23 - The Internet

Summary

Study Suggests Fake Web Traffic Is Worse Than You Thought

But Publishers Have Ways to Identify It

By:
Michael Sebastian
Published: August 09, 2013

155share this page

share
email print rss

Fake web traffic has long plagued the online publishing world, but Dr. Paul Barford, computer science professor at the University of Wisconsin, is claiming the problem might be worse than suspected. And it's costing some of the top online advertisers millions in wasted ad impressions.

Dr. Paul Barford is chief scientist at MdotLabs.

Dr. Barford, who is also the chief scientist at startup MdotLabs, is slated to present a study at an Internet security symposium Wednesday in Washington, D.C., where he we will claim that 10 traffic networks are serving up more than 500 million invalid ad impressions a month.

"We estimate the cost to advertisers for this fraudulent traffic to be on the order of $180 million annually," he said in a statement in advance of the presentation.

Dr. Barford reached his conclusion by posing as a web publisher and signing up for several different traffic generation services, also called PPV networks, which he filtered through software that uses anomaly detection to identify fake website traffic.

The study comes as more publishers and advertisers are becoming aware of fake web traffic and taking steps to combat bots that are growing increasingly more sophisticated.

"We see bots playing games that we didn't see a few years ago," said Brian Pugh, a senior-VP of audience analytics at ComScore.

MdotLabs, the company that Dr. Barford co-founded this month, is among a number of firms that publishers, media agencies and advertisers use to identify bogus traffic. GroupM, for instance, employs the services of at least three such firms: Double Verify, Integral Ad Science and Spider.io. In February, the London-based Spider.io uncovered a cluster of more than 120,000 computers that had been infected by the Chameleon botnet, which was flooding websites with fake traffic.

Among the services firms such as MdotLabs offers is the ability for publishers to incorporate software onto their own sites for the purpose of weeding out fake traffic.

"From a publisher perspective, the platform allows them to differentiate themselves from lower-quality players and charge for higher-quality CPMs," said Timur Yarnall, the CEO and other co-founder of MdotLabs.

Estimates about the amount of overall fake web traffic varies. Mr. Yarnall claims that as much as 50% of all web traffic is fake -- which is likely on the high end.

ComScore has indicated that 36% of all traffic is non-human, though that includes certain bots -- such as those from Google -- which do not inflate ad impressions. The percentage has increased sharply from 2011, when it was just 6%. Meanwhile, nearly a quarter of visitors to so-called "long-tail sites," which have an overall reach of less than 1.5% of total internet users, are creating fake ad impressions, according to Mr. Pugh. He said the percentage of fake visitors to large websites is far less.

Real-Time Ad Spending Growing Faster Than Expected

eMarketer revises forecast up, RTB spend to grow 73.9% in 2013

By:
Alex Kantrowitz
Published: August 23, 2013

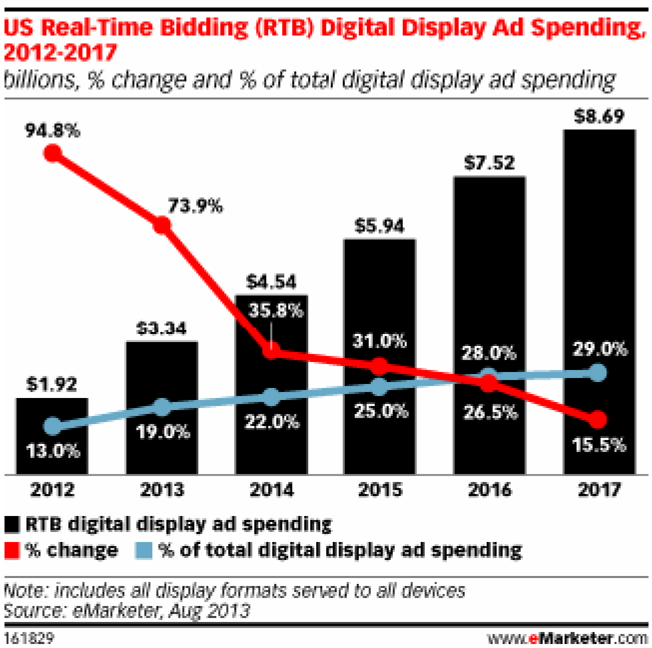
15share this page

share

email print rss

Real time, automated digital ad buying is growing so fast, even the forecasts can't keep up.

