

12

Online advertising

In this chapter, you will learn:

- » The various business objectives you can meet with online advertising
- » All about the various ad formats, payment models and ad types available
- » How and where to publish your adverts
- » How to run an online advertising campaign step by step.

12.1 Introduction

Digital advertising, simply put, is advertising on the Internet. It can be found anywhere you access the web; the majority of this form of advertising is now found on mobile. Also known as online advertising, this is an integrated approach to advertising, focusing on desktop, tablet and mobile devices. This includes display adverts found on websites, adverts on search engine results pages (covered in the chapter on [Search advertising](#)), adverts placed in emails and on social networks, video and content advertising and other ways in which advertisers use the Internet.

NOTE

Read more about this in the [Search advertising](#) chapter.

The terms 'digital advertising' and 'online advertising' will be used interchangeably in this chapter.

The main objectives of online advertising are to increase sales, improve brand awareness, engage customers and raise share of voice in the marketplace. It is based on the simple economics of demand and supply. Advertisers aim to stimulate a consumer need (demand) and then satisfy that need (supply).

Online advertising follows web user behaviour. Advertisers want to place their adverts where potential customers will see them. Digital advertising is not limited to one specific medium or location; it can be placed almost anywhere on the web and can consist of images, text, videos, interactive elements and even games.

Although the Internet provides new scope for creative approaches to advertising, we see its true advantages when we realise how trackable and therefore measurable, Internet advertising is. It is possible to track all interactions with the advert itself: the number of impressions served, how many clicks it received, post-click AdView data and how many unique users were reached. This leads to valuable data that can be used to make sensible, effective business decisions.

12.2 Key terms and concepts

Term	Definition
Ad server	The technology that places ads on websites.
Animated GIF	A GIF (type of image file) which supports animations and allows a separate palette of 256 colours for each frame.
Banner	An online advertisement in the form of a graphic image that appears on a web page, including mobile sites.
Clickthrough rate (CTR)	Clickthrough rate = Clicks / impressions, shown as a % conversion. A visitor completing a target action.
Cost per acquisition (CPA)	Refers to the cost of acquiring a new customer. The advertiser pays only when a desired action is achieved (sometimes called cost per lead).
Cost per click (CPC)	Refers to when an advertiser pays only when their ad is clicked on, giving them a visitor to their site typically from a search engine in pay-per-click search marketing or programmatic CPC buying engines.
Cost per mille/ thousand (CPM)	Amount paid for every 1 000 impressions served of an advertisement.

Display network	Content websites that serve pay-per-click adverts from the same provider, such as AdWords.
Google AdWords	Google's PPC program, which allows advertisers to display their adverts on relevant search results and across Google's content network.
HyperText Markup Language (HTML)	A language read by web browsers. Certain HTML 'tags' are used to structure the information and features within a web page. As an example, HTML emails usually contain graphics and can be interactive.
Internet Protocol (IP) address	The Internet Protocol (IP) address is an exclusive number which is used to represent every single computer in a network.
Internet service provider (ISP)	Internet service provider; this is the company that provides you with access to the Internet, for example, MWEB, Verizon or AT&T.
Key performance indicator (KPI)	A metric that shows whether an objective is being achieved.
Paid search advertising	Usually refers to advertising on search engines, sometimes called PPC advertising. The advertiser pays only for each click of the advert.
Tracking	Measuring the effectiveness of a campaign by collecting and evaluating statistics.
Tracking code	A piece of code that tracks a user's interaction and movement through a website.
Traditional media	Media that is not digitally based or bought through digital metrics, these include TV, print, radio, magazine, activation and out of home (billboards). Digital billboards and activations using digital hologram technology, along with radio ads that integrate mobile technology, are blurring the lines between media.
Unique selling point (USP)	Unique selling point (or proposition) is what makes your offering different to your competitors'.
Web analytics	A software tool that collects data on website users, based on metrics to measure its performance.
Web browser	This is what allows you to browse the World Wide Web. Examples of browsers include Microsoft Edge, Chrome, OperaMini and Firefox.

Table 1.

12.3 Objectives

Advertising online has a number of objectives; let's explore these.

12.3.1 Building brand awareness

Making users aware of a brand or product is an important long-term goal for any marketer. Once customers know about it, they are more likely to trust the brand.

The more frequently a brand message is seen, the higher the recall on the brand, advert or tag line. The better known a brand is, the more business it can do; brand awareness drives recall at the point of purchase or when considering a brand to use. Its ultimate goal is to sell more of the product or service.

NOTE

Brand awareness is essential for launching a new brand or product or approaching a new audience.

It is worth noting that despite low clickthrough rates, online advertising does drive awareness because the ad is seen even if it isn't clicked. This is highly relevant when using programmatic engines to drive affiliate-based marketing tactics. This moves away from the 'old school' CPM buy. Refer to the section on Advertising exchanges and programmatic buying for more context.

Digital advertising is largely visual, making it an ideal channel for promoting brand imagery and making users familiar with its colours, logo and overall feel.



Figure 1. Banner ads that raise awareness.

12.3.2 Creating demand

Creating customer demand is a three-step process: inform, persuade and remind. Consumers can't want what they don't know about. Advertising needs to convince them that they want something and let them know why they should want it. Online advertising provides a great way to communicate the unique selling points (USPs) of a product, helping to stimulate demand and reminding consumers about the product and why they want it.



Figure 2. A banner ad that creates demand for a new product.

