

3. online advertising

What's inside: We begin with an **introduction** to online advertising with a brief **history** of banner advertising. What follows are the **key terms and concepts** required, and then a breakdown of **how it works**. We look at how to show your message, and of course how to pay for it. There is an overview of **ad servers** and **advertising networks** and the move towards **ad exchanges**. Putting it all together helps you to **plan a campaign**, and we look at **emerging technologies** when it comes to advertising online. **Pros and cons** are outlined in the good and the bad, followed by a **summary** and **the bigger picture**.

introduction

- show and sell

Simply put, online advertising is advertising on the Internet. Online advertising encompasses adverts on search engine results pages (covered in the chapter on PPC advertising), adverts placed in emails and other ways in which advertisers use the Internet. However, this chapter focuses on display advertising or rich media advertising.

Whether online or off, the main objective of advertising is to increase sales. As well as this, advertising aims to increase brand awareness. Advertising is based on the simple economics of supply and demand. Advertisers aim to stimulate a consumer need and then satisfy that need.

One of the greatest benefits of online display advertising is that the messages are not restricted by geography or time. Online advertisements are also much more interactive than offline advertising. While both online and offline advertising can be disruptive, interactive online advertising can be designed to be perceived as less so.

Online display advertising began as simple hyperlinked images shown on a web site and has since progressed to include video, sound and many other modern technologies. Today, messages and interactions can be contained within the advertising display, without ever taking consumers to a landing page.

Although the Internet provides new scope for creative approaches to advertising, we see its true advantage when we realise how trackable, and therefore measurable, Internet advertising is. Or, to take it from Eric Schmidt, CEO of Google cited by Lieb (2002): "The Internet will transform advertising because of its trackability, not its beauty."

history

Online advertising rapidly followed the developing Internet. And, as consumers are increasingly spending more time online, and hours spent on the Internet start to eclipse hours spent watching TV, the medium becomes increasingly important to any advertiser.

According to Wikipedia, the first clickable banner advert was sold to a law firm in 1993 by Global Network Navigator. HotWired, an early web magazine, was the first to sell advertising space in large quantities to a number of advertisers. One of the very first advertisers was AT&T (a US telecoms company), which went online in October 1994.

An early banner ad for AT&T



This was part of a campaign that AT&T was running to promote the Internet to consumers, and included television and outdoor advertising. Believe it or not, but this was cutting edge back in '94!

As web technology has developed, so has the technology that is used to create and serve advertising online.

key terms and concepts

Ad Space The allotted space on web pages available for online advertising.

Animated GIF A GIF which supports animations and allows a separate palette of 256 colours for each frame. *See GIF.*

Banner An online advertisement in the form of a graphic image that appears on a web page.

Banner Exchange A symbiotic advertising initiative whereby businesses involved promote each other's services and web sites on an exchange rather than paid basis. Also known as link exchange.

Call To Action A phrase written to motivate the reader to take action. (sign up for our newsletter, book car hire today etc.).

Click Through A click on a link that leads to another web site.

Click Tracking Using scripts to track clicks into and out of a web site. Can also be used to shield a link from being picked up as a back link to another site.

Click-through Rate The number and percentage of recipients who clicked on a particular URL included in an email, a web page etc.

Cookie A small text file that is stored on an end-user's computer that allow web sites to identify the user, and allow the web site owner to construct a profile of that user.

CPA Cost Per Action. Refers to the cost of acquiring a new customer. The advertiser only pays when a desired action is achieved (sometimes called cost per acquisition).

CPC Cost Per Click. Refers to when an advertiser only pays when their ad is clicked upon, giving them a visitor to their site - typically from a search engine in Pay Per Click search marketing.

CPM Cost Per Mille. Refers to Cost per 1000 ad impressions. An advertiser pays each time 1000 impressions of their ad are shown.

GIF Abbreviation of Graphics Interchange Format, a GIF is an 8-bit-per-pixel bitmap image format using a palette of up to 256 distinct colours. GIFs allow images to be compressed for faster display time.