Revising its forecast up from earlier this year, eMarketer released a new report today predicting advertisers would spend more on real-time bidded (RTB) advertising in 2013 than originally estimated. The report put the total U.S. RTB spending in 2013 at $3.34 billion, up from the $3.32 billion eMarketer predicted in June. If the growth matches eMarketer's expectations, RTB spending in the U.S. will increase by 73.9% over last year.



"The growth of ads bought using real-time bidding comes as more advertisers familiarize themselves with complex automated buying ecosystem, and seek to reach audiences through a more targeted, and -- in some cases -- cost-effective process," said eMarketer in a statement accompanying the revised forecast.

The news is less than reassuring for digital publishers. While spending on online display ads is expected to increase by 19% this year, RTB spending, according to eMarketer, is growing at over 70%. The more rapid RTB growth means more money going to tech middlemen rather than publisher pockets, a welcome development for the ad tech industry but likely not for content creators.

Moreover, it means advertisers are investing more in technologies that drive efficiency over premium ad placements.

In another unwelcome development for publishers, eMarketer's revision occurred primarily due to an unexpected surge in mobile spending. While some sellers of mobile inventory, such as Facebook and Pandora, have figured out how to make money from mobile, the majority of digital publishers are still trying to figure it out. As a result, the revised numbers are likely to leave many wondering why they can't crack the medium despite the increased dollars moving there.

Clark Fredricksen, an eMarketer vice president, said advertisers were increasing their spending on more lucrative custom and sponsored ads, but the growth of RTB far outpaced that increase. For most publishers, Mr. Fredricksen said, the rise of both mobile and RTB spending is not something to celebrate.

"It is a one two punch," he said

The 3MS initiative, a tripartite endeavor involving IAB, AAAA, and NAB, called for a shift to the viewable impression as digital currency. In other words, the advertiser doesn't pay unless the impression is viewable. In display, the standard is shaking out to be 50% of pixels on screen for at least 1 consecutive second. While there are complexities therein (e.g. should large sizes have a different % pixel threshold, and what about ads that change sizes), the standard seems to have been pretty much universally adopted. **In another study we conducted for a client we saw increasing ad effectiveness as we tightened the definition of viewability to include more pixels and more time. (Interestingly, time and pixels appeared to be independent variables.) But the evidence was pretty compelling that it's not a simple matter of just getting past one second. Effectiveness continues to increase as the time in view increases beyond one second. I'd like to add one additional point to stress the importance of a viewability metric. Even when using the current IAB definition ("50% of the pixels in view for at least one second") there is a dramatic improvement in campaign impact as the percent of ad impressions that are viewable increases. Kellogg's is reporting that when they compare campaigns that had had a least a 75% viewability rate with campaigns that had no greater than a 50% viewability rate, they see a 75% increase in sales lift.**

Pre-roll video ads: is it any wonder why we hate them?

by Chris Lake 22 August 2013 11:02 14 commentsPrint

Is there anybody on the planet who actually enjoys pre-roll video advertising? Research has shown that 94% of people skip pre-roll ads, though I can't believe the number is that low (presumably the other 6% are masochists).

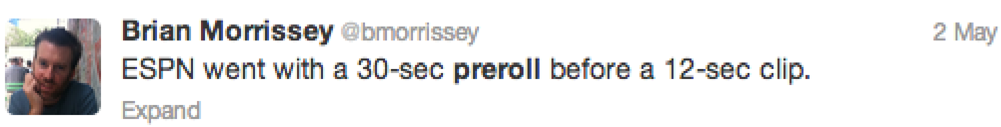
Pre-roll ads are as loathed as pop-ups, which studies found to be damaging to both advertiser and publisher. I imagine that the same applies to pre-rolls. Have you ever watched one and wanted to buy the product or service that's being (badly) pitched to you?

