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Display Advertising: *The Billboards of the Web*

WSI White Paper

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Display Advertising: The Billboards of the Web

Introduction

Display advertising is an online form of advertising similar to billboards, television ads and print ads. The ad has a simple concept and instantly provides the viewer with upfront information about the product or service. A display ad is embedded into a web page and consists of images and text. It can include sounds, animation or video to attract more attention, or with the help of some programming, can be highly interactive. HTML code is used to instruct a web server to load the specified website when the display ad is clicked on. Revenue for display advertising is usually earned on a cost per click (CPC) basis.

The main aim of a display advertisement is to target traffic to the website that is publishing the ad. Like all other forms of advertising, it also aims at sales of the advertised product or services and creating brand recognition and awareness.



History

Display advertising has only been around for the past 15 years. The first ever display ad was sold in 1993 by Global Network Navigator (GNN), which now holds the title for the first commercial website in history. But HotWired, the world's first commercial magazine, changed history by being the first to sell a large amount of display ads to various corporate companies. In 1994, HotWired placed the first display ad on its website. The ad was purchased by AT&T and was 468 x 60 pixels in size. It read, "Have you ever clicked your mouse right here? You will".

Since then, display advertising has come a long way. Up until 2004, display ads were measured and sold solely on the number of impressions, but today it also relies on tracking, the amount of clicks received and conversions made.

Why Display Advertising?

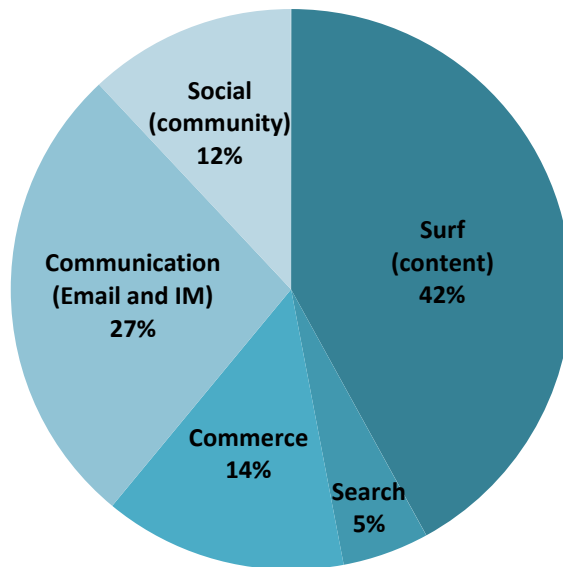
The online ad market has grown from using static JPG image banners to GIF banners and now Flash banners, which have smooth animation, exciting effects, engaging graphics and interactivity. Content and smooth animation can be shown all together in today's animated display ads. They take less space on the web page. You can put more text content and graphics and try different looks on the same web page.

Display ads also load quickly onto a web page unlike video ads. Viewers become impatient when the web page loads slowly and usually leave the page. Display ads make a page load quickly, so users can see the page content and ads without any hassle. Major portals like Yahoo!, MSN and AOL are using display ads for their own services and their clients, proving that display ads still have high popularity.

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Display advertising accounted for around \$5 billion in online advertising spend in 2009, which is a good amount (www.emarketer.com). But search advertising on Google alone was roughly 12 billion last year. These 12 billion dollars were generated on search engine results pages that represent roughly only 5% of the Internet's page views, which means that 5% of the Internet's page views generates more than twice the revenue of the rest of the Internet combined.

Media Consumption



Media Consumption (hours per week)



By spending less than 10% of their dollars online, businesses are missing the opportunity to reach consumers where they spend over 50% of their time!

So what is the differentiating factor? Basically, targeting is the key difference between display and search advertising. Search engine marketing is one-to-one advertising where the user's purchase intent is the primary focus. If a viewer searches for "Rayban sunglasses", he will see ads that match this phrase. But with display advertising, advertisers broadcast their ad on a paid ad space, which is perfect for creating and promoting brand awareness. There is no campaign modification to suit the individual viewer.