12.3.3 Satisfying demand

Once consumers want a product, they need to find out how to satisfy that desire. At this point it is important for the marketer to show the consumer how a particular brand or product will best meet that need. Search ads are usually most useful for this (see the Search advertising chapter for more information).

NOTE

Read more about this in the Search advertising chapter.

R400 Car insurance deal - outsurance.co.za

Ad www.outsurance.co.za/r400promo

We will pay you R400 cash, if we can't save you money. Save today.

Insurance Quote

40 Ways To Save

Get R400 Or R800 Cash

Home Insurance

Figure 3. A search ad that meets the customer's need to save money.

12.3.4 Driving direct response and sales

All forms of digital marketing need to drive traffic and sales in the long term.

However, the immediacy of online advertising also drives traffic and sales in the short and medium terms. Unlike traditional media advertising, online advertising can turn the potential customer into an actual customer right there and then. What's more, it is possible to measure accurately how effective the online advertising campaign has been in this regard.

12.4 The key differentiator

Online advertising is able to drive instant sales and conversions. Unlike other advertising mediums, the consumer can go from advert to merchant in one easy click. Because of the connected nature of the Internet, online activities are highly trackable and measurable, which makes it possible to target adverts and to track and gauge the efficacy of the advertising accurately. Each advert can be tracked for success.

The long tail of successful tracking also ensures that the user is tracked from the start of their journey to their final purchase, which might not be in the traditional 'awareness to sale' funnel. Google has called this principle 'attribution modelling' and it is based on the premise that a certain digital channel might be better at assisting in purchase than another, at a certain time, in a certain chain of interactions with the brand.

For example, a user might see a display ad for the VW Golf at the beginning of the month, but not click on it. Later in the month, they receive a raise, so they decide to purchase a new car and the VW Golf comes to mind. They search for it and click on a Google search ad to see the vehicle on the website and evaluate costs. Then they visit a number of other vehicle websites. A week later, they see an ad on Facebook for the VW Golf on a 2% below prime sale, so they click on it and fill out the lead form for the dealer to call them. This demonstrates how different media played a part in bringing the sale or last click attribution.

12.5 Types of display adverts

There are many different ways to display adverts in digital. Here are some of the most common options.

12.5.1 Banner adverts

A banner advert is a graphic image or animation displayed on a website for advertising purposes. Static banners are in GIF or JPEG format, but banners can also employ rich media such as video, JavaScript, HTML5 and other interactive technologies; these allow the viewer to interact and transact with the banner. Banners are not limited to the space that they occupy; some banners expand on mouse-over or when clicked. Some can capture data within the banner.

NOTE

Google AdWords offers a rich media banner advert builder. You can find it in the 'Ads' tab in the AdWords account interface.

Standard banner sizes

There are standard sizes (measured in pixels) for static, animated and rich media banner adverts. Creating banners in these sizes means the ads can be placed on many websites; advertisers sell space in these sizes as well. And here, size (both dimensions and file size) does matter, you can expect varying rates of clickthroughs and conversions across the range of sizes. Bigger is usually better, but if you want to know what works best for your brand, test.

Banner sizes available on the Google Display Network include (all sizes are in pixels, Width x Height):

- Banner (468 x 60)
- Mobile leaderboard (300 x 50)
- Leaderboard (728 x 90)
- Small square (200 x 200)
- Skyscraper (120 x 600)
- Wide skyscraper (160 x 600)
- Square (250 x 250)
- Medium rectangle (300 x 250)
- Large rectangle (336 x 280).

Banners may be animated, static or Flash, but must be under 150k in file size.

All adverts need to be supplied with a destination URL. Some rich media adverts allow for multiple destination URLs.

12.5.2 Interstitial banners

Interstitial banners are banners shown between pages on a website or, more often, between screens on an app. As you click from one page to another, you are shown this advert before the next page is displayed. Sometimes the advert can be closed.

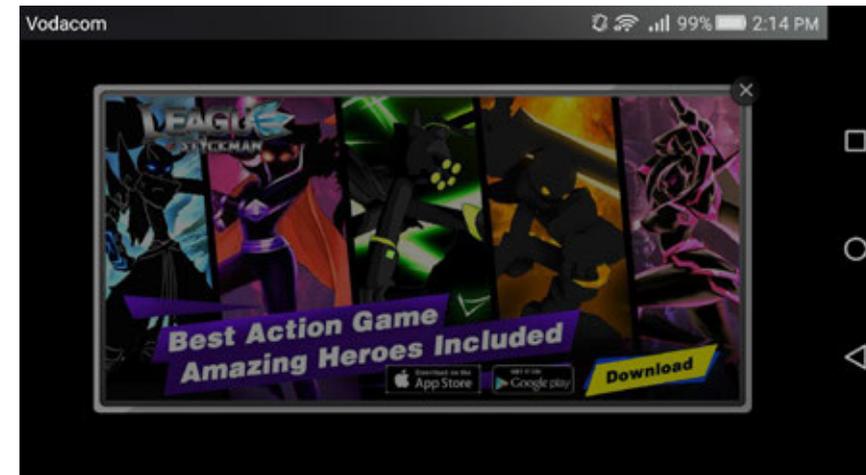


Figure 4. Interstitial ad between screens on a mobile app.

As of 10 January 2017, Google may rank sites lower if they use pop-ups and interstitial ads, since users tend to dislike those ads. This should reduce the number of advertisers using these ad types over time.