Impression Fraud The act of deliberately generating impressions of an advert without the intention of clicking on the advert. The result is a reduction in click through rate which can affect Quality Score in PPC advertising and the ROI of a banner campaign.

Impressions The number of times a web page or ad is viewed.

IP Address Used to uniquely identify a computer and/or system on the Internet.

Landing Page The page a user reaches when clicking on a paid or organic search engine listing. The pages that have the most success are those that match up as closely as possible with the users search query.

Popup Unrequested window that opens on top of the currently viewed window.

ROI Short for return on investment.

Traffic This refers to the visitors that visit a web site.

how it works

Advertising, whether online or offline, has a number of objectives:

- Building brand awareness
- Creating consumer demand
- Informing consumers of the advertiser's ability to satisfy that demand
- Driving response and sales

building brand awareness

Making people aware of a brand or product is an important long-term goal for any marketer. Once customers know about the brand, the marketer has taken the first step towards gaining the customer's trust and patronage. The better known a brand is the more business they can do. And the ultimate goal is to do more business and sell more of the product.

Online, creative advertising or banner advertising is largely visual, making it an ideal channel for promoting brand collateral.

creating consumer demand

Consumers can't want what they don't know about. Advertising needs to convince consumers about what they should want and why they should want it. Modern online advertising provides a great way to communicate the USPs (unique selling points) of a product, thereby helping stimulate demand.

satisfying consumer demand

Once the consumer is aware of and desires a product, they need to find out how to satisfy that desire. If brand building has been effective, they will know that a particular brand exists. At this point, it is important for the marketer to show the consumer how their particular brand or product will best meet that need.

driving response and sales

All forms of online 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 effectively the online advertising campaign does this.

the key differentiator

Online advertising is able to drive instant sales and conversions. Unlike offline 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 accurately track and gauge the effectiveness of the advertising. Each display advert can be tracked for success.

how to show your message: types of display advertising

There are many different ways to display messages online, and as technology develops, so does online advertising. Here are some of the most common.

interstitial banners

These are banners that are shown between pages on a web site. As you click from one page to another, you are shown this advert before the next page is shown. Sometimes, you are able to close the advert.

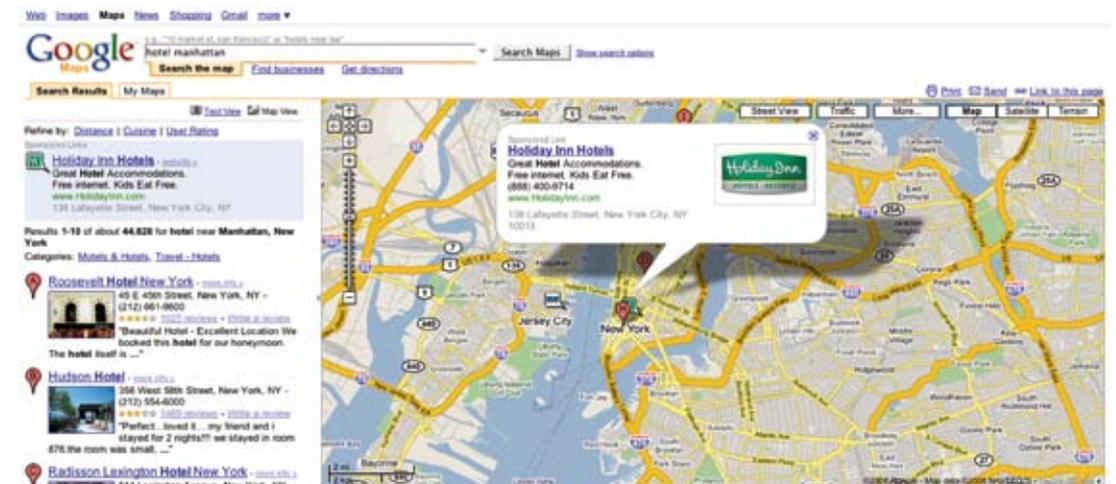
pop-ups and pop-unders

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 only become aware of a pop-under 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 web site will legitimately use a pop-up to display information to the user.

map advert

This is advertising placed within the online mapping solutions available, such as Google Maps.



