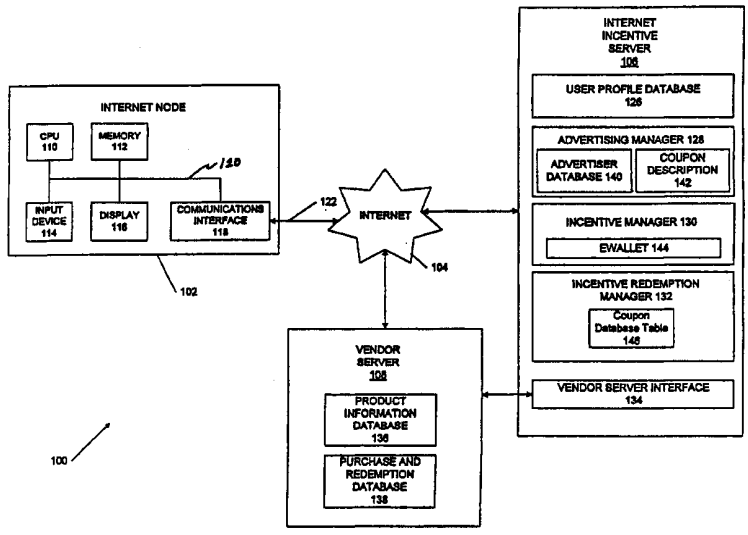

(57) Abstract

A system and method for providing and managing an advertising and incentive program to encourage a user to view an electronic advertisement or to encourage the user to purchase a particular product comprises an advertising window for displaying an advertisement and an incentive window for displaying the associated incentive. An incentive may be any item, product, or service, such as a coupon, which is offered in connection with an advertisement and is used to encourage a user to view the advertisement or purchase the product. When the user clicks on the advertising window, the incentive is electronically stored in an electronic wallet associated with the user's account. The user may then use the incentive to purchase the product online or in the physical world. The present invention also maintains information, such as purchasers habits and interests, about each user. Such information can then be used to target the advertisements seen by the user to those products or services which relate to the user's purchasing habits and interests.

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E-COMMERCE INCENTIVE DELIVERY SYSTEM

BACKGROUND

FIELD OF INVENTION

The present invention relates generally to advertisements and incentive schemes, and more particularly, to a method and system for generating and redeeming incentives associated with an electronic advertisement to encourage a user to view the electronic advertisement and to use the incentive to purchase products on-line.

BACKGROUND OF THE INVENTION

The explosion of electronic commerce, or E-commerce, is rapidly changing the way business is conducted over the Internet. Businesses which have traditionally offered their services or products in retail stores in the physical world are now starting to offer their products or services online. However, the successful integration of selling products or services in the physical world and the virtual world has proven to be difficult for many business. Most businesses would prefer to adopt a business model which allows them to encourage customers to purchase their products on-line since the business costs associated with the distribution and delivery of products on-line are usually lower than the costs associated with selling products in a retail store. However, even though customers may view information about a product on a

company's web site, many customers prefer to purchase the product at a retail store in the physical world. Therefore, it is desirable to have a system or method which encouraged customers to purchase products on-line.

Offering coupons or incentive programs on-line is one method for trying to encourage customers to purchase products on-line. However, this approach has several drawbacks. For example, offering coupons on-line has been difficult to enforce because of the ease with which users can print out multiple copies of the coupons. Moreover, managing coupons which are used to purchase products on-line and those which are used at a retail store is an enormous and difficult undertaking. Most businesses do not want to deal with the hassle involved in tracking the different coupons for on-line and retail purchases.

Another problem faced by on-line businesses is the ability to advertise effectively to a target audience. Generic or category banner advertisements on a web page are typically displayed to a general audience without regard to the specific user viewing the site. Moreover, banner advertisements usually consist of one window display and do not provide interactive communication with the user. Thus, current advertisements on the internet provide limited information about a product or a company. Moreover, most users do not want to take the time to view additional information on a particular product or company.

Another problem faced by businesses trying to advertise their products or services on-line is the ability to gather data and information about a customer. In addition to typical geographic and demographic information, it would be desirable to maintain information about a customer's purchasing habits and interests. Information regarding the purchasing habits and interests of a user may then be used by commercial web sites, and corporations providing web based services and content to direct their marketing and advertising efforts to the particular customer.

Therefore, what is needed is a system and method which overcomes these deficiencies in the prior art.

SUMMARY OF THE INVENTION

The present invention overcomes the limitations in the prior art by providing a system and method for providing and managing an advertising and incentive program used to encourage a user to view an electronic advertisement or to encourage the user to purchase a particular product or service. An incentive may be any item, product, or service, such as a coupon, which is offered in connection with an advertisement and which is used to encourage a user to view the advertisement or purchase the product or service. The system and method of the present invention advantageously manages various incentives for the physical world and the on-line world. The present invention also maintains information, such as purchases habits and interests, about each user. Such information can then be used to target the advertisements seen by the user to those products or services which relate to the user's purchasing habits and interests.

In one aspect, the present invention provides a system and method for offering incentives to a user. In one embodiment, an incentive, such as an electronic coupon, is displayed in an incentive box in an advertising window. When the user clicks on the incentive box or the advertising window, the coupon is stored in the user's electronic wallet, or e-wallet. The user may then purchase the advertised product, either on-line or at a retail store, using the coupon. In one embodiment, the user may purchase the product on-line and apply the coupon to the online purchase price. In another embodiment, the user may purchase the product in the physical world and redeem the coupon on-line. To redeem the coupon, the user submits a unique identifier for the product, such as a product serial number, to a coupon redemption center. Once the unique

identifier for the product is verified, the value of the incentive, for example, the value of the coupon, is stored in the user's e-wallet. The user may then redeem this award by using the electronic cash to purchase other products or by converting the electronic cash into currency which can then be transferred to the user's bank account. In another embodiment, a user may redeem a coupon by submitting his or her internet incentive server user ID and password to the retailer's checkout terminal. The retailer's computer system will then verify and authenticate the user ID and password and the coupon redemption request with the internet incentive server or the coupon redemption server. If the coupon is verified and authenticated, the incentive may be given to the user upon checkout at the retailer and the user's e-wallet will be debited in accordance with the coupon redeemed.

In another aspect, the present invention provides a system and method for vendors offering their products on-line to provide incentives to customers to purchase their products on-line. The present invention also provides a simple and efficient system and method for vendors to keep track of coupons redeemed for particular purchases. When a customer submits a unique product identifier after purchasing a product, the vendor of the product simply has to verify whether the unique identifier was a valid purchase. Thus, the vendor does not need to separately manage whether customers purchased their products on-line or at a retail store, nor does the vendor need to keep track of which coupons are used for which purchase.

In another aspect, the present invention maintains a customer profile, such as a user interest summary profile, which keeps track of vital statistics of the customer as well as the products or services purchased by the customer. Thus, each time the system is used to make a purchase or redeem a coupon, the present invention records the purchases or redemptions made by the customer. Additionally, the present invention tracks the items clicked and viewed by the

user to compile information regarding a user's interests. Such information can then be used to target subsequent advertisements directed to the customer.

In yet another aspect, a sequence of advertisements and the associated incentives are stored in a user's client software. A user may scroll backward and forward through the sequence of advertisements to view a previously displayed advertisement and click on the incentive online. This advantageously enhances the click through rate of on-line advertisement and provides more returns to the advertisers. A coupon redemption policy may also be implemented in accordance with a vendor's marketing objective. For example, a vendor may limit an incentive to the first 10,000 users for redeeming the coupon. This programmable policy allows a vendor to reach out to all Internet users while still controlling its total cost for the coupon or incentive advertisement program undertaken.

Additionally, the incentive being displayed with an advertisement can be a differentiated incentive and be targeted based on a user's prior purchasing history or based on a user's current purchasing intent. In other words, a differentiated incentive may have at least two values to encourage a certain action over another action. For example, if a user is an IBM personal computer user, a competitors advertisement, such as an advertisement from Compaq, may offer a higher coupon incentive to encourage brand switching. In another example, if a user is shopping online on an IBM website for a personal computer, then a competitors advertisement, such as one from Compaq, may be displayed with an incentive sufficient to induce the user to reconsider its purchase of the IBM product and click onto the Compaq site to purchase a Compaq product instead.

BRIEF DESCRIPTION OF THE DRAWINGS

Figure 1 is a block diagram of a preferred embodiment of a system embodying the principles of the present invention.