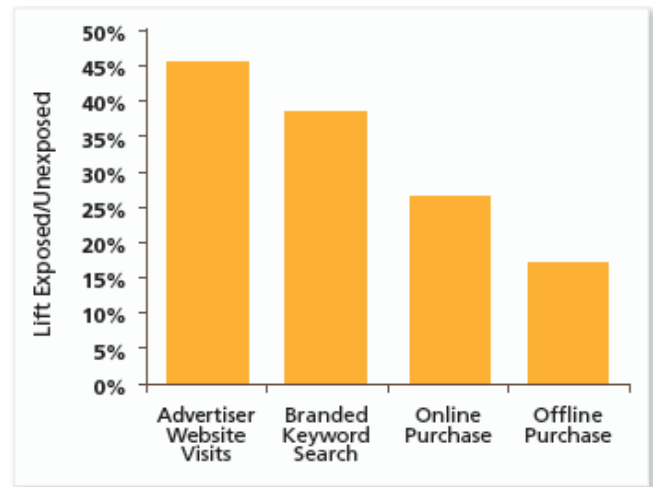
However, new technologies and advancements in the industry are set to give us improved targeting. Also, the introduction of real-time bidding will soon decrease the difference between display advertising and search. Real-time bidding lets advertisers bid on one impression at a time, giving the ability to pick the right impression (viewer) at the right time on the right website just like search engine marketing.

The biggest advantage and most beneficial factor of display advertising is branding. Recent research by comScore confirmed that although it might be a delayed effect, a strong branding process definitely takes into effect when a viewer is exposed to a display ad, even when he or she doesn't click on the ad.

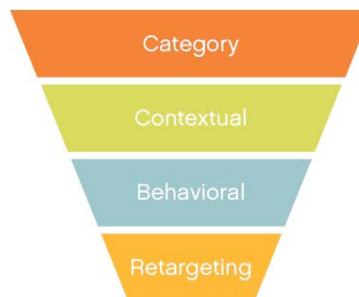
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The research also showed that display advertising has an effect on user behavior even at low click through rates. One hundred and thirty-nine display campaigns were monitored and the results showed that they had extensive effects on traffic, sales and branding despite a low amount of clicks. The display campaigns gave a 46% increase in websites visits and exposed viewers were 38% more likely to conduct an advertiser related branded keyword search. Twenty-seven percent were more likely to make a purchase online and 17% of viewers were more likely to make a purchase at the advertiser's retail store.

The Effects of Display Advertising



Types of Display Advertising



Category

Example: You are advertising a new beauty cream so you would publish your ad on websites that have a largely female audience like fashion or beauty sites.



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You choose to advertise in this category of websites because their visitors are your target audience and your ad is of topical interest to them. This type of advertising is best for raising brand awareness as it involves a long list of websites for your ad to be published on.

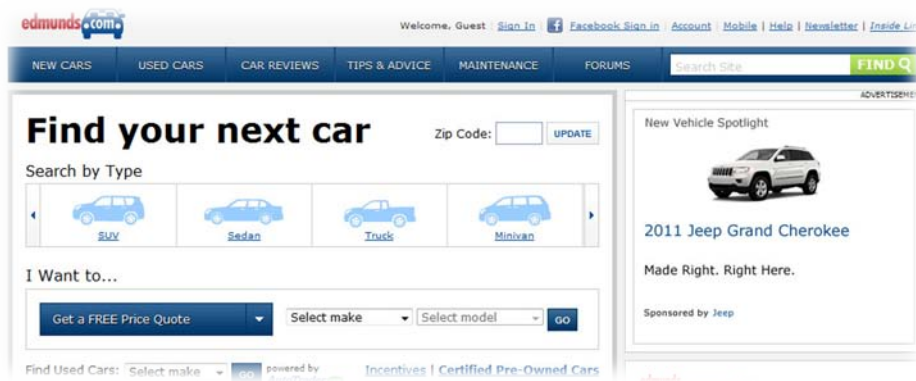
Retargeting

Example: You checked the Groupon website and later on, while you're surfing online elsewhere, you see Groupon display advertisements. With retargeting in display advertising, visitors who have already been to the specified website are served the ad when they continue browsing elsewhere on the Internet. This form of advertising is more expensive and targets a smaller audience, but promises a good end result as the viewer has already established an interest in the product or service by visiting the publisher's website before.



Contextual

Example: Placing display advertisements about the latest Jeep model on a car forum website.