Google Map showing an advert (Holiday Inn)

floating advert

This advert appears in a layer over the content, but is not in a separate window. Usually, the user can close this advert. These are sometimes referred to as Shoshkeles, a proprietary technology. 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 ad on the page.

wallpaper advert

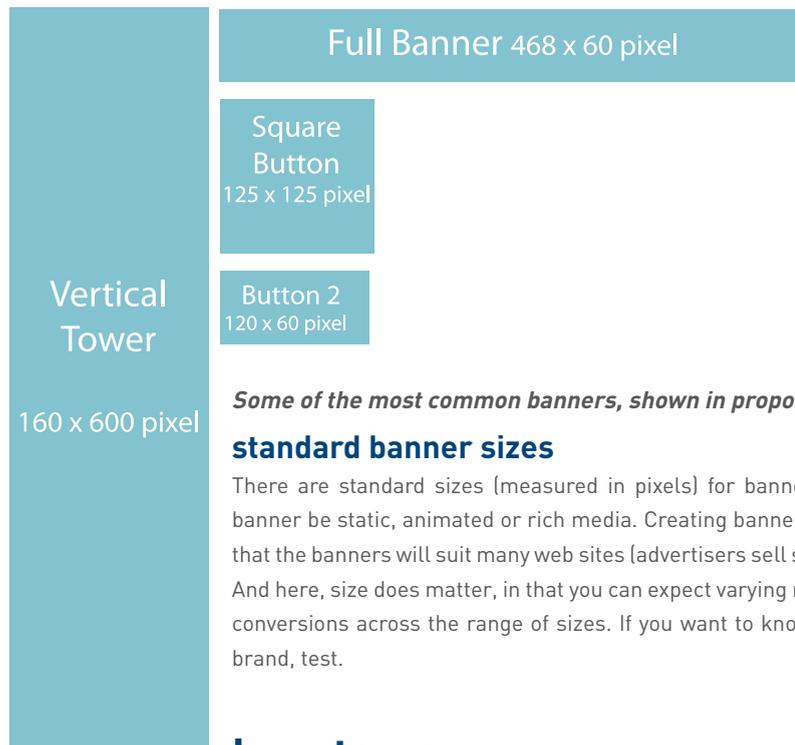
This advert changes the background of the web page being viewed. Usually, it is not possible to click through this advert.

banner advert

A graphic image or animation displayed on a web site for advertising purposes. Static banners are GIFs or JPEGs, but banners can also employ rich media such as Flash, video, JavaScript and other interactive technologies. Interactive technology allows the viewer to interact and transact within the banner. Banners are not limited to the space that they occupy; some banners expand on mouseover or when clicked on.

discussion

When online, adverts can be interactive. How do you think this can be used to increase the effectiveness of advertising?



Some of the most common banners, shown in proportion.

standard banner sizes

There are standard sizes (measured in pixels) for banner advertising, whether the banner be static, animated or rich media. Creating banners to suit these sizes means that the banners will suit many web sites (advertisers sell space in these sizes as well). And here, size does matter, in that you can expect varying results in click throughs and conversions across the range of sizes. If you want to know what works best for your brand, test.

how to pay: payment models for display advertising

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

CPI or CPM

CPI stands for Cost Per Impression. This means the advertiser pays each time the advert appears on the publisher's page. The most common way of referring to this model is CPM or Cost Per Thousand impressions (the letter M is the Roman numeral for a thousand). This is how a campaign is normally priced when brand awareness or exposure is the primary goal.

CPC

CPC stands for Cost Per Click. This means that the advertiser only pays when their advert is clicked on by an interested party. CPC advertising is normally associated with paid search marketing, also called Pay Per Click (PPC) advertising. Banners can be priced this way when the aim is to drive traffic. It is also a payment method sometimes used in affiliate marketing, when the aim is to drive traffic to a new web site.