You have to wonder why they're so popular. Certainly the YouTube experience has considerably worsened since it started putting pre-rolls on a far wider range of ads, and I for one would pay a small fee to have them permanently removed.

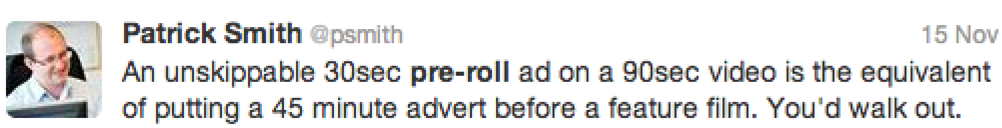
Why do pre-roll ads suck so badly? Partly it's the interruption, which is often a lot longer than five seconds, and partly it's because the creative tends to be beyond stupid, but there are plenty of other reasons.

The following quotes and videos reflect all that is wrong with the pre-roll format. If you're the kind of person who likes to snuggle up to Satan by commissioning pre-rolls then you might want to take some notes.

What kind of madness is this?



Everything's relative...



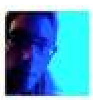
Advertisers + publishers = bad taste?

Amy Vernon @AmyVernon 15 Apr
Wow @cnnbrk - when you are streaming live video of a possible terrorist explosion, you might want to cancel the **pre-roll** ad. #justsayin

Yep, it's broken

Will Critchlow @willcritchlow 17 May
"Daddy - it's broken" -- my 3 year-old daughter when she encounters a **pre-roll** advert on YouTube while trying to watch Peppa Pig

Ads on ads!



Chris Lake @lakey 17 May
@davidwaterhouse @herrhuld Kind of annoying how we have to skip a **pre-roll** ad in order to see an ad!

Misguided creative is misguided

Paul Squires @paulsq 4 Jul
Seeing more advertisers doing mini-docs as YouTube **pre-roll**. Surely the point is to get the message across as quickly as possible?
Expand

Those dreamy opening sequences don't work

Martin Belam @MartinBelam 14 Aug
Nothing says "I don't get digital" like a **pre-roll** ad skippable after 5 seconds that DOES NOT MENTION THE PRODUCT IN THE FIRST 5 SECONDS

How a five second pre-roll should be done... Volkswagen understands your pain

Even advertisers recognise that pre-roll ads annoy the hell out of people. Check out this ad from VW, which does "the most boring thing in the internet for you".

Is there anything that can be done to improve this prevalent ad format? What do you think?

Chris Lake is Director of Product Development at Econsultancy, an entrepreneur and a long-term internet fiend. Follow him on Twitter, Google+ or connect via Linkedin.
Topics: Advertising

Get unlimited access to Advertising Age. Subscribe today.Request a Reprint

Now, Let's Stop Calling These Ads 'Native'

The Industry's Favorite New Buzzword Has Lost Its Meaning

By:
Tim Peterson
Published: August 28, 2013

Mention "native advertising" to a media buyer these days, and he or she will ask what exactly you mean by it. Advertorials? Promoted Tweets? Search ads? Sponsored content?

The term has become industry shorthand for any ad product that isn't a banner and looks like the content around it, or anything the Interactive Advertising Bureau hasn't standardized. It's the ad industry's latest salespitch, and not without reason. Banner ads are broken, so marketers and ad-sellers alike have a good reason to at least attempt to move beyond them.

Publishers have created some really interesting innovations in the name of "native" advertising, but can we agree that we should all stop calling them "native?"

Forbes **BrandVoices**
Forbes has received a lot of attention for letting marketers pay to publish articles on the

business publication's site. Forbes has also received a lot of criticism for blurring the separation between editorial and advertising. Letting advertisers move from a site's sidelines to plant themselves among editorial, as Forbes has done most obviously and The Atlantic most infamously, is the essence of native advertising. But it's not that new of a concept.