Figure 2 is an illustration of a user interface for an on-screen internet voice application in accordance with the present invention.

Figure 3 is a flow chart of one embodiment of a method for displaying targeted advertising to a user in accordance with the present invention.

Figure 4 is a flow chart of a preferred method for displaying targeted advertising in a banner advertisement in accordance with the present invention.

Figure 5 is a flow chart of a preferred method for crediting an incentive to a user's account in accordance with the present invention.

Figure 6 is a flow chart of another method for crediting an incentive to a user's account in accordance with the present invention.

Figure 7 is a flow chart of one embodiment of a method for redeeming an incentive in accordance with the present invention.

Figure 8 is a flow chart of another embodiment of a method for redeeming an incentive in accordance with the present invention.

DETAILED DESCRIPTION OF PREFERRED EMBODIMENTS

Referring now to Figure 1, there is shown a block diagram of a preferred embodiment of a system 100 embodying the principles of the present invention. The system comprises an internet node 102, coupled to various internet sites over a network, such as the internet 104. As

used herein, an internet site may refer to any computer system, network, server or client, which is coupled to the network 104. For example, the present invention includes such internet sites as an Internet Incentive Server 106 and an advertising Vendor Server 108 all coupled to each other over a network 104, such as the internet. These sites may be located on several computers or servers, or they may be located on a single server. The internet node 102 is preferably a computer system which comprises a central processing unit (CPU) 110, a memory 112, an input device 114, an output device 116, such as a display, and a communications interface 118. These elements are those typically found in most general purpose computers and in fact, internet node 102 is intended to be representative of a broad category of data processing devices. CPU 110 is connected by a bus 120 to memory 112, input device 113, output device 116, and communications interface 118 in conventional manner. CPU 110 is preferably a microprocessor such as an Intel Pentium processor. Internet node 102 preferably includes one or more input devices 114 for receiving input from a user. For example, input device 114 preferably comprises a keyboard and/or mouse type controller, and a microphone. Internet node 102 also includes one or more output devices 116 for presenting information to the user of the computer. For example, output device 116 is preferably a video monitor with audio speakers for displaying images generated by CPU 110.

Bus 120 is also coupled to communications interface 118 to facilitate communication between the internet node 102 and other sites coupled to the network 104, such as the Internet Incentive Server 106 or the vendor server 108. In a preferred embodiment of the present invention, communications interface 118 preferably comprises a network adapter card including a transceiver that is coupled to a cable or line 122. For example, communications interface 118 may comprise an Ethernet card connected to a coaxial cable line, a twisted pair line or a fiber

optic line. Those skilled in the art will realize that a variety of different networking configurations and operating systems may be used and that the present invention is independent of such use.

Communications interface 118 is responsible for sending, receiving, and storing via communications line 122 the signals sent over the network 104 or within a protected domain of a given network. Communications interface 118 is coupled to bus 120 to provide these signals to CPU 110 and vice versa. CPU 110, under the guidance and control of instructions received from memory 112 and from the user through input device 114, provides signals for sending and receiving data using communications interface 118. The transfer of data between sites is broken down into packets or packages. A packet or package is a unit of data that is routed between an origin and a destination on the Internet or other network.

As shown in Figure 1, the internet node 102 is coupled to an Internet Incentive Server 106 via the internet 104. The Internet Incentive Server 106 is any general purpose digital computer which serves as an "internet host" in accordance with standard internet protocol. The Incentive Server 106 manages the selection and display of advertisements to a user over the internet 104 and manages the display, distribution, and redemption of "incentives" associated with the advertisements. As used herein, an "incentive" is something which is offered to a user to encourage the user to click on the associated advertisement or to purchase the advertised product or service. Examples of incentives which may be used to encourage a user to click on an advertisement or to purchase an advertised product or service include, but are not limited to, electronic coupons (e-coupons), electronic cash (e-cash), mileage points for an incentive program, free movie tickets, free airline miles, coupons for restaurants, free gifts, free promotions, free trips, or free magazine or newspaper subscriptions. The operation of incentives

and advertisements in the present invention are described below in more detail. One skilled in the art will realize that many different types of incentives are available to encourage a user to click on an advertisement or to purchase a product or service and the present invention is not limited to either an e-coupon or to the specific incentives listed here.

Internet Incentive Server 106 preferably comprises a user profile database 126 which keeps track of individual users registered with the Internet Incentive Server 106, an advertising manager 128 which keeps track of and selects advertisements and incentives to be displayed to a user, an incentive manager 130 for keeping track of incentives for an individual user's account, and an incentive redemption manager 132 which manages a user's redemption of an incentive. Each of these features are described below in more detail. In addition, Internet Incentive Server 106 includes a vendor server interface 134 for communicating with a plurality of Vendor Servers 108. The vendor server interface 134 preferably also includes a computer database identifying interfacing information for accessing one or more Vendor Servers 108 through the interface 134. Each Vendor Server 108 may be communicating with the vendor server interface 134 over a public computer network 104, such as the internet, or may be physically present within the Internet Incentive Server 106.

Each Vendor Server 108 is the owner of a particular advertisement or a series of advertisements and may include a product information database 136 for storing data about products displayed in an advertisement and for storing general information about the vendor, and a purchase and redemption database 138 for storing data about products purchased by users and incentives, such as e-coupons, redeemed by users. Preferably, the Vendor Server 108 may communicate with the Internet Incentive Server 106 regarding the value of an incentive for a particular advertisement, the redemption of an incentive, and advertising and redemption

specifications. In this way, the Internet Incentive Server 106 can maintain current information for advertisements, incentives, and e-wallets. As new vendors of advertisements and incentives become members of the e-commerce incentive delivery system 100, they can establish Vendor Servers 108 and make their advertisements and incentives available to consumers via the Internet Incentive Server 106. Additionally, there may be an electronic mall ("e-mall") which may be operated by an electronic merchant ("e-merchant") associated with the respective vendor, the vendor's distributor, or the vendor's dealer. These parties may then interface their e-mall system software with the Internet Incentive Server 106 and the incentive redemption manager 132 for verification and redemption of a user's incentives, such as coupons. Moreover, a product or service offered in an advertisement may be purchased from the vendor directly, from a vendor's distributor, or from a vendor's dealer.

The user profile database 126 keeps track of individual users registered with the Internet Incentive Server 106. In addition to storing general information about a particular user, the user profile database 126 may store information on a user's selections and viewing activity with respect to advertisements. In particular, for each advertisement, the user profile database 126 records the date and time of an advertisement that has been clicked by the user. The user profile database 126 also records the number of times a user has clicked on a particular advertisement. The user profile database 126 may also collect information on specific products or services purchased by the user by obtaining such information from the incentive redemption manager 132 or from the vendor server 108. In addition, the user profile database 126 may also collect information on the URLs requested by the users and searches performed by the user, such as member directory search or keyword search, made by the users. After multiple advertisement clicking sessions, purchasing and redemption sessions, URL requests, or search requests, a

summary of the user's interest can be obtained and compiled into a user summary interest profile which can then be stored in the user profile database 126. The user summary interest profile makes certain inferences about the user's interests based on the advertisements clicked on by the user, and the specific products or services purchased by the user.

The advertising manager 128 keeps track of the advertisements to be displayed to a particular user and the incentives associated with a particular advertisement. The advertising manager 128 preferably includes an advertiser database 140 and an incentive description database 142, such as a coupon description database. Table 1 below illustrates a preferred embodiment of an advertiser database table.

TABLE 1

Advertiser database table
AID Advertiser ID AD_START_DATE Advertiser start date of registration AD_END_DATE Advertiser end date of registration AD_LOGO Advertiser image filename AD_DESC Description of advertiser

The advertiser database table preferably keeps track of the advertiser or vendor identification number (AID) for uniquely identifying an advertising vendor, the date of registration of the advertiser with the Internet Incentive Server 106 (AD_START_DATE), the ending date of registration of the advertised with the Server 106 (AD_END_DATE), the advertiser image filename (AD_LOGO), and a description of the advertiser (AD_DESC).

The advertising manager 128 also comprises an incentive description database 142 that keeps track of the various incentives associated with a particular advertisement. For example, the advertising manager 128 may keep track of the e-coupons associated with an advertisement in a coupon description database. Table 2 below illustrates a preferred embodiment of a coupon description database 142.