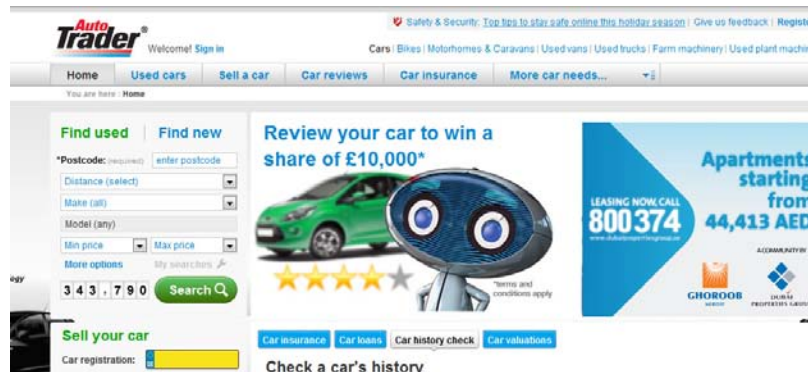


Your display ad matches the content of the web page and is of topical interest to its visitors. This type of advertising works best combined with category advertisement.

Behavioral

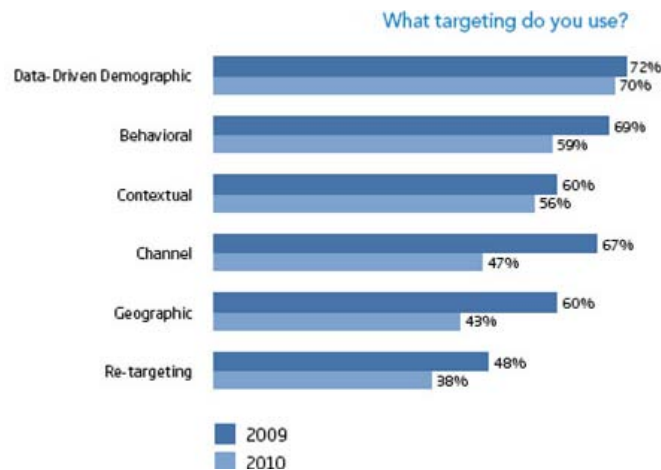
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Example: If you have been visiting a list of different real estate websites in search of a new apartment, you will be served an ad for real estate listings.



Behavioral display advertising targets a specific audience based on their web history with the help of cookies. This form of display advertising focuses on a smaller audience but provides more solid leads in the end.

A 2010 Display Advertising Study conducted by Advertiser Perceptions Inc. shows advertisers prefer demographic and behavioral targeting.

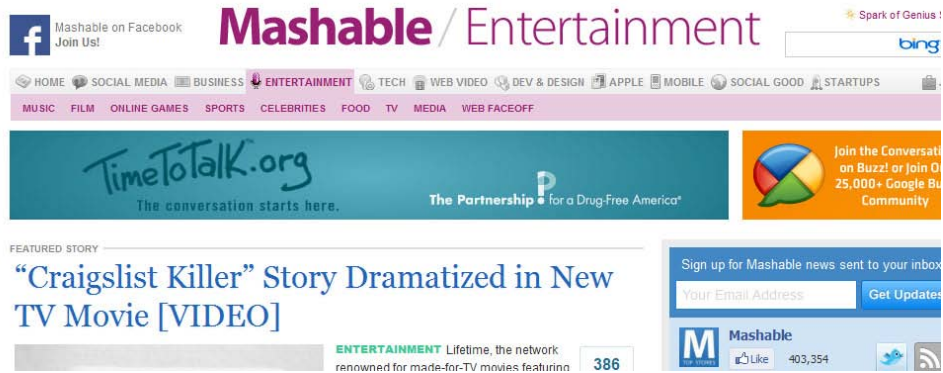


Types of Display Ads

Traditional

These ads are usually rectangular in shape, contain text, and have GIF or JPEG images that link to another page or site. They are the most common and popular ads seen online because they load quickly, are easy to design and modify and are easy to embed into a web page.

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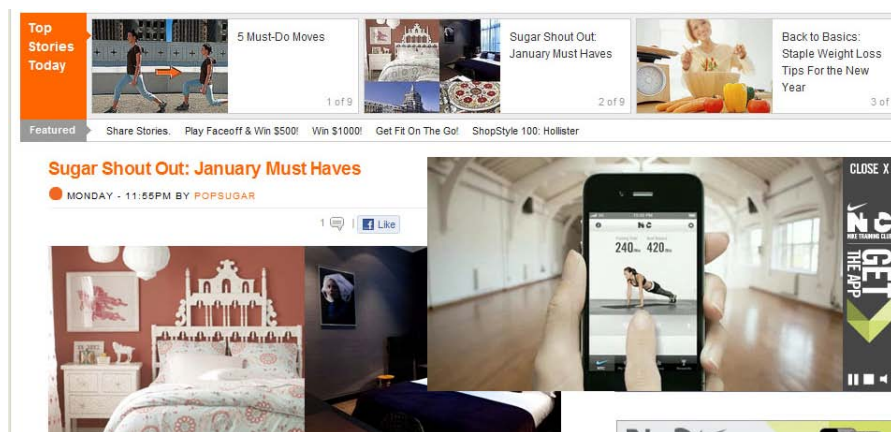
In-line ads

These ads can be seen in a column on the right or left side of a web page and can be graphical with a link, or just text with hyperlinks highlighted.