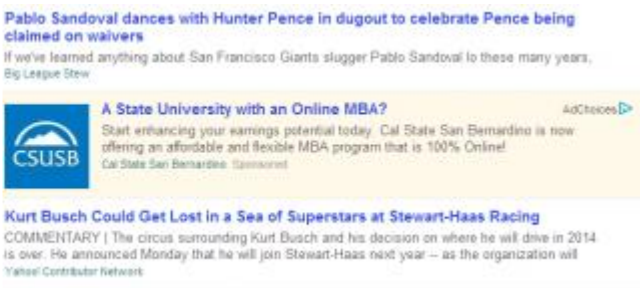
If not native, then... Advertorials. There is little, if any difference, between these paid-for columns and the sponsored spreads that have been appearing in print magazines for years.

BuzzFeed branded content
BuzzFeed is among the companies most responsible for the native advertising fad. Many in the industry have to come to view the articles BuzzFeed's team creates with an advertiser and are designed to achieve a similar level of social interest as the site's cat GIF listicles as native advertising's paragon.

If not native, then... Sponsored articles. Unless a brand or its agency is wholly responsible for actually creating the articles they're paying to appear on a publisher's site, it's not an advertorial. Like how a TV show "brought to you by [insert brand]" is a sponsored program, not an infomercial.

Vox Media's Fish Tank Ads
To Vox Media's credit, the parent company of news sites The Verge, SB Nation and Polygon doesn't pitch its new suite of display ads as "native." They're custom. If an advertiser wants to run one of these magazine-like banners that appear while scrolling through a home page or article, they have to do it on one of Vox's sites. Say Media has a similar ad product, but again advertisers are limited to Say Media properties.

If not native, then... Custom ads. This is a preemptive measure to make sure that the bespoke banners Vox Media, Say Media and others have developed specifically (or "natively") for their sites don't get swept into the native mix.



Yahoo's Stream Ads

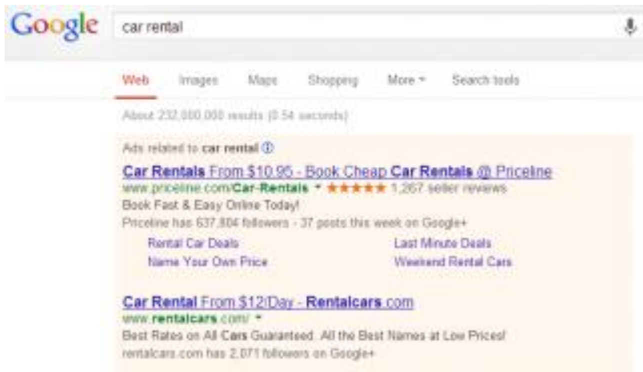
One of the biggest sellers of traditional display ads, Yahoo has been making a hard pivot toward native under Marissa Mayer. The portal dubbed as such the more prominent of the two major ad products introduced since the former Google exec took over as CEO. And those Stream Ads fit the bill. They run within the Yahoo home page's news feed -- and recently rolled out to category pages like Yahoo Sports -- and are designed to appear as article entries alongside their organic counterparts. These paid in-stream entries are online publishers' takes on Twitter's Promoted Tweets.

If not native, then... In-stream ads. These ads often link to the same landing pages as would be the case with a standard banner. They are only described as "native" because of their aesthetics and placement.