TABLE 2

Coupon Description Database
AID Advertiser ID PID Product ID references product ID CID Coupon ID references REDEMPTION table column CID CP_DESC Coupon description (can include restrictions place by Advertiser) CP_START_DATE Start date of coupon promotion period CP_END_DATE End date of coupon promotion period CP__VALUE Dollar value (or MR TR value) of coupon CP_LOGO Image filename of unexpired coupon CP_EXPIRE_FLAG 1= not expired, 2= expired CP_AD_LIMIT 0=infinite i.e no early bird campaign xxxx= max number of coupons sponsored during promotion period CP_AD_RECEIVED No of coupons redeem so far during campaign CP_AD_RESTRICT No of coupons allowed per user Duration To consumer coupon with the next N1 days Coupon Type = 'L' – Loyalty coupon = 'N' - Normal coupon = 'D' - Duration

The coupon description database 142 preferably keeps track of information such as the advertiser ID (AID), the product identification number (PID), the unique coupon ID (CID), a coupon description, including restrictions placed on the coupon by the advertiser (CP_DESC), the start date of the coupon promotion period (CP_START_DATE), the end date of the coupon promotion period (CP_END_DATE), the dollar value of the coupon (CP_VALUE), the image filename of the unexpired coupon (CP_LOGO), an indicator indicating whether the coupon has expired or not, any limit on the distribution of the coupon, the number of coupons redeemed (CP_AD_RECEIVED), and the number of coupons allowed per user (CP_AD_RESTRICT). The coupon description database 142 may also keep track of the type of coupon. Preferably, the CID is a unique identifier across all advertisers. The advertising manager 128 may include one incentive description database 142 for storing information for all incentives or it may include several database 142, each database keeping track of a particular type of incentive.

The incentive manager 130 keeps track of incentives for an individual user's account. In a preferred embodiment, the incentive mananger 130 includes an electronic wallet 144 (hereinafter "e-wallet") for maintaining information regarding the incentives credited to a user's account, for example, by clicking on a particular advertisement. In other words, when a user clicks on an advertisement, the incentive associated with the advertisement is electronically stored in the user's e-wallet 144. The e-wallet 144 may be viewed at any time by the user. Preferably, the e-wallet 144 keeps track of information relating to the incentive such as 1) the name of the advertising vendor; 2) the value of the incentive; and 3) the expiration date of the incentive, and other special terms and conditions related to the incentive. The e-wallet 144 may also maintain information regarding differentiated coupons having different values for on-line purchases and physical world purchases. Because there may be different types of incentives as

described above, the e-wallet 144 may also categorize the various types of incentives by incentive type. In other words, the e-wallet 144 may maintain information for rebates, coupons, e-cash, or mileage or bonus points. Such information may be organized and displayed in various ways, and the present invention is not limited to any particular organization.

The incentive redemption manager 132 keeps track of incentives, such as e-coupons, credited to and redeemed by a particular user. The incentive redemption manager 132 may be located on a separate internet server coupled to the Internet Incentive Server 106 via the internet 104 or the incentive redemption manager 132 may be located at the Internet Incentive Server 106. The incentive redemption manager 132 preferably includes a coupon database table 146 which keeps track of the e-coupons credited to and redeemed by a particular user. Table 3 below illustrates a preferred embodiment of the coupon database table 146.

TABLE 3

Coupon database Table
CO_CID Unique coupon ID
CO_ SID Shopper Ref Number
CO_CAPTURED_DATE Coupon obtained date
CO_EXPIRE_DATE Computed by coupon feed filter program
CO_COUPON_ISSUED No of coupons issued to this user
CO_COUPON_BALANCE Number of coupons balance after redeeming some

In accordance with the present invention, each time a user clicks on an advertisement, a coupon is credited to the user's account, and the information is recorded in the coupon database table 146. The coupon database table 146 preferably keeps track of the unique coupon identifier

(CO_CID) for identifying a particular coupon, the shopper reference number (CO_SID), the date the coupon was credited to the user's account (CO_CAPTURED_DATE), the coupon expiration date (CO_EXPIRE_DATE), the number of coupons issued to the user (CO_COUPON_ISSUED), and the number of coupons remaining in the user's account after redemption (CO_COUPON_BALANCE). The incentive redemption manager 132 may include one table for storing information for all incentives earned by a user or may include several tables, each table keeping track of a particular type of incentive. For example, an incentive redemption manager 132 may include a coupon database table, an airline mileage table, and a bonus point tracking table. Thus, the present invention is not limited to any particular type of table or tables for keeping track of different types of incentives.

Referring now to Figure 2, there is shown a preferred embodiment of a user interface 200 for an internet voice application embodying the principles of the present invention. The internet voice application executes on a client or user computer and is coupled via a network, preferably an integrated voice and data network, to a server or a computer system or a network. The internet voice application illustrated here is preferably MediaRing Talk by MediaCom Technologies in Singapore and can be downloaded from the internet at www.mediaring.com. The user interface 200 of the internet voice application preferably comprises three, simultaneously displayed areas: a first area 202, for displaying information such as the phone number or name of the recipient caller and the duration of the call; a second area 204, for displaying the control buttons for operating the internet voice application, and a third area 206, for displaying advertisements, messages or Web pages to the user of the internet voice application. The advertising window 206 also includes one or more incentive windows 208 for displaying an incentive that is associated with an advertisement. The organization and placement

of the areas in the user interface 200 of Figure 2 are merely illustrative and not limited by the present invention, and variations in the placement, size, and shape of the areas would be readily apparent to those of skill in the art of user interface design. Additionally, the advertising window 206 and incentive window 208 are not limited to display in conjunction with an internet voice application, but may be displayed on a browser, such as in a banner advertisement on a browser. Moreover, the advertising window 206 may also be displayed on the user interface 200 of an internet voice application even if the user is not using the internet voice application to make a call.

The internet voice application allows a user to make an internet telephone call over the network, as is known in the art, to communicate with a recipient. The recipient may be receiving the internet telephone call using, for example, another internet voice application or a telephone. While the user is using the internet voice application, advertisements for various products or services are displayed in advertising window 206. The advertisements may be displayed for any amount of time, for example 20 seconds, while the user is using the internet voice application. During the time that the user is using the internet voice application, a series of different advertisements are preferably displayed in the advertising window 206.

The advertising window 206 also includes one or more incentive windows 208 for displaying an incentive that is associated with the advertisement. As used herein, an "incentive" is something which is offered to the user to encourage the user to click on the associated advertisement. In other words, when the user clicks on the advertisement, the user will receive the incentive which is electronically credited to the user's account. For example, the incentive may be stored in an electronic wallet (hereinafter "e-wallet") associated with the individual user. The e-wallet is described below in more detail with reference to Figures 3 and 4. For example,

as shown in Figure 2, the incentive window 208 may display a $40.00 electronic rebate (hereinafter "e-rebate") for the purchase of the displayed product which the user will receive upon clicking the advertising window 206. Alternatively, the incentive window 208 may display an e-coupon or other incentive scheme for any product or service for encouraging the user to click on the advertisement window or to purchase the advertised product or service. As used herein, the phrase "click on an advertisement" or "click in the advertising window" can refer to either clicking anywhere in the advertising window 206, clicking on a specified spot in the advertising window 206, or clicking on the incentive window 208, as would be readily apparent to those of skill in the art of web page design. Other examples of incentives which may be used to encourage a user to click on the advertising window 106 include, but are not limited to, e-cash, mileage points for an incentive program, free movie tickets, free airline miles, coupons for restaurants, free gifts, free promotions, free trips, or free magazine or newspaper subscriptions. One skilled in the art will realize that many different types of incentives are available to encourage a user to click on the advertising window 206 and the present invention is not limited to the specific incentives listed here.

Additionally, incentives may also be used to encourage a user to purchase a particular product or service. In particular, an incentive may be used to encourage a user to purchase the product or service on-line instead of purchasing the product in the physical world. For example, a "differentiated" incentive may be used as an incentive to encourage a user to do one thing over another, such as to purchase a product on-line versus purchasing the product in the physical world. As used herein, a "differentiated" incentive, refers to an incentive which has more than one value. For example, a differentiated coupon may have two different values: one value for purchases made on-line and one value for purchases made in the physical world, in other words,

at a retail shop. In a preferred embodiment, the value of the coupon is higher for an on-line purchase and lower for a physical world purchase. Thus, the user will receive a larger discount for purchasing the product on-line than if the product were purchased in the physical world. One advantage of a differentiated incentive value for a product is that it reduces the conflict between distribution channels used for providing products in the physical world and those for providing products in the virtual or on-line world. Thus, the differentiated incentive also facilitates the migration of businesses from the physical, or traditional, distribution system, to an on-line and direct selling model.