12.5.3 Pop-ups and pop-unders

As the name suggests, these are adverts that pop up, or under, the web page being viewed. They open in a new, smaller window. You will see a pop-up straight away, but will probably become aware of a pop-under only after you close your browser window.

These were very prominent in the early days of online advertising, but audience annoyance means that there are now 'pop-up blockers' built into most good web browsers. This can be problematic as sometimes a website will legitimately use a pop-up to display information to the user. Pop-ups still occur now and then on mobile phones or when visiting somewhat unethical sites.

12.5.4 Floating adverts

This advert appears in a layer over the content, but is not in a separate window. Usually, the user can close this advert. In fact, best practice dictates that a prominent close button should be included on the advert, usually in the top right hand corner. Floating adverts are created with DHTML or Flash and float in a layer above a site's content for a few seconds. Often, the animation ends by disappearing into a banner advert on the page. Many sites these days are using pop-ups to encourage newsletter signups or social media likes rather than to advertise products.

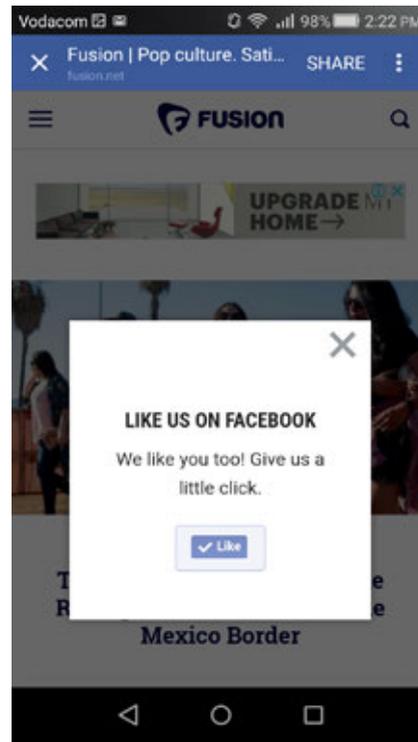


Figure 5. A floating ad on Fusion.net mobile.

NOTE

Remember: your goal is to inform and motivate customers, not annoy them. Floating ads should be engaging and easy to close.

12.5.5 Wallpaper adverts

This advert changes the background of the web page being viewed. It is sometimes possible to click on an advert of this type, but not always. The effect of these adverts is difficult to measure as there is often no clickthrough and its chief purpose is branding.

12.5.6 Map adverts

This is advertising placed on an online map, such as Google Maps. This type of advert is ideal for local businesses and is usually based on keyword searches for the brand's offering.

12.5.7 Video adverts

This is a video advert in one of the formats shown above. It starts to play on mouse over, or on arriving at a site.

12.5.8 Native content

Native content advertising is the online version of Advertorials. This is where the advertiser produces content that is in line with the editorial style of the site, but is sponsored or in some way product endorsed by the brand; video is an increasingly popular method of native advertising. Great examples of this exist on BuzzFeed.com. More on this later in the Native advertising section.



Figure 6. Native content from McDonald's.

12.5.9 Sponsored Content

Sponsored content advertising exists at the bottom of articles you read online. This is where the 'suggested articles' posts appear and in most cases, this is paid-for promotion. Advertisers pay to have their content promoted under certain categories of sites or articles.

12.6 Payment models for display advertising

As well as a variety of mediums and formats, there are also a number of different payment models for display advertising.

12.6.1 CPM

CPM stands for cost per thousand impressions (M is the Roman numeral for a thousand). This means the advertiser pays for every thousand times the advert loads on the publisher's page. This is how a campaign is normally priced when brand awareness or exposure is the primary goal.

CPM rates for rich media adverts are usually higher than for standard media adverts. This is often based on file size.

12.6.2 CPC

CPC stands for cost per click. This means that the advertiser pays only when their advert is clicked on, regardless of how many times it has been viewed. CPC advertising is normally associated with search advertising, although it has become

NOTE

Read more about this in the **Search advertising** chapter.

very popular in display advertising too, especially when using ad networks. Banners can be priced this way when the aim is to drive traffic and conversions. It is also a payment method sometimes used in affiliate marketing, when the aim is to drive traffic to a new website.

12.6.3 CPA

CPA refers to cost per acquisition. Using this model means that the advertiser pays only when an advert delivers an acquisition after the user clicks on the advert.

Definitions of acquisitions vary depending on the site and campaign. It may be a user filling in a form, downloading a file or buying a product.

CPA is often the best option for advertisers because they pay only when the advertising has met its goal. For this reason, it is also the worst type for the publisher, as they are rewarded only if the advertising is successful. The publisher has to rely on the conversion rate of the advertiser's website, something that the publisher cannot control. The CPA model is not commonly used for banner advertising and is generally associated with affiliate marketing.

12.6.4 Flat rate or sponsorships

Sometimes, owners of lower-traffic sites choose to sell banner space at a flat rate, in other words, at a fixed cost per month, regardless of the amount of traffic or impressions. This would appeal to a media buyer who may be testing an online campaign that targets niche markets. A popular way that this is employed is via a homepage or section takeover, in which a brand can buy a home page takeover on a news portal on the day of a big news event such as a big sports day or an election.

There are several variations to what a sponsorship on a website entails. Examples include exclusive adverts on all the pages and slots on a specific page, newsletter or section and sponsoring content. Sponsorship means that no other advertiser will appear in that section. Sponsorships are often difficult to measure and are mostly used to raise brand awareness. These can be very effective when launching a new brand.