Twitter's Promoted Tweets

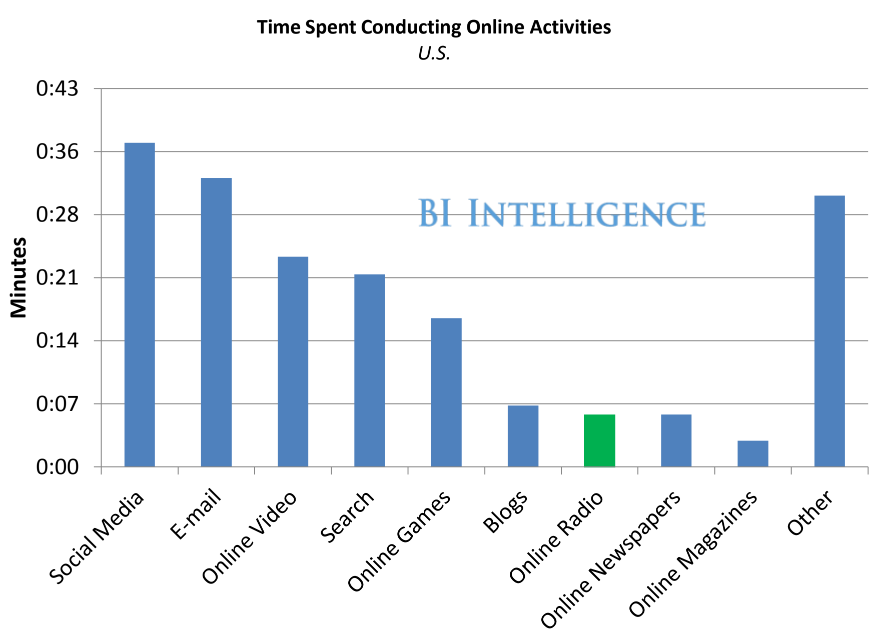
As noted above, Twitter has provided the template for online publishers to intersperse ads among organic content. Facebook followed suit with Sponsored Stories in users' news feeds, as has Tumblr. But what separates these tech-companies-cum-publishers from media companies like Yahoo adopting the model is that Twitter et al. make sure the content in their ads is proprietary. For example, you can't create a Promoted Tweet without first creating a tweet.

If not native, then... Promoted Tweets for Twitter, Sponsored Stories for Facebook, etc. Until one of these ad units can be run outside of their given environment, let's call them what they are.



Google's Search Ads
The granddaddy of native advertising, paid listings on search results pages are often cited as the original native ad unit. They take what might otherwise appear in front of a user and get advertisers' to pay to insure that it does. Twitter's Promoted Tweets and Facebook's Sponsored Stories are social descendants of the ads originated by Overture and popularized by Google.

If not native, then... Search ads. Though native advertising's pioneer, these ads have stood apart as predecessors. That doesn't need to change



Source: GFK, IAB August 2013

Mobile Fingerprinting Leaves Internet 'Cookie' Stigma Behind to Help Brands

Posted by Sheila Shayon on August 16, 2013 07:33 PM

The infamous 'cookie' digital code that is stored on a browser can now be easily disabled and many mobile phones don't utilize them at all, leaving data seekers empty handed. Now, publishers and advertisers are turning to fingerprinting technology to track users' online and mobile activities.

"This technique allows a website to look at the characteristics of a computer such as what plugins and software you have installed, the size of the screen, the time zone, fonts and other features of any particular machine. These form a unique signature just like random skin patterns on a finger," according to Forbes.

1800Flowers is currently testing the technology. "We do use fingerprinting technology that can track when someone starts to buy flowers on a mobile device," Will Ferguson, VP display advertising, social media and affiliate marketing told Mobile Commerce Daily. "It's something we're uber focused to figure out. I don't think anyone has a completely comprehensive strategy."

Mobile browsing has unique challenges in managing consumer data including 'application sandboxing' that prevents sharing of data across iOS apps and further disables apps from reading data stored by Mobile Safari, launching a blank page in a technique called "the switch."

Fingerprinting, created for financial institutions to track consumer fraud, "correlates pieces of anonymous information, such as such as IP address, operating system and browser version, from a user's device…is very accurate, [and] fingerprint profiles can not be deleted and can be tracked across multiple devices," according to MCD.

The technology provides a big assist to brands looking to tap into native advertising. Start-up AdStack enables an advertiser using a plugin to generate code in a users email and serve the most relevant ads on an individual basis. Clients include online travel companies and retailers like Publishers Clearing House who pay between $1,000 and $50,000 depending on the number of emails sent.

CEO Evan Reiser, who launched AdStack in 2011, told Forbes that fingerprinting successfully identifies 98 percent of Internet users. "We have data on at least tens of millions of people," he said, acknowledging that, "There is a pretty fine line between cool and creepy…I think the tracking, in and of itself, is not good or bad. Really, it's what the intent is. My philosophy is that if you can make content more relevant, make advertising more relevant it becomes less like spam and more like content."

Still in a beta phase at 1800Flowers, Ferguson said they are waiting to see where Google and Facebook weigh in on the technology. "It's a huge focus for our company to figure it out this year," he said. "I think the industry is getting closer, so it'll be interesting to watch."

ut our innovations in media measurement, please click through the short Slideshare presentation below.