In a preferred embodiment, the advertisements are displayed sequentially to the user. The present invention also allows a user to scroll backward through the advertisements to allow a user to view a previously displayed advertisement. The user may then click on the incentive window 208 for the previously displayed advertisement to claim the incentive associated with the previously displayed advertisement. Thus, the present invention ensures that displayed advertisements and their associated incentives are stored for the user to view at a later time. Additionally, the present invention also allows the user to scroll forward through the sequence of advertisements.

In one embodiment, the present invention may use the user profile database 126 to deliver targeted promotions for merchandise, service, and content. The present invention may also use information about the history of the user's purchases and click-throughs to target the advertisements displayed to a particular user. In other words, the present invention may analyze the user profile database 126 and the user's usage of the system to create a summary of the particular user's interests. The resulting summary can then be analyzed by the present invention and used to provide targeted advertisements for specific products and services.

More specifically, referring now to Figure 3, there is shown a flow chart of a preferred method for displaying targeted advertisements to a user in accordance with the present invention. As described in detail with reference to Figure 1, the advertiser database 140 stores a plurality of advertisements which may be displayed to the user via the advertising window. For each advertisement, the advertiser database 140 also comprises a target audience profile which indicates the target audience for the advertisement. To target the advertisements displayed to a particular user, the advertising manager 128 first obtains (302) a user interest summary profile of the user from the user profile database 126. The target advertising manager 128 then obtains (304) the target audience profile of the first advertisement in the advertiser database 140. The advertising manager 128 then determines (306) whether there is a match between the user interest summary profile and the target audience profile. If the advertising manager 128 finds a match between the user interest summary profile and the target audience profile for a particular advertisement, the advertising manager 128 may then display (308) the particular advertisement to the user. The advertising manager 128 may then obtain (310) the target audience profile for the next advertisement and repeat the matching process. If there is no match, the advertising manager 128 then obtains (310) the target audience profile of the next advertisement and again determines (306) whether there is a match between the user summary interest profile and the target audience profile. Thus, the present invention can provide targeted advertising to a particular user based on information regarding the user's advertisement clicking trail, the user's purchasing history and/or the user's coupon redemption history. Because users are viewing advertisements and purchasing products or services for their own personal current and future use, the information collected about a user's purchasing habits are generally accurate about a user's interest. Thus, advertisements based on such information will generally be targeted and personal

and likely to be of interest to the particular user. The fact that the user explicitly purchased a specific product or advertisement or "clicked on" particular advertisements generally ensures that the targeted advertisements will be of interest to the user. Additionally, the fact that such information can be summarized and viewed quickly means that targeted advertisements may be displayed almost instantaneously to the user.

In another embodiment of the present invention, the advertisements may be displayed in a banner advertisement space in connection with a web page. Referring now to Figure 4, there is shown a flow chart of a preferred method for displaying targeted advertising in a banner advertisement. In accordance with the present invention, the user may be coupled to the Vendor Server 108 and may access (402) the Vendor Server's website using a commercial browser. The browser may then send (404) a cookie to the Vendor Server 108 which contains the user's unique Internet Incentive Server identification number ("user ID"). The Vendor Server may then extract (406) the user ID from the cookie and use the user ID to extract (408) the user's interest summary profile from the user profile database 126 on the Internet Incentive Server 106. The Vendor Server 108 then passes (410) the user interest summary profile to the advertising manager 128. The advertising manager 128 then selects (412) a targeted advertising by comparing the user interest summary profile with the target audience profile for various advertisements as discussed in detail above with reference to Figure 3. The advertising manager 128 then sends (414) the selected target advertisement and the associated incentive to the Vendor Server 108. The Vendor Server 108 then sends (416) the selected targeted advertisement to the browser for display in the banner advertisement space.

Referring now to Figure 5, there is shown a flow chart of a preferred method for crediting an incentive to a user's account in accordance with the present invention. The advertising

manager 128 displays (502) an advertisement, or a series of advertisements, in the advertising window 206 of the internet voice application. As described above with reference to Figure 2, the advertisement will also contain an incentive which is displayed in the incentive window 208 associated with the advertisement. The user may view the advertising window 206 and may click on the advertisement. When the user clicks on the advertisement, the advertising mananger 128 records (504) the click event and sends (504) the click event to the incentive manager 130. The incentive manager 130 records (506) the incentive information and updates (506) the user's e-wallet 144. In this way, the incentive displayed in the incentive window 108 is "credited to", i.e. stored in the user's e-wallet 144. The incentive manager 130 may then send (508) an electronic mail message to the user indicating that the incentive was credited to the user's e-wallet 144. The user may then view the updated e-wallet 144. Additionally, when the user clicks on the advertisement, the advertising manager 128 also jumps (510) to the advertiser's URL. In one embodiment, when the user clicks on the advertisement, a default browser, such as Microsoft's Internet Explorer or Netscape's Navigator, is launched and a web page with the advertiser's URL is displayed for the user to view. The web page may contain information about the product, how to purchase the product, or about the company in general.

Referring now to Figure 6, there is shown a flow chart of another method for crediting an incentive to a user's account in accordance with the present invention. When a user clicks (602) on a displayed advertisement with an incentive window, the present invention determines (604) whether the user is already registered with the Internet Incentive Server 106. The present invention determines this by examining whether an Internet Incentive Server cookie was sent in. If no Internet Incentive Server cookie was sent in, then the Incentive Internet Server 106 will register (606) the user with the server 106 and issue (606) the user a unique Internet Incentive

Server identification number ("user ID"). The system will then submit (608) the user ID, user information, and incentive information to the incentive manager 130. The incentive manager 130 will create (610) a new e-wallet 144 for the new user and record the incentive information in the user's e-wallet 144. The advertising manager 128 then issues the cookie contain the user ID to the Vendor Server 108. If an Internet Incentive Server cookie already exists, then the advertising manager 128 extracts (614) the user ID from the cookie and passes (616) it on to the incentive manager 130. The incentive manager 130 retrieves the user's e-wallet by using the user ID and updates (618) the user's e-wallet by crediting the incentive to the user's e-wallet.

Referring now to Figure 7, there is shown a flow chart of one embodiment of a method for redeeming an incentive in accordance with the present invention. In this embodiment, a user views (702) the advertising window 206 which contains an incentive, such as an e-coupon, in the incentive window 208. The user may then click (704) on the advertising window 206 and receives (704) the e-coupon which is stored in the user's e-wallet 144. The user may then purchase (706) the product or service, either on-line or in the physical world. When the user purchases the product or service, the user will receive (706) a unique product identifier. The unique product identifier may be generated by the vendor's register scanner upon purchase or the unique product identifier may be a serial number of a product used for the registration of warranty. The unique product identifier is a unique number which is given to the user and which allows an advertising vendor to verify and authenticate the purchase of a product or service. The user may then submit (708) the unique product identifier to a coupon redemption manager 132 which verifies that the user did in fact purchase the product. After the user's purchase has been verified, the user's e-wallet 144 is credited (710) with the value of the e-coupon, preferably in the form of e-cash. The user may then redeem the e-cash from the user's e-wallet 144 by contacting

the incentive redemption manager 132. The user may elect to have the e-cash transferred electronically from the user's e-wallet 144 to the user's bank account or the user may elect to receive a check for the e-cash amount via standard postal service. One skilled in the art will realize that there are various ways in the art for the user to redeem the e-cash stored in a user's e-wallet and that the present invention is not limited to the specific examples disclosed. For example, in another embodiment, when the user purchases a product at a retail store, the user may submit his or her Internet Incentive Server 106 user ID and password to the retailer's checkout terminal. The retailer's computer system will then verify and authenticate the user ID and password and the redemption request with the Internet Incentive Server 106 or the incentive redemption manager 132. If the coupon is verified and authenticated, the incentive may be given to the user upon checkout at the retailer and the user's e-wallet will be debited in accordance with the coupon redeemed.