12.6.5 CPE

With the cost per engagement (CPE) model, advertisers pay for interactions with adverts, normally placed in videos or applications, such as Facebook applications. An interaction, referred to as an engagement, usually starts with a rollover, or mouse-over that expands the ad. An engagement can also be a like, comment, share or other platform-relevant social action.

Once expanded, an advert may contain a video, game, form, or other interactive content. The ad doesn't take the user away from the web page and marketers pay only when a user completes an action.

12.6.6 What payment model can you expect?

The advertiser rarely has a say over the payment model used. This comes down to the website owner or publisher, advertising type and other factors, such as the popularity of the site.

CPM favours the publisher, while CPA favours the advertiser. Sometimes, a hybrid of the two payment models is pursued.

High-traffic, broad-audience websites, often referred to as 'premium' or booked media, will typically offer CPM advertising. Examples include web portals such as www.yahoo.com or news sites such as www.cnn.com.

Niche websites with a targeted audience are more likely to offer CPC or CPA advertising to advertisers with an appropriate product. These can also fall under the umbrella of affiliate marketing.

As programmatic ad exchanges (a way to purchase digital advertising inventory, see below) take over more of the digital inventory, the CPM and sponsorship buying models are starting to wane in popularity for both advertiser and publisher. The accuracy and cost efficiency with which programmatic uses remnant advertising inventory from sites that sell majority CPM inventory make it a popular way to target and buy going forward. This style of buying also allows much better targeting of the advertising over time, a big plus for advertisers. This will soon overtake the traditional CPM buy in 100% of cases.

Types of advertising can be seen on a scale from more intrusive (and thus potentially annoying to the consumer) to less intrusive. In the same way, payment models can be scaled from those that favour the publisher to those that favour the advertiser.

When planning a campaign, it is important to know how the advertising will be paid for and what kinds of advertising are offered by publishers. A lot of this can be solved by using a company that specialises in advert serving, media planning and media buying.

Which is the best payment model for you? This will depend on the purpose of your ads and the return you expect on your investment. Each payment model can be effective and lucrative if used appropriately.

12.7 Getting your ads online

To get your ads to appear online, you need to find and pay for the space where they will appear. There are several options for doing this:

- Premium booked media
- Advertising networks
- Advertising exchanges and programmatic buying
- Social media advertising placement (see more in the **Social media advertising** chapter)
- Native advertising
- Mobile advertising
- Ad servers.

12.7.1 Premium booked media

Premium booked media works very much in the traditional way of booking advertising; the advertiser contacts the premium media provider (usually a single group that oversees a key, high-profile online space) and discusses options for placing an advert. This will involve negotiating on targeting and pricing for the space desired and is usually a costly but high-profile option.

NOTE

Read more about this in the [Social media advertising](#) chapter.

12.7.2 Advertising networks

An advertising network is a group of websites on which adverts can be purchased through a single sales entity. It could be a collection of sites owned by the same publisher, for example, New Line Cinema, Time Inc. and HBO are all owned by Time Warner Inc., or it could be an affiliation of sites that share a representative.

The Google Display Network is one of the largest advertising networks in the world.



Figure 7. Ad formats available on the Google Display Network (not including rich media ads).

The advertising network acts as an intermediary between advertisers and publishers and provides a technology solution to both. As well as providing a centralised ad server that can serve adverts to a number of websites, the networks offer tracking and reporting, as well as targeting.

Advertising networks can categorise the sites by factors such as demographics, topic, or area of interest. Audience targeting is a particularly useful option, in which an ad can be targeted according to remarketing lists, custom lists, or interest categories. Advertisers pay to advertise in specific channels and not in individual sites. Usually, the campaign will then be optimised based on the best converting sites or on the objectives of the campaign. Rates are often negotiated with the network and placements are booked over a period of time.

12.7.3 Advertising exchanges and programmatic buying

Advertising exchanges, on the other hand, are where unsold advertising space, called inventory is placed by publishers for bidding. The inventory is sold to the highest bidding advertiser. Giving advertisers far more control, this type of advertising mimics the PPC model of search advertising (GSP auction) but bids are for audience profiles and space rather than for keywords. It allows publishers to fill unsold inventory at the highest available price and can give smaller advertisers access to this inventory.

Programmatic buying is the automated purchasing of digital advertising space using software. This is much more efficient than the old process of human ad buyers and salespeople and thus it is also cheaper. Programmatic buying can happen in advance from specific publisher sites, or in real time bidding. Real time bidding is one kind of programmatic ad buying in which ads are bought on a per-impression basis through real time instantaneous auctions.

Programmatic is exciting because it makes targeting much easier. It uses small predictive analysis to present your ads to the most likely optimal target market and then evolves from there based on what is working best. This frees marketers up to focus on KPIs, creative, strategy and other aspects.

12.7.4 Social media advertising

Many social media platforms offer an advertising option, as this is their primary source of revenue. Social media can be an excellent place to reach prospects because you can usually target very accurately based on user-provided demographic information.

12.7.5 Native advertising

Native advertising is presenting advertising in a way that matches the platform on which it is presented and that meets audience expectations for that platform. It is an indirect promotion of the brand or product in that it is primarily focused on providing value to a specific readership, but it differs from content marketing in that it is paid. Essentially, it is paid advertising that works very hard not to disrupt the user experience. In its ideal form, this means the user is presented with useful, engaging content, which in turn is much more engaging than a banner ad.