CPA

CPA refers to Cost Per Acquisition. This model means the advertiser only pays when an advert delivers an acquisition. Definitions of acquisitions vary from site to site and may be a user filling in a form, downloading a file or buying a product. CPA is the best way for an advertiser to pay because they only pay when the advertising has met its goal. For this reason it is also the worst type for the publisher as they are only rewarded if the advertising is successful. The publisher has to rely on the conversion rate of the advertiser's web site, something which the publisher cannot control. The CPA model is not commonly used for banner advertising and is generally associated with affiliate marketing.

flat rate

Sometimes, owners of lower-traffic sites choose to sell banner space at a flat rate i.e. 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.

cost per engagement

This is an emerging technology in which advertisers pay for the rollover adverts, placed in videos or applications (such as Facebook applications), based on the interactions with that advert. "Engagement" is generally defined as a user-initiated rollover, or mouseover, action that results in a sustained advert expansion. Once expanded, an advert may contain a video, game, or other rich content. It happens without taking an Internet user away from her preferred web page, and marketers only pay when an individual completes an action.

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

discussion

The word "engagement" implies a level of interaction and intent from the user. If you were using this type of advertising, how would you measure success?

discussion

How do you think your campaign objectives would differ if you were advertising car insurance vs. organic cat food? What sort of web sites would you target for each?

Typically, high traffic, broad audience web sites will offer CPM advertising. Examples include web portals such as www.yahoo.com or news sites like www.news24.com. Niche web sites with a targeted audience are more likely to offer CPA advertising to advertisers with an appropriate product. These can also fall under the umbrella of affiliate marketing.

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 to 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.

ad servers and advertising networks

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 web sites 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.

An advertising network is a group of web sites on which adverts can be purchased through a single sales entity. It could be a collection of sites owned by the same publisher (e.g. AOL, CNN, Sports Illustrated, etc. are all owned by AOL/Time Warner) or it could be an affiliation of sites that share a representative.

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 web sites, the networks offer tracking and reporting, as well as targeting.

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.

The ad servers provide a wealth of data including impressions served, adverts clicked, CTR and CPC. Most of the 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 web sites.

The ad server also allows sophisticated targeting of display advertising.

tracking

The trackability of online advertising is what makes it so superior to pasting pictures around town in a bid to boost your brand. Not only can an advertiser tell how many times an advert was seen (impressions), but also how many times the advert was successful in sending visitors to the advertised web site (clicks). And, as discussed in the chapter on conversion optimisation, the tracking needs to continue on the web site to determine how successful the advert has been in creating more revenue for that web site (conversions).

As well as tracking adverts being served and clicked on, advertising networks can also provide information about the people who saw the advert as well as those who acted on it. Here is some of the information that can be provided:

- Connection type
- Browser
- Operating System
- Time of day
- ISP

Many ad servers will set a cookie on impression of an advert, not only on click through, so it is possible to track latent conversions (within the cookie period).

And the best thing? Using this information, the advertising networks can target the display of advertising, helping advertisers to optimise campaigns and get the most from the advertising spend.

targeting and optimising

Advertising networks serve adverts across a number of web sites, and can track a user visiting web sites in the network using cookies or IP addresses.

This means that advertising networks can offer advertisers:

- **Frequency capping:** the network will limit the number of times a user sees the same advert in a session.
- **Sequencing:** the network can ensure that a user sees adverts in a particular order.
- **Exclusivity:** ensure that adverts from direct competitors are not shown on the same page.
- **Roadblocks:** allowing an advertiser to own 100% of the advertising inventory on a page.

discussion

Why do you think knowing the connection type and browser of your users is important? Think about the advertising that might be shown in the USA vs. the advertising shown in South Africa.

note

Cookies are small text files that allow a web site to capture information about a user. A cookie period is the duration for which a web site will store that information. See the Affiliate Marketing chapter for a description of cookies.

note

Privacy is a big deal, and the information collected is kept anonymous. Cookies are not only used by web sites for tracking. Cookies also allow web sites to “remember” a visitor’s preferences, such as language and location. Where a visitor will not accept the cookie from an advertising network, either by opting out or because their browser deletes cookies, many networks will rely on the IP address of the visitor to track which web sites are visited. Even though the information is anonymous, there are consumers who do not like having their browsing habits analysed so that better advertising can be served to them.