As one of the hottest topics in marketing, attribution is often presented as a panacea for marketers' dilemmas, allowing you to understand how different advertisements in a purchase funnel work together. The typical description first shows how conversions attributable to various channels change when going from last-click to even-distribution or U-distribution (pick your favorite open-shaped letter!).

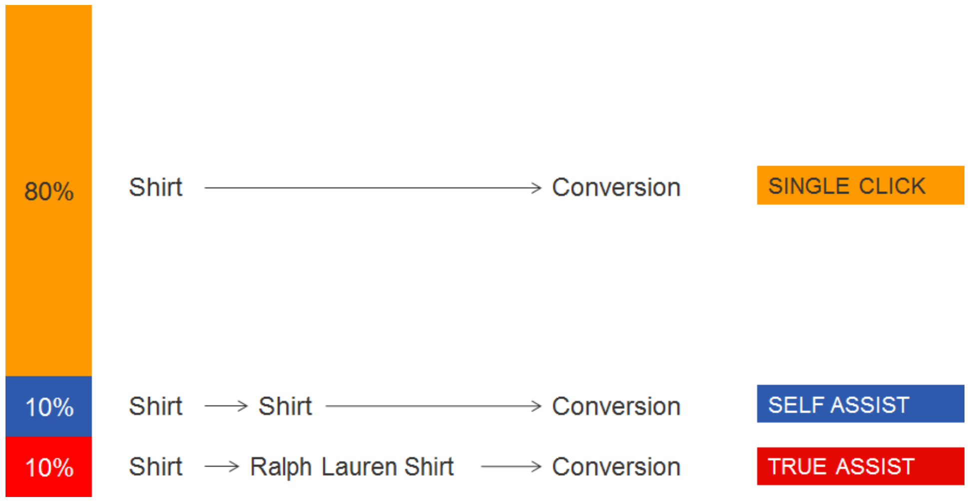
The line of reasoning then claims that multi-click attribution is needed to properly optimize your search campaign. Some attribution vendors even claim that attribution can solve the media mix problem, i.e., finding the right budget allocation to maximize the overall impact of a marketing campaign.

The truth, however, is far more nuanced than a broad brushed statement claiming the superiority of multi-event attribution over a last-click approach.

Last Click Is Not Always Bad

The typical marketing mix of an omni-channel marketer is about 50-70% offline (TV, Print, PR), 10-15% search, and about the same on display. For this marketer, if an attribution technology is only deployed for search marketing , the net impact of the deployment would be far less than the value of figuring out the right media mix and the media flighting plans for the advertiser.

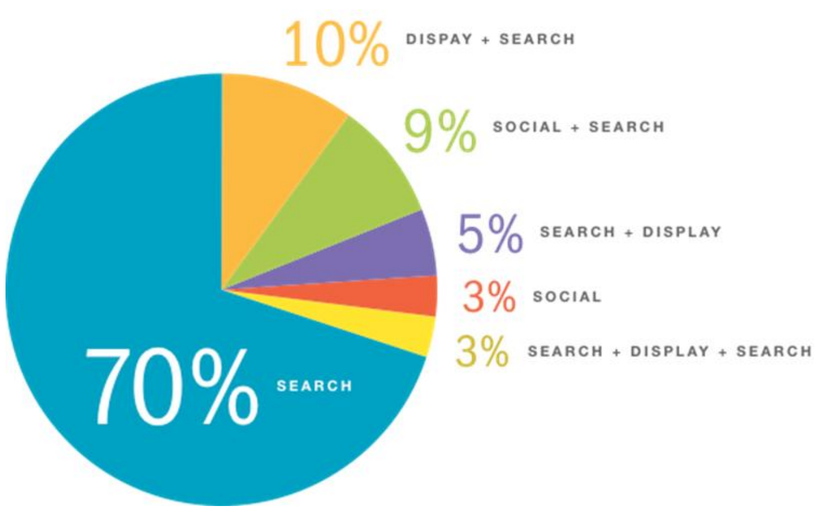
We note that when looking at multi-channel data, attribution can show big synergies — but when looking at search alone, the impact is small. This is best seen with a couple of examples.