It can look like paid search ads on a search engine, sponsored content like on LinkedIn or Facebook, or promoted listings, like on Twitter. However, it looks much more like content than advertising.

12.7.6 Mobile advertising

Mobile advertising is no longer something that should be considered in isolation. While there are still mobile-online networks, online advertising is moving toward real time buying and networks and so device is becoming just another targeting option. All of the ad options already discussed are also available on mobile.

Blind networks

These networks target a large number of independent mobile publishers and generally allow you to target by country or type of content, but not by specific websites. Payment tends to be on a CPC basis, which can vary. An example of this kind of network is mob ads (www.mobads.com). Very few low-cost blind networks exist these days, as they have all been bought up by programmatic engines.

Premium blind networks

Advertising on premium blind networks tends to be more expensive but allow the advertiser to target better-known brands and high-traffic sites. Broadcasters or operator portals fall under this category. Payment here is often on a CPM basis. Millennial Media (www.millennialmedia.com) is an example premium blind network. While targeting options are available, different networks can work in different ways, with varying levels of support.

Premium networks

These networks often offer sales as a direct extension of the big brands that they offer. More detailed targeting and sales support is available, but they also charge higher rates. They also offer different ad bidding options such as CPC and CPView for video ads. An example of this kind of network is Widespace (www.widespace.com).

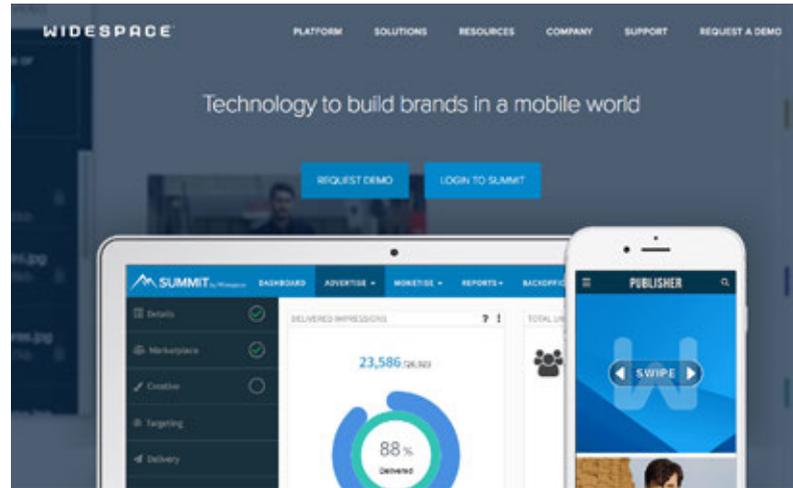


Figure 8. Widespace is an example of a premium mobile ad network.

Gaming console advertising

NOTE

The IAB has some guidelines for responsive creative that you can find at www.iab.com/newadportfolio

Of course, a phone isn't the only kind of mobile device. Internet-connected game consoles are also classified as mobile devices and they also allow for advertising. Consoles like the Xbox One can replace a cable box, DVD player, stereo and older gaming consoles, so users of all ages and demographics could find them appealing.

12.7.7 Ad servers

Ad servers are servers that store advertisements and serve them to web pages. Ad servers can be local, run by a publisher to serve adverts to websites on the publisher's domain, or they can be third-party ad servers, which serve adverts to web pages on any domain. Ad servers facilitate advert trafficking and provide reports on advert performance. They have two functions: to help publishers manage their ad inventory and to help advertisers monitor and optimise their campaigns.

The benefits of ad servers

Rather than distribute copies of each piece of creative advertising to each publisher or media buyer, you can send out a line of code that calls up an advertisement directly from the ad server each time an advert is scheduled to run. The agency loads the creative to the server once and can modify rotations or add new units on the fly without needing to re-contact the vendors. This is referred to as third-party ad serving.

The ad servers provide a wealth of data, including impressions served, adverts clicked, CTR and CPC. While publishers have their own ad servers, most of the third-party ad servers also have the ability to provide performance against post-click activities such as sales, leads, downloads, or any other site-based action the advertiser may want to measure.

Ad servers provide a consistent counting methodology across the entire campaign enabling the advertiser to gain an 'apples to apples' comparison of performance across the entire media schedule, which includes multiple websites. This ensures that the advertiser gets what they are paying for and avoids fraudulent activities, such as click fraud, as a good third-party ad server should be audited.

The ad server also allows sophisticated targeting of display advertising. Examples of third-party ad servers include Google DoubleClick and Sizmek. It is generally accepted practice to run one of these ad servers, but they all cost a percentage of the CPM rates.

12.8 Targeting and optimising

Ad servers serve adverts across a number of websites and can track a user visiting websites using cookies or IP addresses. This means that ad servers can offer advertisers:

- **Frequency capping:** This limits the number of times a specific user sees the same advert in a set time period.
- **Sequencing:** This ensures that a user sees adverts in a particular order.
- **Exclusivity:** This ensures that adverts from direct competitors are not shown on the same page.
- **Roadblocks:** This allows an advertiser to own 100% of the advertising inventory on a page.