Pop-up ads

These ads are generated onscreen when you click a link or button on a web page. When clicked, a separate window opens over the page you are viewing. Some viewers find these ads intrusive because they have to click to remove them and return to the original page.



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Ads in any of these categories might be static, animated, or "rich media". A static ad does not change when you look at it - it is a single image. An animated ad uses several different images to give the appearance of motion; they are usually in GIF format. A rich media ad consists of audio or video, or involves some programming with Java to create a very interactive ad.

Standard Sizes of Display Ads



Publish Your Ad Online

Banner ad exchange program with other websites

You can exchange display ads with another website and for every 2 of their display ads seen on your website; one of yours will be displayed on their website.

The biggest advantage of joining a banner exchange program is that it allows you to post your banner ads for free on different websites. The disadvantages are that you can't control what ads are going to be on your website and you won't be able to decide the position of your ads on their website. It's usually the exchange program that is in charge and you may not like where they put your ads or their choice of ads for your website. Some major banner exchange programs are:

- LinkExchange
- BannerSwap

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- SmartClicks
- Free Banners
- LinkBuddies

Pay publisher sites or banner ad network organizations to post your ads on a variety of websites

Put simply, banner ad networks act as brokers between advertisers and publishers. Like banner exchange programs, they're in charge of placing an advertiser's banner ads and tracking all activity related to that ad. But again, the advertiser doesn't have much control over placement. The advantage is that the extensive services ad networks provide are available at an affordable cost.

With the availability of several banner ad networks, it's very important to do your research before you choose one. Larger banner networks sell advertising space from high-traffic publisher sites, which is expensive. Some banner ad networks offer affordable advertising space on smaller publisher sites, and some networks offer discounted "remainder" advertising space, also known as excess banner inventory. You can choose to pay websites or organizations by the cost per impression or pay per click method. Some major impression networks are:

- DoubleClick
- Flycast
- BURST! Media
- ContentZone

Some major click-through networks are:

- Banner Brokers
- ValueClick
- BannerSpace
- eAds

Approach websites yourself

To place advertisements this way, you have to approach each site individually, and follow their advertising rules and pricing packages. This method gives you the ability to control your ads better. You can choose websites with relevant content and can even choose your ad's location. This can be a cheaper alternative of advertising if you target small websites that don't attract a lot of other advertisers. Larger sites have a set advertising package with a relatively high price tag.

Most websites sell advertising space on a CPM basis, with a package of a certain amount of impressions. CPM usually depends on the popularity of the website or its type of audience. High traffic websites will charge more, as will websites of a targeted niche or demographic.

Use a digital agency

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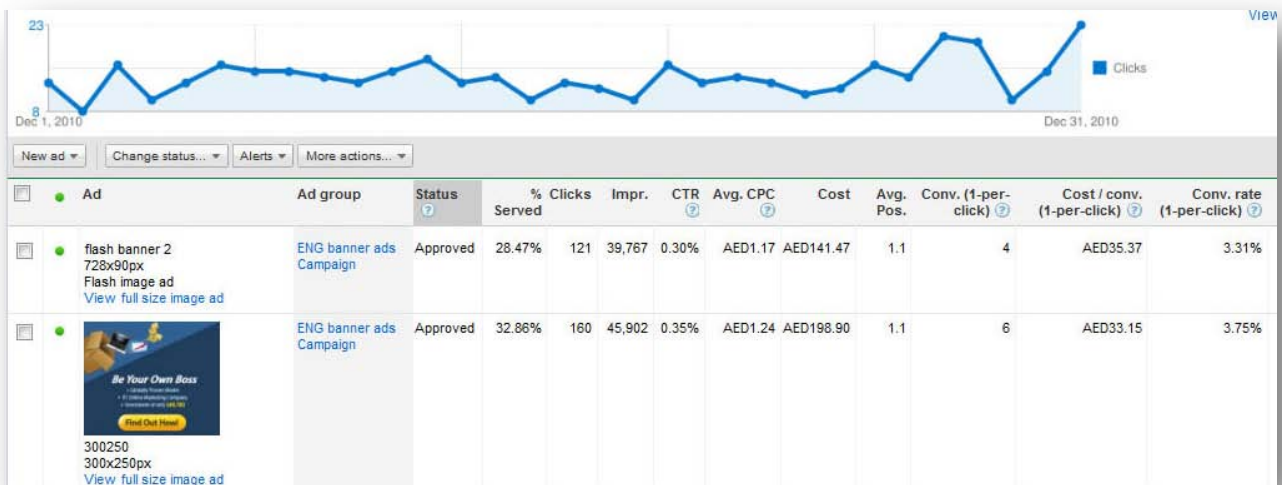
The benefits of using an agency are their expertise. They help you find the best publisher sites for your ad and make best use of your budget by negotiating the price of banner ad space. Advertising agencies also have a creative team to come up with campaign ideas and artwork. These agencies usually get better prices for advertising space because they have a lot of clients and can buy impressions in bulk.