The advertising network can also target adverts based on the business rules of the advertiser or based on 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.
- **Operating System / Browser Type:** markets can further be targeted via networks or browser types such as Firefox, Internet Explorer, Safari, etc.
- **Connection Type:** users can be segmented and targeted according to their Internet connection type, e.g. 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 air, down to the minute. This usually depends on the client’s objective for the campaign or the product itself.
- **Social Serving:** web sites gather personal data about users and then serve each user with targeted and relevant advertising. For example, Facebook will allow advertisers to select specific characteristics of users who will be shown an advert.
- **Behavioural Targeting:** the advertising network uses the profile of a user (built up over previous web sites visited) to determine which adverts to show during a given visit. Networks can base this profile on cookies or on IP addresses. For example, the network 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.
- **Contextual Advertising:** the ad server infers the optimum adverts to serve, based on the content of the page. For example, on an article about mountain bike holidays in Europe, the network would serve adverts for new mountain bikes, or adverts from travel companies offering flights to Europe, or perhaps adverts for adventure travel insurance.

note

Contextual advertising can be problematic. For example, adverts for the Hilton Hotel could appear next to newspaper reports of a Paris Hilton arrest. Adverts for yachts showed up next to coverage of Hurricane Katrina in New Orleans.



Contextual advertising can be humorous

advertising exchanges

Advertising networks are also creating advertising exchanges, where publishers can place unsold inventory for bidding. The inventory is sold to the highest bidding advertiser. Giving advertisers far more control, this type of advertising mimics a PPC based model of paid search bidding (Generalised Second Price 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.

putting it all together

Knowing the various types of display options and payment models available are all very well, but you might be wondering how to put this all together as you plan your campaign. The very first thing you need to determine when planning display advertising is the goal of your campaign. Are you embarking on a mainly branding campaign? Or is your main focus direct response?

Having determined the goals of your campaign, identify the KPIs (key performance indicators) that will let you know how you are succeeding.

Online advertising is an acquisition channel. It does not require that users actively seek an interaction, as PPC 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.

Investigate your target audience: what web sites are they likely to be visiting? It is likely that the type of creative you may use and the payment model you follow will be largely determined by the web sites on which you wish to advertise.

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

High traffic web sites with a broad audience will most likely charge on a CPM basis. They will broker their advertising inventory through an advertising network, or even a number of advertising networks.

Knowing your goals, your target audience and the format of your adverts, it's time to brief your creative team to ensure that you have the optimum banners for your campaign.

note

For more on KPIs, head on over to the [Web Analytics and Conversion Optimisation](#) chapter.

Your online adverts will need to:

- Attract attention
- Convey a message
- Entice action

Secondly, all advertising needs an appropriate landing page. Whether this involves creating a micro-site, or merely ensuring users are coming through to an existing page on the web site, ensure that click throughs are not being wasted. Generally, sending advertising traffic to your home page is not a good idea as it leaves the user deciding where to go next.

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

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

- “Phone now for the best deals on insurance”
- “Click here for fast home delivery”
- “Donate now”

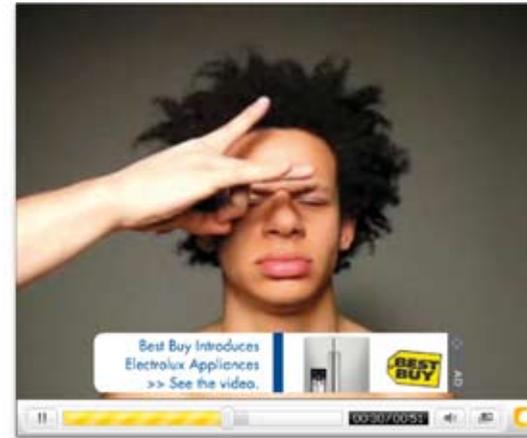
emerging technologies

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 advertiser's medium that keeps it free. And that means that as the way we interact with content changes as technologies evolve, so advertising follows.