The ad server can also target adverts based on the business rules of the advertiser or the profiles of the users:

- **Geo-targeting:** Online advertising has the ability to target markets by country, province or city and can even drill them down to something as specific as their IP address. This is also known as IP targeting. Network or browser type; in this case markets can further be targeted via networks or browser types such as Mozilla Firefox, Internet Explorer, Chrome and Safari.
- **Connection type:** Users can be segmented and targeted according to their Internet connection type, for example, whether they use broadband or dial-up connections.
- **Day and time:** Advertisers can choose the time of day or day of the week when their adverts are shown. Advertisers can specify when their campaign should flight, down to the minute. This usually depends on the client's objective for the campaign or the product itself.
- **Social serving:** Websites gather demographic data about users and then serve each user targeted and relevant advertising. For example, Facebook will allow advertisers to select specific characteristics of users who will be shown an advert.
- **Audience targeting:** The ad server uses the profile of a user, built up over websites visited previously, to determine which adverts to show during a given visit. Ad servers can base this profile on cookies or on IP addresses. For example, the ad server may choose to show adverts for pet insurance on a news page to a user who has visited the pets and animals section of a general media site previously.

Remarketing is another form of audience targeting. This allows the ad server to display ads to users after they have interacted with a website in a certain way, for example, by adding an item to their cart on an eCommerce page but not checking out. The user may then see an ad for the product they have in their cart, to encourage them to go back and make a purchase. This can be done through various engines, the most popular of which is DoubleClick Digital Marketing (DDM) from Google.

NOTE

Location targeting can be very cost-effective for physical events and regional offers.

NOTE

You can find out more about DoubleClick Marketing at: www.thinkwithgoogle.com/intl/en-154/products/doubleclick

Another approach to audience targeting is to set up parameters to determine when a certain advert needs to be shown. For example, if the user has clicked on a banner advertising a test drive and the user has actually booked the test drive, the next time they see an advert from the advertiser, a different advert will be shown because the user has already responded to the first one.

- **Contextual advertising:** The ad server deduces the optimum adverts to serve based on the content of the page. For example, on an article about mountain bike holidays in Europe, the ad server would show adverts for new mountain bikes, or adverts from travel companies offering flights to Europe, or perhaps adverts for adventure travel insurance.

12.9 Tracking

The trackability of online advertising is what makes it so superior to conventional advertising. Not only can an advertiser tell how many times an advert has been seen (impressions), but also how many times the advert has been successful in sending visitors to the advertised website (clicks). As discussed in the chapter, on **Conversion optimisation**, the tracking needs to continue on the website to determine how successful the advert has been in creating more revenue for the website (conversions).

As well as tracking adverts, advertising networks can also provide information about the users who saw the advert, as well as those who acted on it, including:

- Connection type
- Browser
- Operating system
- Time of day
- Internet service provider.

Many third-party ad servers will set a cookie on impression of an advert, not only on clickthrough, so it is possible to track conversions that happen indirectly (called view-through conversions). Simply put, third-party ad servers can track not only the post click data, but also the post view data; when a user sees an advert, does not click on it, but goes to the website after viewing the advert either by typing in the URL, or by searching for the site.

Using this information, the ad server can target the adverts displayed, helping advertisers to optimise campaigns and get the most from their budgets.

Don't forget to keep an eye on any non-digital advertising that the brand is doing. This could have a significant effect on your results and you want to ensure that you are communicating the same message.

12.10 Implementing online advertising

Knowing the various types of display options and payment models available is all very well, but you may be wondering how to put this all together as you plan your

campaign. Here is a step-by-step guide that you can follow to ensure that you run effective adverts:

Step 1. Determine the goal of your campaign

Are you embarking on a branding campaign, or is your primary focus direct response? Keep your overall channel and brand objectives in mind when planning your digital campaign.

Step 2. Identify your key performance indicators (KPIs)

Which figures will let you know if you are succeeding? This should tie in closely to your goal.

Step 3. Investigate your target audience

What websites are they likely to be visiting? The type of creative you use and the payment model you follow will largely be determined by the websites on which you advertise.

Online advertising is an acquisition and awareness channel. It does not require users to seek an interaction actively, as search advertising and email marketing do. So it is crucial that the adverts are placed in front of the audience that is most likely to convert. Sites such as Effective Measure can help give this type of insight (www.effectivemeasure.com/).

Step 4. Research potential publishers to host your adverts

Niche websites with a smaller, more targeted audience will most likely charge a flat rate for display advertising, or a CPA rate. They could be flexible in display options that they offer, but you will need to take into account their bandwidth costs if they serve the adverts.

High-traffic websites with a broad audience will usually charge on a CPM basis. They will broker their advertising inventory through an advertising network, or even a number of advertising networks.

Step 5. Set a budget

Most advertising platforms will let you set and dynamically manage your budget. Decide how much you are willing to pay per click, impression, action or engagement and set your total budget in line with this.

Step 6. Create your adverts

Now, you will need to brief your creative team to ensure that you have the optimum banners for your campaign.

Your online adverts will need to:

- Attract attention
- Convey a message
- Entice action.

Animation attracts attention, but be wary of being one of several animated banners on a website. Banners should not be considered in isolation, but rather in the context of the website on which they will appear.

NOTE

Read more about this in the **Conversion optimisation** chapter.

Web users respond well to being told what to do and the content of an online advert should be concise and directional. Examples of these CTAs include:

- 'Click for a quote.'
- 'Click here for the full video and win.'
- 'Donate now.'

Step 7. Choose or create a landing page

All advertising needs an appropriate landing page or destination URL. Whether this involves creating a microsite, or merely leading users to an existing page on the website, ensure that clickthroughs are not being wasted. Generally, sending advertising traffic to your home page is not a good idea as it leaves the user confused about where to go next.

Step 8. Run your adverts

Now that you're all set up, you can let your ads go live! Keep a close eye on your spending to ensure that you're getting a decent return for your money and that nothing unusual is occurring.