The biggest drawback of this option is that advertising agencies will only deal with a client or account of a particular size or budget. If you have a limited advertising budget, you can opt for actual banner ad placement instead of paying for marketing strategies and high-end banner design.

Use an affiliate program

With this method, you pay publishers of your display ad only when you get a specific result like a particular amount of clicks or purchases. You can pay the publisher a percentage of your profits based on these results. Unlike traditional banner advertising through a banner network, you don't have to pay based on click-through or impressions in bulk. You pay a small amount for each click, or you pay a percentage of your profit from a referred visitor.

Measure Your Campaign



The standard method for measurement is taking the following into consideration.

- **Clicks:** The amount of clicks a display ad received
- **Impressions:** The number of times the display ad has been seen by visitors
- **CTR:** A click-through rate is the ratio between clicks and impressions
- **Cost Per Sale:** This is the amount spent per sale and the figure is dependent on the cost of the product or service itself that is advertised

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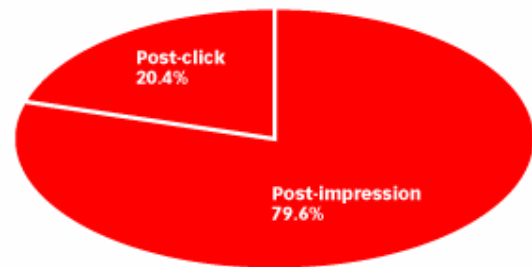
- **Conversions:** An HTML conversion tag is placed on the website (or landing page) and tracks the amount of conversions that have occurred which could be an action like a registration or a purchase.

Keep in mind that these figures collectively will demonstrate your campaign's performance. Do not rely solely on the amount of clicks. Research by comScore has shown that two-thirds of Internet users do not click on any display ads over the course of a month and that only 16% of Internet users account for 80% of all clicks. It also showed that the viewers who click tend to be younger and less affluent than the people who don't.

MediaMind's recent analysis of more than 100 million conversions from thousands of campaigns worldwide found that only about 20% of conversions are the result of a click, while the majority is the result of viewing the banner without clicking.

Hence, clicks are only a partial measure of the progress and effectiveness of an online advertising campaign. About 80% of the traffic of viewers that were exposed to the ads is not accounted for when measuring clicks only.

Standard Banner Ad Conversions Worldwide, Post-Impression vs. Post-Click, Q3 2009-Q2 2010
% of total



*Note: read chart as saying 20.4% of conversions are the result of a click while 79.6% are the result of viewing the banner ad without clicking
Source: MediaMind, "Standard Banners – Non-Standard Results," provided to eMarketer, Nov 15, 2010*

Steps To Improve Performance of Your Display Ad Campaign

Publish Your Ad on Web Pages with Specific Content

When a user is browsing a website with specific content, it indicates that he or she has a high level of interest in that particular subject. For example, if a viewer is browsing websites about hotels and hotel rates, he or she is more likely to be looking to book a hotel room. Serving a related ad to users exactly when he or she is showing interest in the product will result in more conversions and sales.

Less Equals to More and Vice Versa

Larger banners have high visibility and grab the viewer's attention, increasing the chances for a click or conversion after they see the ad. However, your message should be simple and effective. The aim is to attract the viewer's attention and convey your message without confusion or losing attention.