Referring now to Figure 8, there is shown another embodiment of a method for redeeming an incentive in accordance with the present invention. As the user is viewing the Vendor Server's website, the user may attempt to purchase (802) the advertised product on-line through the advertising vendor's website using an incentive, such as an e-coupon. In other words, the user may want to use the e-coupon which is stored in the user's e-wallet 144 towards the purchase of the product. The user's browser passes (804) a cookie containing the user's unique ID number to the Vendor Server 108. The Vendor Server 108 extracts (806) the user ID from the cookie and sends (808) the user ID and product information to the incentive redemption manager 132. The incentive redemption manager 132 verifies (810) the user ID, product purchase information, and the e-coupon redemption information. The incentive redemption manager 132 may then send (812) verification to the Vendor Server 108 that the user does have

an e-coupon for the product in the user's e-wallet 144. The Vendor Server 108 may then inform (814) the user that the e-coupon may be used to reduce the user's purchase price. After the user purchases the product on-line, the Vendor Server 108 may send (816) the purchase information to the incentive redemption manager 132 and the incentive manager 130 to update the e-wallet 144 and the coupon database table 146.

From the above description, it will be apparent that the invention disclosed herein provides a novel and advantageous system and method for generating and redeeming incentives in an electronic advertisement over a network. The foregoing discussion discloses and describes merely exemplary methods and embodiments of the present invention. As will be understood by those familiar with the art, the invention may be embodied in other specific forms without departing from the spirit or essential characteristics thereof. Accordingly, the disclosure of the present invention is intended to be illustrative, but not limiting, of the scope of the invention, which is set forth in the following claims.

CLAIMS

What is claimed is:

1. An electronic advertising and incentive system for providing an incentive for a user to view an advertisement, the system comprising:

an advertising window for displaying the advertisement; and

an incentive window for displaying the incentive associated with the advertisement; the incentive being credited to the user when the user clicks on the advertising window.

2. The system of claim 1 further comprising:

an electronic wallet for storing the incentive credited to the user.

3. The system of claim 3 wherein the user can redeem the incentive stored in the electronic wallet.

4. The system of claim 3 wherein the electronic wallet keeps track of all the incentives credited to the user.

5. The system of claim 1 wherein the user can use the incentive to purchase a product on-line.

6. The system of claim 1 wherein the advertising window displays a sequence of advertisements and the user can scroll the advertisements forward or backward to view any one advertisement of the sequence of advertisements.

7. The system of claim 1 wherein the incentive comprises a differentiated coupon, the differentiated coupon having at least two different values.

8. The system of claim 7 wherein the at least two different values of the differentiated coupon further comprises:

a first value for the differentiated coupon for purchases made on-line; and

a second value for the differentiated coupon for purchases made in the physical world.

9. The system of claim 7 wherein the at least two different values of the differentiated coupon are selected to encourage brand conversion.

10. A method for providing an incentive to a user to encourage the user to view an electronic advertisement, the method comprising:

displaying an electronic advertisement to the user;

displaying an incentive window to the user, the incentive window displaying the incentive associated with the advertisement; and

in response to the user clicking on the advertising window, crediting the user's account with the incentive.

11. The method of claim 10 further comprising the step of:

storing the incentive credited to the user in an electronic wallet.

12. The method of claim 11 wherein the user can redeem the incentive stored in the electronic wallet.

13. The method of claim 10 wherein the user can use the incentive to purchase a product on-line.

14. The method of claim 10 wherein a sequence of advertisements are displayed to the user and the user can scroll the advertisements forward or backward to view any one advertisement of the sequence of advertisements.

15. The method of claim 10 wherein the incentive comprises a differentiated coupon, the differentiated coupon having at least two different values.

16. The method of claim 10 wherein the at least two different values of the differentiated coupon further comprises:

a first value for the differentiated coupon for purchases made on-line; and

a second value for the differentiated coupon for purchases made in the physical world.

17. A method for allowing a user to redeem an electronic coupon over a computer system, the computer system comprising an electronic wallet associated with the user, the method comprising:

receiving the electronic coupon and a unique product identifier from the user;

verifying ownership of the electronic coupon;

verifying the authenticity of the unique product identifier; and

crediting the electronic wallet associated with the user with the value amount of the electronic coupon.

18. The method of claim 17 wherein the electronic coupon is a differentiated coupon, the differentiated coupon having at least two different values.

19. The method of claim 18 wherein the at least two different values of the differentiated coupon further comprises:

a first value for the differentiated coupon for purchases made on-line;

a second value for the differentiated coupon for purchases made in the physical world; and further comprising the steps of:

determining whether the user purchased the product on-line or in the physical world; and

crediting the electronic wallet with either the first value or second value of the differentiated coupon depending on whether the user purchased the product on-line of in the physical world.

20. A system for displaying an electronic advertisement to a user, the system comprising:

a user profile database for storing a user interest summary profile;

an advertising memory for storing a plurality of advertisements, each of the plurality of advertisements including a target audience profile associated with the advertisement; and

a target advertising manager, coupled to the user profile database and the advertising memory, for comparing the user interest summary profile with the target audience profile of an advertisement, and for selecting an advertisement to display to the user based on the comparison of the user interest summary profile and the key words.

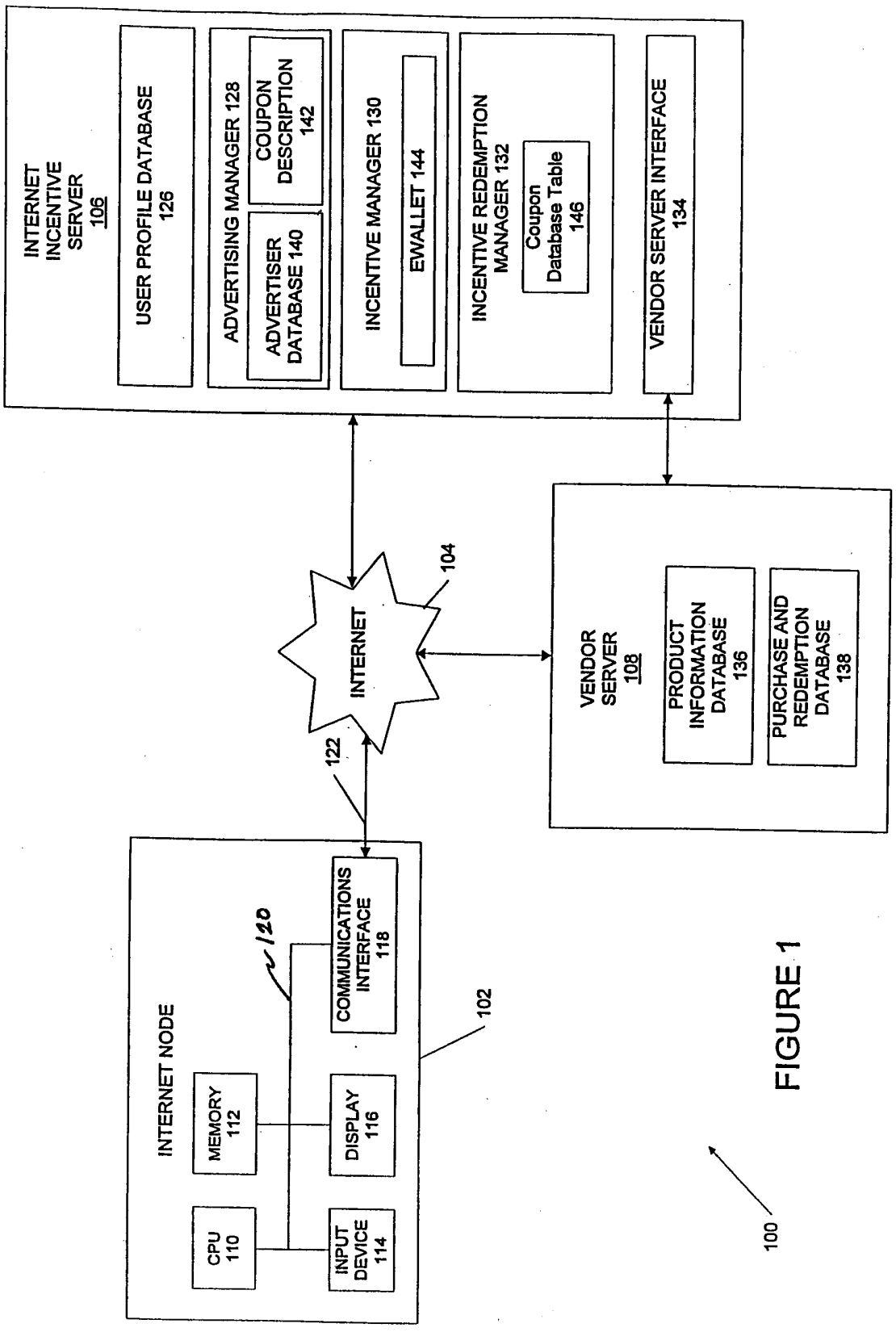
INTERNET INCENTIVE SERVER 106
USER PROFILE DATABASE 126
ADVERTISING MANAGER 128
ADVERTISER DATABASE 140
COUPON DESCRIPTION 142
INCENTIVE MANAGER 130
EWALLET 144
INCENTIVE REDEMPTION MANAGER 132
Coupon Database Table 146
VENDOR SERVER INTERFACE 134
INTERNET
104
VENDOR SERVER 108
PRODUCT INFORMATION DATABASE 136
PURCHASE AND REDEMPTION DATABASE 138
122
INTERNET NODE
120
COMMUNICATIONS INTERFACE 118
MEMORY 112
DISPLAY 116
CPU 110
INPUT DEVICE 114
102
100