Step 9. Track, measure, optimise

As with all online marketing tactics, you need to track what your ads are doing and the results they are generating, measure your returns and successes and then optimise your online advertising campaigns to get even better returns in future.

12.11 The future of online advertising

On the web, the convergence of digital devices and channels is leading to new avenues for online advertising. Digital advertising can reach customers anywhere where they can access the web.

While we have become used to the Internet as a free medium where we can read and interact with any content we want, it is the fact that it is an advertisers' medium that keeps it free. And that means that as technologies evolve and the way we interact with content changes, so advertising follows.

Previously the level of interaction a web user had with a website could be measured by the number of pages of that website the user viewed. Now, technology such as AJAX and rich media such as video mean that the time spent on a web page can be more meaningful than the number of pages viewed. The key word here is 'engagement' and technology and data analysis is working towards being able to determine how websites can quantify the level of engagement with a viewer.

A little online research will reveal plenty of commentary declaring the decline of display advertising. Increasingly, consumers are becoming both weary and wary of advertising. Already low clickthrough rates on banners are dropping, so the effectiveness of display advertising is being questioned by some. However, there is a counterargument to be made here using different types of online advertising. Native advertising, for example, has a fairly good engagement rate. With the focus in digital

NOTE

If a problem comes up, you can simply stop your campaign, change the creative elements or modify your approach.

The beauty of online advertising is that it can be revised almost instantly.

marketing on tracking and measuring response and engagement, should a company spend money on less measurable activities such as 'brand building', where they are paying on a CPM basis?

Using third-party ad servers and post-impression tracking, the effects of different advertising and marketing channels on each other can be observed. Banner advertising can see an increase in search volume, for example.

What does this tell us? Measurement should take place across all channels and no channel should be utilised in isolation. The best results will be gained through an integrated and holistic approach to digital marketing.

12.12 Advantages and challenges

12.12.1 Advantages of online advertising

Banner advertising goes a long way towards bridging the advertising divide. These adverts have a set size, they can look very similar to print adverts and they occupy a particular bit of real estate in a publication with a particular number of views. It's easy to understand and it does the things with which buyers are familiar.

Online advertising can take advantage of the emotive qualities of images, videos and animations. Some campaigns are better suited to images than plain text.

Since banners can contain rich media, they offer levels of interactivity that other forms of advertising cannot achieve. This allows your target market not only to see your banner, but also to play with it. Interaction builds a bond and improves the chances of the consumer remembering your brand tomorrow. Cognitive learning is a powerful outcome of interactive display advertising.

Modern online advertising is able to bring together a number of other online marketing tactics such as animations, games, video and Flash.

Banner ads, like all digital marketing tactics, are measurable. Track clickthrough rates and you get an idea of exactly how many users are responding to your call to action. Some publishers even have the ability to do post-click tracking, which means that you can track the user all the way to a sale if that is the purpose of the advert.

12.12.2 Challenges of online advertising

A lot of display advertising is intrusive, so popup blockers can often prevent adverts from being served as they were intended by the advertisers. There are also extensions available for web browsers, such as AdBlock Plus, that will block advertising on web pages. Technologically savvy consumers are increasingly using these methods to limit the advertising that they see.

Bandwidth can also be an issue, although this is a shrinking problem. However, campaigns should be planned according to demographics in determining the richness (and investment) of interaction.

Consumers are suffering from advertising fatigue, so while new technologies can provide great results, as soon as the market moves mainstream it can get saturated. Consumers are increasingly ignoring adverts.

NOTE

View-through conversions are important to look at as well, especially if your campaign is focused on raising awareness.

NOTE

Advertising is not a problem that's unique to the web, for example, TV viewers are increasingly skipping ads or watching episodes through online streaming services.

12.13 Measuring success

How you measure the success of an online advertising campaign will depend heavily on the objectives you set for that campaign. For this reason, it is important to set those objectives before the campaign begins. The objective you have in mind will inform the goals you monitor (where "goal" is a specific user action) and that in turn will inform the KPIs you track. You will also want to measure events, or steps in the conversion process.

As an example, if your objective is awareness, you may want to look into the following KPIs, among others:

- Number of visits to your website
- Amount of user engagement (measured by time on site, comments on or shares of a social ad)
- Number of product views
- Number of brochure downloads.

Remember, KPIs are going to differ based on your objectives, so always keep that in mind!

12.13 Case study: Post-It and Proximity Russia

12.13.1 One-line summary

Post-It and Proximity Russia came up with a banner ad campaign that people actually liked!

12.13.2 The challenge

The major problem with banner ads is that users don't like them. They find display ads annoying and rarely actually engage with them. Retargeting banners are seen as even more invasive. Post-It wanted to create a retargeting banner that users actually wanted to see.

12.13.3 The solution

Post-It created a banner that users could use as Post-It notes. They would click on the banner, type a note to themselves and then retargeting technology would show them their own Post-It notes instead of retargeting banners.

This involved using the same technology other websites use for retargeting, as well as choosing placements for their ads on the most commonly used websites so that users would see their Post-It stickers wherever they visited.

Clicking on a note brought users to a Post-It page where they could manage their stickers, create new ones, or delete all of them.