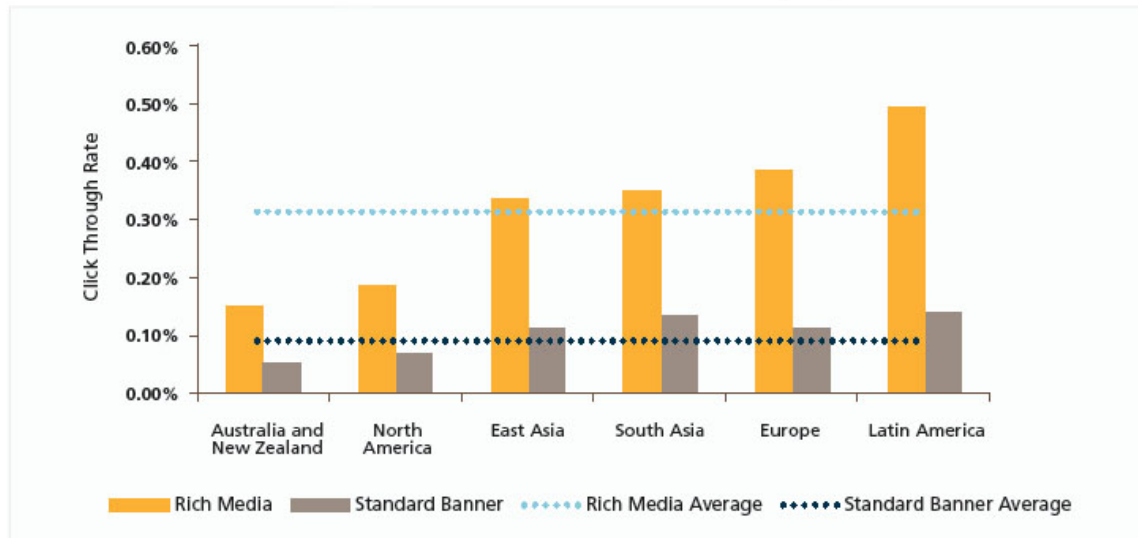
Consider the Format

The most common display ad formats are banners and ad boxes on web pages of relevant content. While these are effective, if your brand has a more complicated message like the introduction of a new product or service or even a change of image, consider other formats such as interstitial, gateway, and over the page ads, which allow for narratives. Interstitial ads serve between pages as a full page ad,

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which times out after a specified duration before showing the website. Over-the-page ads automatically expand downward pushing the site content down with it. The ad unit then auto collapses into an ad on the page that can be expanded by viewers for additional information. The peelback ad acts as an over-the-page floater on the top right corner in a collapsed state and on interaction unfolds to reveal the full ad content. Today's online market is filled with animated and content rich display ads because viewers have become more demanding and consumer savvy. These various ads not only grab attention because of the presence of motion, interactivity and narratives but enable advertisers more creative freedom.

Standard Banner and Rich Media by Region



Optimization

Optimization lets advertisers know which display ad is preferred by the viewers based on their actions with the ad. The results of each version of the ad are constantly compared and the most effective option is served more. Effectiveness is dependent on the viewer's response so display ads that are more likely to be clicked on or interacted with are served frequently. This leaves no room for guesswork and no time is wasted during the campaign as even the slightest differences in two ads can generate varied levels of activity or interest.

Retarget Your Viewers

At the first and second exposure to your display ad, viewers are typically in the awareness phase so it's only after a few more ad views that they become favorable to your product and would have the intent to purchase or make a purchase. If your ads aren't displayed frequently enough, your viewers will still remain at the first stage, yet over exposure could result in an annoyed viewer.

Online users have highly unpredictable browsing patterns that change constantly, so merely increasing frequency of your ads wouldn't solve anything. Research shows that users are more likely to click on an ad that they have seen previously and that an average 61% of viewers receive only one exposure over a

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campaign's lifetime, but a majority of 82% of viewers received three impressions or less (MediaMind Research Standard Banners - Non-Standard Results).

This is where retargeting comes in handy. Retargeting is a technique that serves your display ad only to those viewers who are underexposed, ensuring that they have the chance to move forward to the next favorable stage and are more likely to convert or purchase.

Be Useful

Provide your viewer a reason to interact with your ad. Interaction with your display ad means they are interacting with your brand and developing a favorable attitude towards it.

A recent study showed that viewers valued incentives the most appealing factor when it comes to engaging with an online ad.

Aim with Psychological Mechanisms

Your objective of the ad campaign can be achievable with the help of psychological mechanisms. For example, sales might be the objective of the ad and the mechanism could be one of the following.