FIGURE 1

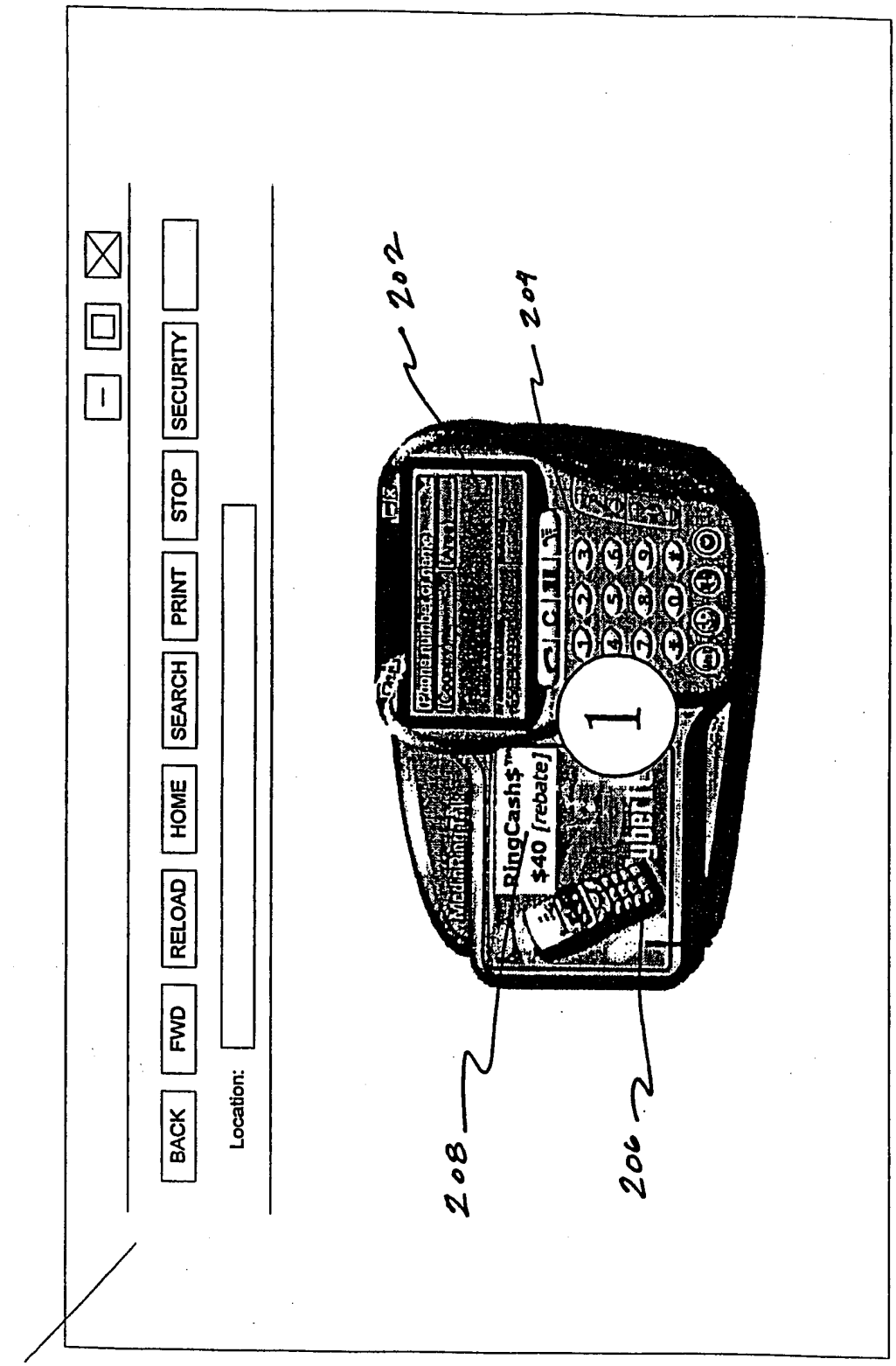
BROWSER
BACK
FWD
RELOAD
HOME
SEARCH
PRINT
STOP
SECURITY
Location:
202
204
208
206
RingCash$™
$40 [rebate]

FIGURE 2

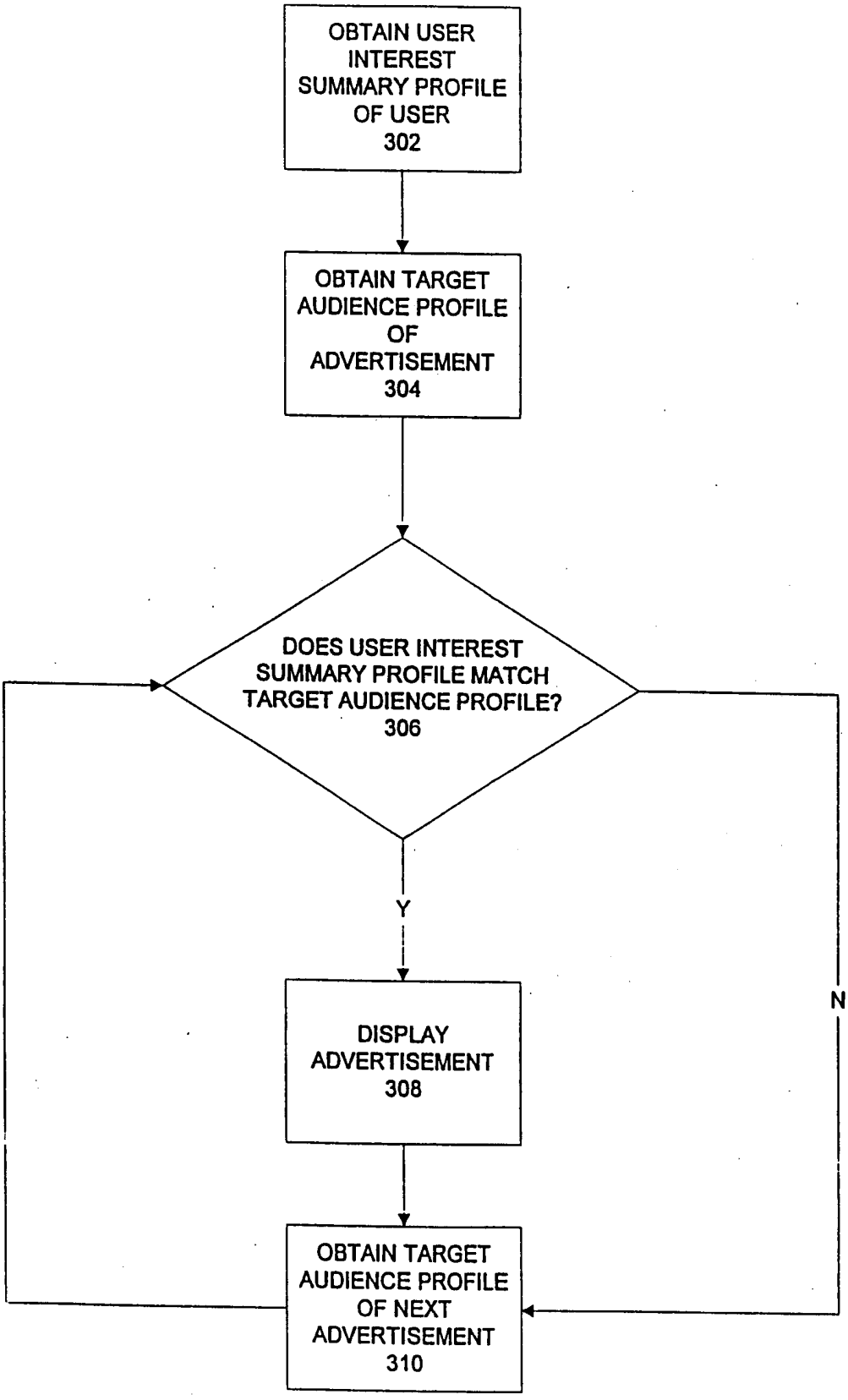
OBTAIN USER INTEREST SUMMARY PROFILE OF USER 302
OBTAIN TARGET AUDIENCE PROFILE OF ADVERTISEMENT 304
DOES USER INTEREST SUMMARY PROFILE MATCH TARGET AUDIENCE PROFILE? 306
Y
N
DISPLAY ADVERTISEMENT 308
OBTAIN TARGET AUDIENCE PROFILE OF NEXT ADVERTISEMENT 310