It used to be that the level of interaction a web user has with a web site could be measured by the number of pages of that web site 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 web sites can quantify the level of engagement with a viewer.

VideoEgg (www.videoegg.com), which specialises in adverts that appear in video clips and Facebook applications, introduced a Pay Per Engagement pricing model on its advertising network in February 2008. With time spent on site increasing, advertisers are able to utilise that to build more interactive, more time intensive adverts. VideoEgg defines the engagement here as “a user-initiated rollover action that results in a sustained ad expansion. Once expanded, an ad may contain a video, game, or other of rich content” (Rodgers, 2008). Part of VideoEgg's offering is to optimise the placement

of so-called “invitation ads” to guarantee the requested number of engagements in an advertiser's target demographic.



VideoEgg offers in video advertising. The banner will show a video within the video.

But isn't banner advertising dead?

A little research online will reveal plenty of commentary declaring the decline of display advertising. Increasingly, consumers are becoming both weary and wary of advertising. Click through rates on banners are dropping, so the effectiveness of display advertising is being questioned by some. With the focus in eMarketing 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?

Consider this: anecdotal evidence shows that banner advertising can increase click through rates on contextual adverts by 249% (Godin, 2006).

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 eMarketing.

the good and the bad advantages of online advertising

banner ads and their similarity with traditional media

eMarketers regularly bemoan the fact that it's often difficult to educate the market about the value of Internet marketing techniques. Traditional buyers of advertising have been conditioned in a certain fashion and have come to understand advertising in a certain way.

Banner advertising goes a long way towards bridging the advertising divide. Online ads have a set size, they can look very similar to print ads and they occupy a particular bit of real estate in a publication with a particular number of eyeballs looking at it. It's easy to understand and it does the things buyers expect advertising to do.

Bottom line - if done correctly, online advertising builds brand awareness and increases sales!

images - display can offer a rich brand building experience

Some campaigns are better suited to having images rather than the plain text of a PPC campaign (although recently PPC image and video ads have been introduced in the USA). Consider the following types of campaigns:

- Promoting travel packages: What stirs more emotion - an image of a tropical paradise or the words "tropical paradise"?
- Building a brand within a specific sphere: Use banner advertising to brand the web sites of every major player in that niche.
- Running a competition: Keep the target market's eye on the prize.
- Launching an exciting new sports car with a call to action: "Test drive it now" - or interactive rich media that highlight all the exciting new features as you mouse-over that part of the car on the image.
- Digital shadow: Using banner adverts that shadow the above-the-line activity to drive the message both on and offline.

interactivity

Since banners can contain rich media, they offer levels of interaction that other forms of advertising cannot achieve. It allows your target market to not only see your banner, but to play with it too. 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.

Animations, games, video, Flash - modern online advertising is able to bring together a number of other online marketing tactics:

- A few years ago, Flash micro-sites were all the rage, now the same functionality can exist right within the ad. This includes filling in a form or playing a game within the ad - no need to be taken to a separate page.
- Viral marketing - clever viral marketing games or "send to a friend" functionality from within the ad.
- Video - viewers can check out video previews or trailers from within the ad.

measurability and data gathering

Banner ads, like all eMarketing tactics, are measurable. Track click-through rates and you get an idea of exactly how many people are responding to your call to action. Some publishers even have the ability to do post-click tracking' i.e. you can track the user all the way to a sale if that is the purpose of the advert.