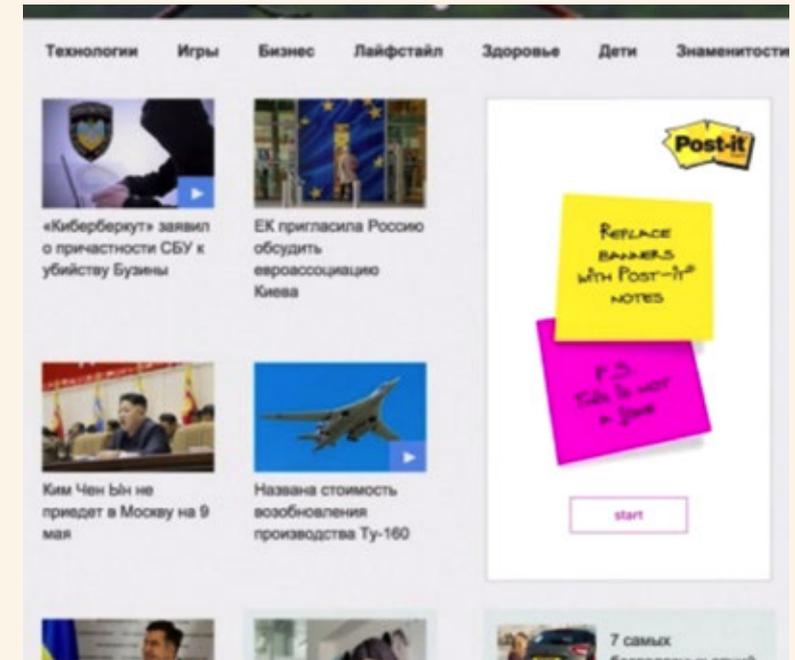


Figure 9. A banner ad made of Post-It notes.

12.13.4 Results

Users engaged with this campaign happily. It received:

- 47.6% active engagement
- 152.40 seconds average interaction time
- Considerable earned media reach, including users asking for the same campaign to be brought to other countries.

(Webby Awards, 2016)

12.14 The bigger picture

Offline advertising and marketing campaigns can be adapted for an online audience in order to ensure maximum brand exposure. It is very effective in enhancing offline marketing and advertising activity and in ensuring a wider reach.

As mentioned, online advertising can be used as an acquisition channel, reaching out to a new audience. It can be used to initiate a buying cycle and customer relationship, which then plays out across other online channels. Addressing advertising and other channels to complement each other will result in a consistent message and optimum results. Online advertising can be used to reach a large audience and then other digital marketing tactics can be used to refine and engage this audience further. Social media advertising in particular is crucial for building communities and keeping the brand top of mind.

Online advertising and affiliate marketing go hand in hand. Affiliate networks also act as advertising networks, allowing for advertising to be purchased on a performance basis.

When seeding new products and viral campaigns, which are shared by many users on social media, display advertising can be used to reach a wide audience at a low cost. It can expose a campaign to many new users and increase the chance that those who are most likely to pass on a message receive it in the first place. Display advertising also supports other advertising and marketing channels, such as search advertising and marketing.

12.15 Summary

Online advertising has two main objectives:

- Branding
- Direct response, engagement and sales.

The Internet allows for highly targeted and highly trackable advertising across a variety of online media. Some ways that advertisers can use the Internet are:

- Banner adverts
- Interstitial banners
- Popups and pop-unders
- Floating adverts
- Wallpaper adverts
- Map adverts.

Ad servers provide trafficking, tracking and reporting solutions to both advertisers and publishers. They allow advertisers to target display adverts based on parameters, including:

- User profile (location, operating system, browser, connection type)
- Behaviour
- Frequency and sequencing
- Exclusivity
- Context of content.

Technology allows for increased levels of interaction within an advert and for advertising tailored to engagement media such as online videos and social network applications.

12.16 Case study questions

1. Why did users find this banner ad campaign so engaging?
2. Which elements of best practice did Proximity Russia follow?
3. How did understanding the audience play a role in this campaign?

12.17 Chapter questions

1. Online banner advertising and outdoor display advertising both use images to try to increase sales. In planning, both need to consider placement so as to be seen by their most likely audience. What are the key differences?
2. Is display advertising an effective acquisition channel? Why or why not?
3. Go to www.thetimes.co.uk and www.forbes.com. What advertising can you find on the front page of these two websites? What products are being advertised and how are they being advertised? What can you deduce about the target market for these products?

12.18 Further reading

www.adrants.com – Commentary on online advertising campaigns. US focused. econsultancy.com/uk/blog – UK industry-focused advertising articles.

www.bannerblog.com.au – Have a look at BannerBlog for rich media examples.

blog.optimizely.com/tag/display-advertising – Optimizely's Display Advertising section, with articles on best practice and case studies.

12.19 References

Webby Awards, 2016. The Banner That Makes You Like Banners. [Online]

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12.20 Figure acknowledgments

Figure 1. Screenshot, Ster Kinekor Banner Ad, 2017.

Figure 2. Screenshot, Apple iPhone x Ad, 2017.

Figure 3. Screenshot, Google, 2017.

Figure 4. Mobile screenshot, Interstitial app ad, 2017.

Figure 5. Mobile screenshot, Fusion mobile pop up ad, 2017.

Figure 6. Screenshot, McDonalds native ad on Fusion, 2017.

Figure 7. Blu Mint Digital, 2017. blumint.co/beginners-guide-google-adwords-display-advertising

Figure 8. Screenshot, Widespace, 2017.

Figure 9. Adweek, 2015. www.adweek.com/creativity/3m-makes-retargeted-banner-ads-less-annoying-turning-them-post-it-notes-165033