FIGURE 3

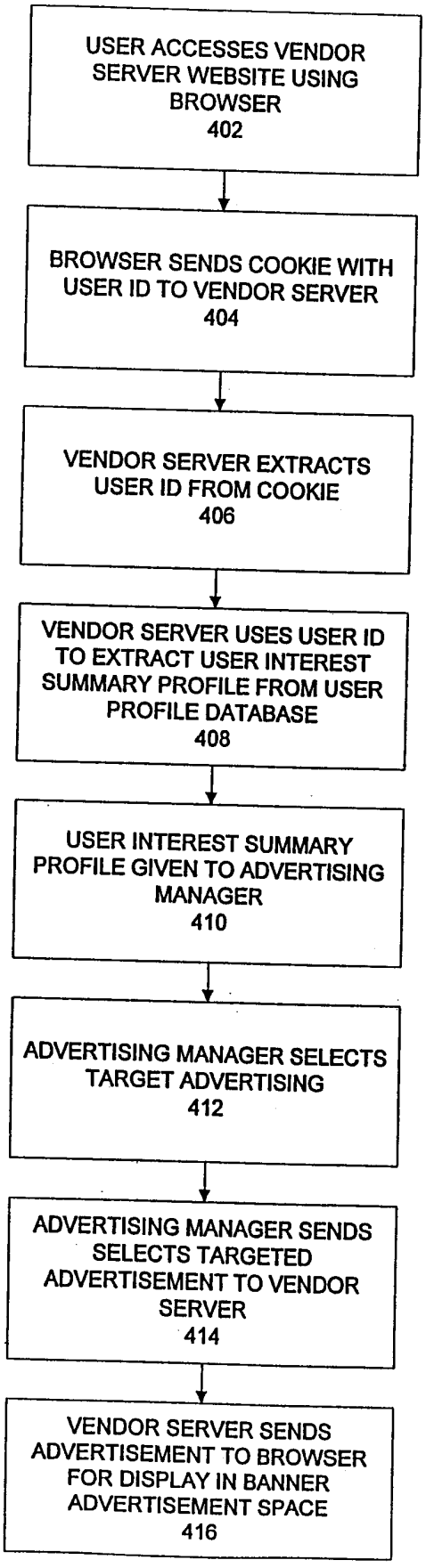
USER ACCESSES VENDOR SERVER WEBSITE USING BROWSER
402
BROWSER SENDS COOKIE WITH USER ID TO VENDOR SERVER
404
VENDOR SERVER EXTRACTS USER ID FROM COOKIE
406
VENDOR SERVER USES USER ID TO EXTRACT USER INTEREST SUMMARY PROFILE FROM USER PROFILE DATABASE
408
USER INTEREST SUMMARY PROFILE GIVEN TO ADVERTISING MANAGER
410
ADVERTISING MANAGER SELECTS TARGET ADVERTISING
412
ADVERTISING MANAGER SENDS SELECTS TARGETED ADVERTISEMENT TO VENDOR SERVER
414
VENDOR SERVER SENDS ADVERTISEMENT TO BROWSER FOR DISPLAY IN BANNER ADVERTISEMENT SPACE
416

FIGURE 4

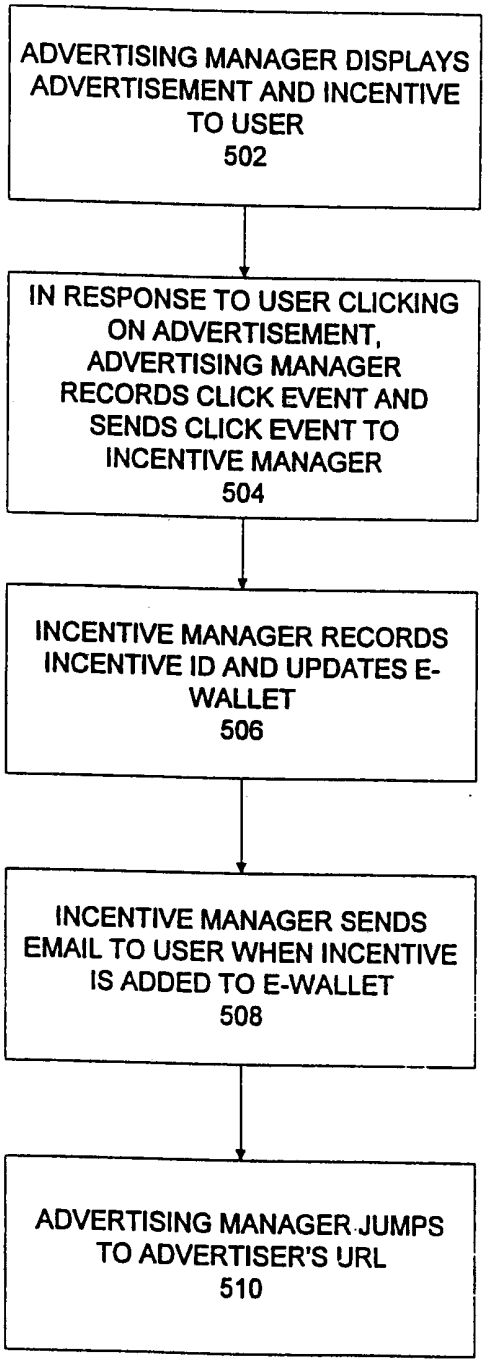
ADVERTISING MANAGER DISPLAYS ADVERTISEMENT AND INCENTIVE TO USER
502
IN RESPONSE TO USER CLICKING ON ADVERTISEMENT, ADVERTISING MANAGER RECORDS CLICK EVENT AND SENDS CLICK EVENT TO INCENTIVE MANAGER
504
INCENTIVE MANAGER RECORDS INCENTIVE ID AND UPDATES E-WALLET
506
INCENTIVE MANAGER SENDS EMAIL TO USER WHEN INCENTIVE IS ADDED TO E-WALLET
508
ADVERTISING MANAGER JUMPS TO ADVERTISER'S URL
510