An OPA (Online Publishers Association) study revealed that of the 80% of viewers that reported to have watched a video ad online, 52% have taken some sort of action, including: checking out a web site (31%), searching for more information (22%), going into a store (15%), or actually making a purchase (12%).

disadvantages of online advertising

technical obstacles

The nature of a lot of display advertising is intrusive, so pop-up blockers can often prevent ads from being served as they were intended by the advertisers.

connection speed

Bandwidth can also be an issue, although this is a shrinking problem. However, campaigns should be planned around demographics in determining the richness (and investment) of interaction. For example heart disease medication is likely to appeal to an older community, with less money and slower connection speeds.

advertising fatigue

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.

ad blockers

As well as most browsers now blocking pop-ups, there are also extensions available for the Firefox browser, 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.

summary

Online advertising has two main objectives:

- Branding
- Direct response and sales

The Internet allows for highly targeted and highly trackable display advertising across a variety of online media.

Some ways that advertisers can use the Internet are:

- Interstitial banners
- Pop-ups and Pop-unders
- Map advert
- Floating advert
- Wallpaper advert
- Banner advert

Advertising can be charged for in a number of ways, including:

- CPI or CPM
- CPC
- CPA
- Flat rate
- Cost per engagement

Ad Servers and Ad Networks 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, OS, browser, connection type)
- Behaviour
- Frequency and sequencing
- Exclusivity
- Context of content

Emerging technology allows for an increased level of interaction within an advert, and for advertising to be tailored to engagement media such as online videos and social network applications.

the bigger picture: how it all fits together

Offline advertising and marketing campaigns can be adapted for an online audience, so as to ensure maximum brand exposure. This can be 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 eMarketing tactics can be used to further refine this audience.

Display 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, 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.

case study: BMW South Africa

BMW South Africa has been innovative in its use of online campaigns to complement their offline activities. When it came to marketing the new BMW 1 Series, BMW knew that drivers of the BMW 1 Series are generally slightly younger and at a different lifestyle age to the average BMW driver. So, BMW looked at new and innovative ways as well as traditional and tested methods to reach this target market. Over July and August 2007, they ran an online campaign aimed at raising awareness of the new 1 Series BMW, generating test drive bookings and, ultimately, driving sales leads.

The entire campaign was integrated, from print adverts to the Internet, and aimed at driving people to the web site bmw.co.za/1 where they were encouraged to engage with the campaign. Here, the campaign was an invitation to individuals to share their interpretation of "one" by creating a video or photo. As two different BMW 1 Series models were being promoted, a 2-door and a 4-door, the payoff line across all channels of the campaign hinged on the difficulty to focus on "just one".

BMW targeted individuals utilising a variety of different ad formats, both online and on mobile. These included standard banners as well as expanding banners that expanded over competitor images.

It's difficult to focus on just one, don't you think? Close

How do you interpret the difficulty to focus on just one?

We invite you to open your mind and submit an image or video clip of your interpretation to the BMW Gallery of One(s) and stand in line to win exclusive multimedia packages.

Click here to submit, view and rate submissions.

The new BMW 1 Series

BMW

Sheer Driving Pleasure

The target market was reached through motoring and lifestyle associations and adverts were placed in competitive environments on motoring web sites and on corporate blogs. As well as using mobizines, BMW partnered with Zoopy, a South African video sharing web site, to tap into an existing community and invite them to interact with the brand.

The digital media campaign reached over 450,000 individuals and drove over 11% of the test drive bookings concluded on the BMW web site over the campaign period.

case study questions:

1. How do you think BMW benefited from adapting existing print advertising for the online campaign?
2. Describe the target audience of the new BMW 1 series. Why are they suited to an online campaign?
3. Consumers are unlikely to purchase a car online. How would you measure the success of this campaign?

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. Why is display advertising an effective acquisition channel?
3. Go to www.wheels24.com and www.thetimes.co.za. What advertising can you find on the front page of these two web sites? What products are being advertised, and how are they being advertised? What can you infer about the target market for these products?

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further reading

www.adrants.com – Commentary on online advertising campaigns. US focused.

www.clickz.com – Industry leaders write regular articles.

www.nma.co.uk – UK industry focused advertising articles.