Reminder: This mechanism works well for a well established brand. The ad's main function is to get the consumer to think of and reach for the brand on their next purchase.

Chanel Gris Scintillant Le Crayon Yeux

Chanel Spring 2011: Gris Scintillant

Chanel Gris Scintillant Le Crayon Yeux (\$29.00 for 0.03 oz.) is a dark charcoal gray with silver and teal-tinged silver shimmer. There are a lot of amazing eyeliner formulas out there, and while I haven't had trouble with other Chanel Le Crayon Yeux shades (though I have only tried a couple), this one is quite sheer and requires a few passes to achieve decent color opacity. It's also not as intense or as smooth as I'd like in a pencil eyeliner. Overall, I found this to be rather disappointing.

love it, leave it, or is it just lust?

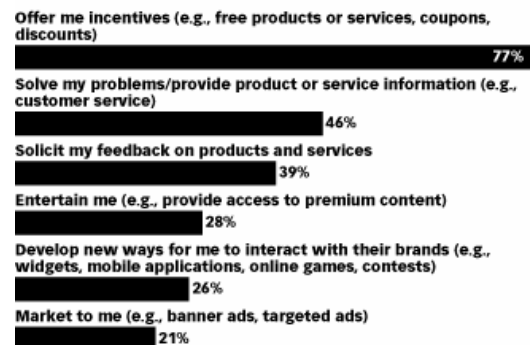
If you want to know more about how products are evaluated, read out [Rating System FAQ!](#) :)

»» Product 23/30

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macy.com

Types of Interactions that US New Media Users Look for When Engaging with Companies/Brands Online, Sep 2010

% of respondents



Source: Cone, "2010 Cone Consumer New Media Study" conducted by ORC, Oct 2, 2010

Reinforcement: This works well when the consumer has some level of familiarity with the brand. Take this Kaya Skin Clinic ad as an example. The goal of this ad is to strengthen the brand promise of beauty and healthy skin. The simple iconic imagery of the attractive face and brand mark are an effective way to reinforce this perception.

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★ Will using anti-aging moisturizers as a teen help prevent wrinkles?

Tuesday, January 4th, 2011, by [Antiaging, Help, Moisturizers, Prevent, teen, using, wrinkles, Anti Aging Moisturizer](#), 5 Comments

Question by [Legend123](#): Will using anti-aging moisturizers as a teen help prevent wrinkles? I'm 15, will using a daily anti-aging moisturizer help prevent wrinkles? I know wrinkles are an inevitable part of life, but will it at least help prolong the years I live without wrinkles?

Best answer:

Answer by [MsAsiaLina](#): technically yes. but the lifestyle you live will play a bigger role in wrinkles. i.e.: drinking, smoking, drugs

Add your own answer in the comments!

★ LifeCell All-in-One Anti-Aging Cream

Stay Tuned

ABOUT SEARCH RECENT COMMENTS

Stay looking younger with Age Control Now

kaya skin clinic™
UAE - Saudi Arabia - Oman

Reposition: Sometimes brands change their image, logo or slogan. They can achieve this new image successfully with a display ad that is brand persistent, yet conveys the new image or slogan in a way that connects it to the old image.

URBANSOUQ Fashion & Style | Beauty | Culture

NET-A-PORTER.COM

Subscribe f t

Fall into Fall

SHOP NOW

MORE FROM URBANSOUQ

UrbanSouq on Facebook You like this. Unlike

Search Search

Introduce: When introducing a new product, brand presence and an effective message are important. If the message is more complicated, consider using higher visibility ad formats with interactivity.

TechCrunch

chrome web store | open for discovery

What's Hot: Android Apple Facebook Google Groupon Microsoft Zynga Classics CES 2011

Subscribe: RSS Email Twitter Facebook YouTube

BIG MONEY
Apple: Actually, \$50 Billion Isn't Cool Either. You Know What's Cool? \$300 Billion. >