FIGURE 5

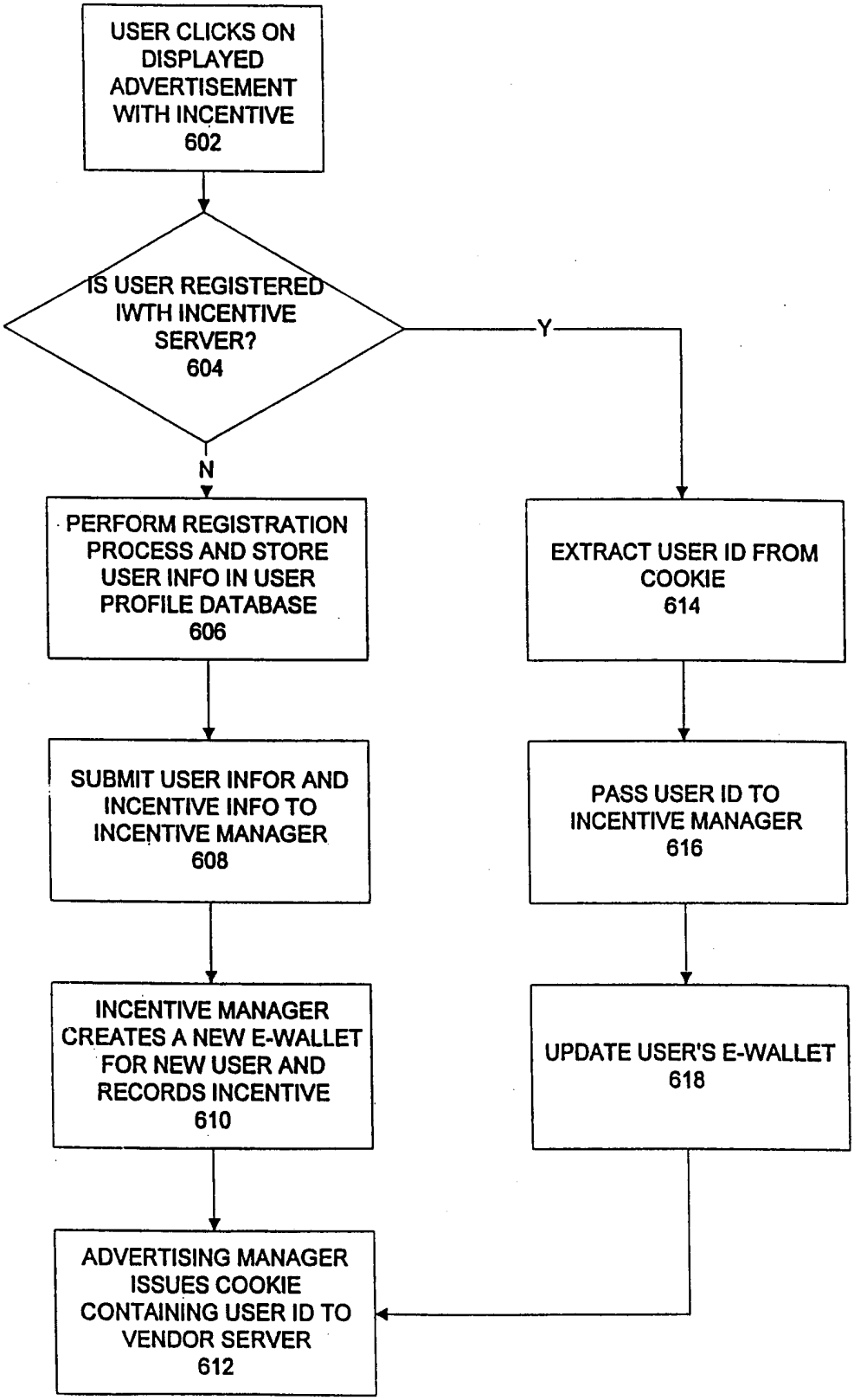
USER CLICKS ON DISPLAYED ADVERTISEMENT WITH INCENTIVE 602
IS USER REGISTERED IWTH INCENTIVE SERVER? 604
Y
N
PERFORM REGISTRATION PROCESS AND STORE USER INFO IN USER PROFILE DATABASE 606
SUBMIT USER INFOR AND INCENTIVE INFO TO INCENTIVE MANAGER 608
INCENTIVE MANAGER CREATES A NEW E-WALLET FOR NEW USER AND RECORDS INCENTIVE 610
EXTRACT USER ID FROM COOKIE 614
PASS USER ID TO INCENTIVE MANAGER 616
UPDATE USER'S E-WALLET 618
ADVERTISING MANAGER ISSUES COOKIE CONTAINING USER ID TO VENDOR SERVER 612

FIGURE 6

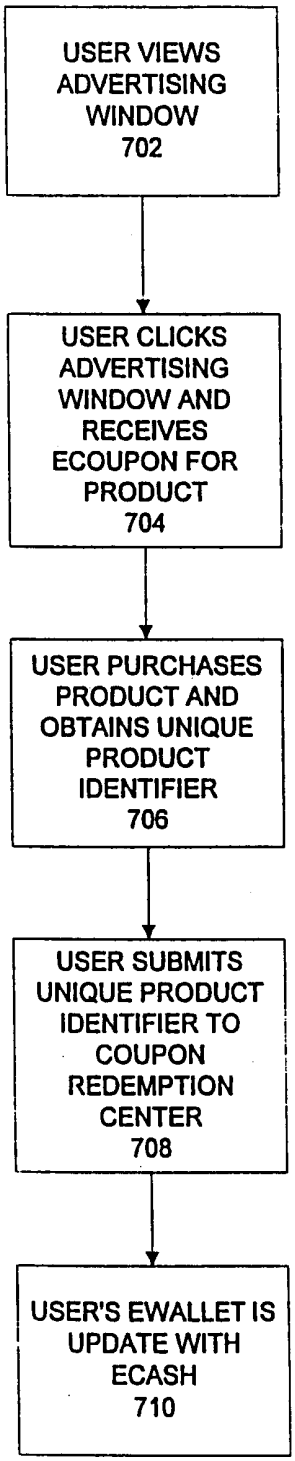
USER VIEWS ADVERTISING WINDOW 702
USER CLICKS ADVERTISING WINDOW AND RECEIVES ECOUPON FOR PRODUCT 704
USER PURCHASES PRODUCT AND OBTAINS UNIQUE PRODUCT IDENTIFIER 706
USER SUBMITS UNIQUE PRODUCT IDENTIFIER TO COUPON REDEMPTION CENTER 708
USER'S EWALLET IS UPDATE WITH ECASH 710

FIGURE 7

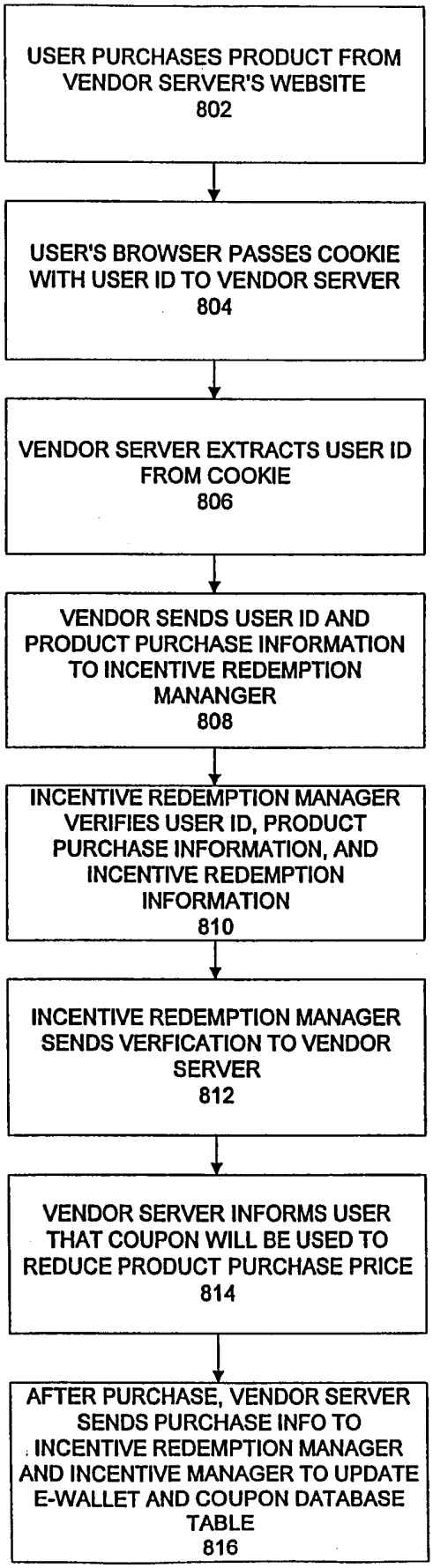
USER PURCHASES PRODUCT FROM VENDOR SERVER'S WEBSITE
802
USER'S BROWSER PASSES COOKIE WITH USER ID TO VENDOR SERVER
804
VENDOR SERVER EXTRACTS USER ID FROM COOKIE
806
VENDOR SENDS USER ID AND PRODUCT PURCHASE INFORMATION TO INCENTIVE REDEMPTION MANANGER
808
INCENTIVE REDEMPTION MANAGER VERIFIES USER ID, PRODUCT PURCHASE INFORMATION, AND INCENTIVE REDEMPTION INFORMATION
810
INCENTIVE REDEMPTION MANAGER SENDS VERFICATION TO VENDOR SERVER
812
VENDOR SERVER INFORMS USER THAT COUPON WILL BE USED TO REDUCE PRODUCT PURCHASE PRICE
814
AFTER PURCHASE, VENDOR SERVER SENDS PURCHASE INFO TO INCENTIVE REDEMPTION MANAGER AND INCENTIVE MANAGER TO UPDATE E-WALLET AND COUPON DATABASE TABLE
816

FIGURE 8