CRAZY VALUATIONS
Facebook Now Worth More Than Yahoo And eBay >

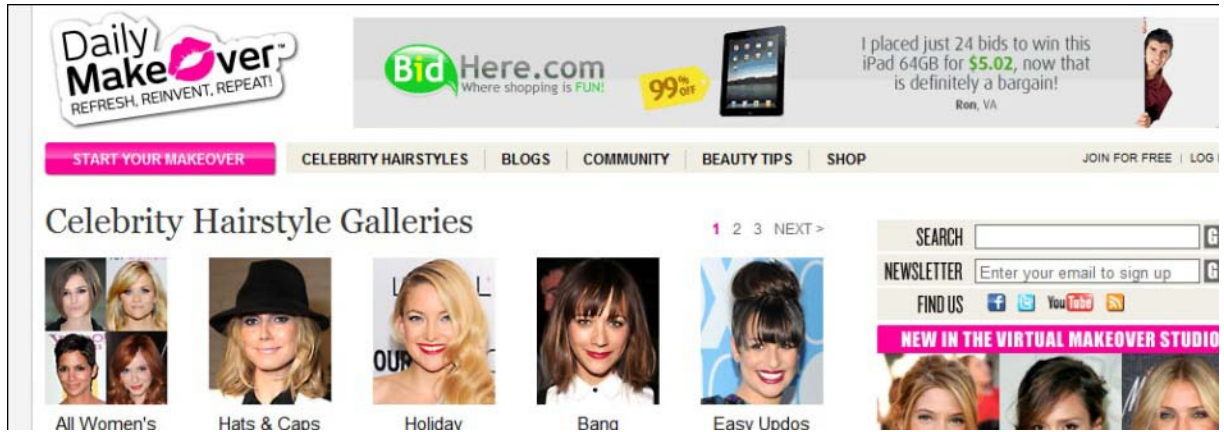
COMPETITION
Compete Says Bing's Combined U.S. Market Share Rose To 29% Last November >

Got a tip? Building a startup? Tell us

chrome web store open for discovery

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Direct Response: For products sold online, direct response ads can be very profitable since this type of ad is used to generate leads, sell, etc. It involves a call-to-action and clear benefit.



Be Brand Persistent

Brand persistence is the most important factor of a successful display ad. It ensures awareness of the brand at a minimum and at the most, your ad will ensure the key visual message of the brand is absorbed and linked to in the future.

PPC vs Display Advertising

Paid online advertising has several benefits over organic search results, but you need to carefully decide which type is suitable for your business. Pay-per-click (PPC) and display advertising are the most common and preferred form of online advertising today, but each has their specific advantages.

PPC campaigns can be laser focused to target the exact audience you want. The advertiser can control his campaign with keywords, negative keywords, target demographics and budget. You can easily modify and track your campaign for increased efficiency at a minimum cost level. The minimum required budget per day with PPC Google Ads is a just one dollar. You only pay when your ad is clicked and you can even specify how much you are willing to pay.

Display advertising can also be paid for on a PPC basis, but it is never as focused or targeted like PPC because the display ad can be triggered by any keyword supplied by the advertiser. This is a major drawback as the more related your ad is to the web page content, the more likely it is to reach its target audience and be effective. In most cases, display advertising is paid for on a cost per impression (CPI or CPM) basis with a set price, and ad placement on some web pages can be expensive. While it's easy to track and measure a display advertising campaign, modifications for your banner would involve a lot more time and effort in comparison to the simple text copy of PPC.

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An added issue is that many viewers tend to ignore banners due to the abundance of display advertising on the Internet. This has brought about a slight evolution in the online market. Ads now use Flash animations to gain more attention, and a current trend is the use of interactivity as a focal point. These types of ads gain the viewers' attention, thus making it easier for the advertiser to get his point across and increase the branding process.

While each medium has its pros and cons, ultimately your decision is dependent on what you want to achieve from your campaign and your product. If you're aiming for high website traffic and effective branding, then you would benefit from a display advertising campaign. However, if you are focused on attaining high ROI and highly targeted traffic, then you would be more successful with a PPC campaign.

Conclusion

Although many marketers are under the impression that display advertising is a dying form, recent studies and its abundance on the web state otherwise. Their visual appeal and versatility can be used for maximum advantage in engaging potential customers and they have a long lasting branding effect on all viewers without the need for clicks. This is a more traditional form of advertising, but is currently evolving to be more audience centric.

Display advertising is aimed towards building customer consciousness around a product, service or brand. This process is highly effective with visuals rather than with text. The biggest benefit of display advertising is that the "image" of a brand or product is embedded in the viewer's mind, and results in more chances of the viewer acting on this awareness in the future, thus accelerating sales and goals in the long run.

About the Author



With more than 10 years of experience in the online space, Husam is a well-recognized Digital Marketing Consultant with WSI, and certified marketing professional by Google and Yahoo! He is also a member of the Search Engine Marketing Professionals Organization, the Web Analytics Association and the Usability Professionals Association.

If you have any questions, please email education@wsicorporate.com.