In this dataset, I took several search advertisers and analyzed the search-only purchase funnels. Funnels were categorized into three buckets: single click, self-assist (i.e., those searches where the same word was typed multiple times), and true multi-click or assist funnels. When looking at search only, 90% of all conversions either happen with one click or with the same keyword typed. Multi-click search conversions happen 10% of the time.

In other words, last-click would capture 90% of the funnels perfectly, and even if another multi-click approach had an impact, it would only impact 10% of the funnels.

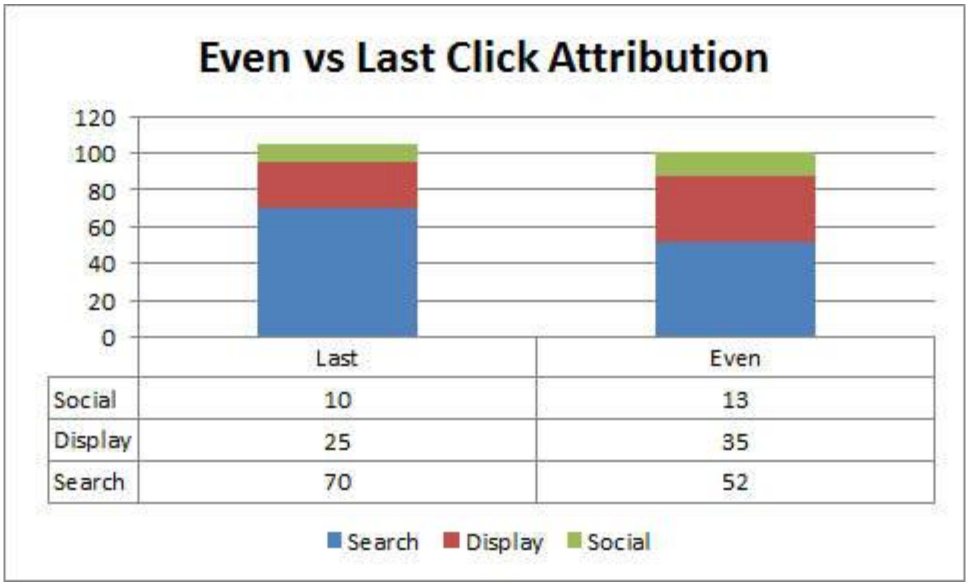
However, when looking at multiple channels, the picture changes (literally — see below!). Here, you can see that even looking at online marketing channels only, 27% of funnels involve multiple channels. This number goes up further when you include email marketing as part of the mix.



In short, if you are doing search primarily, changing attribution rules usually doesn't change much. You typically see a 10-20% assist funnels and 5-10% non-brand to brand type funnels. For the most part, you are fine working with the last click. However, when looking at multi-channel data, when search forms a small component of the overall picture, multi-event attribution can matter.

Attribution Is Not Media Mix

A hypothetical multi-channel advertiser has deployed a multi-event attribution system, and the chart below shows the conversions attributable to each channel by last- and even-distribution methodologies. It seems to show that display and social have a positive assist effect on search.



This begs the question: how does this inform how the budgets across the three channels should change ? It doesn't. At best, you may come up with a heuristic to shift budgets (like increase display budgets by 5%) but there is no guarantee that performance will improve. This is because:

1. **Attribution is a look back in time**. It might tell you what channels caused conversions to happen in the past, but it doesn't tell you the same will happen in the future.
2. **You cannot assume causality.** A channel might seem to do well based on a heuristic attribution method, but there is no guarantee this will happen if you change the mix. A classic case is when branded paid search seems to do well compared to TV. So you move money from TV into paid search. Paid search would collapse, because TV and paid search are synergistic.

There are ways to overcome the causality problem, but they require experimentation and algorithmic attribution approaches. The typical attribution flavors (first, last, even, U) simply don't do the trick.

Is Multi-Event Attribution Useless?

Not at all. When deployed correctly, i.e., across all online channels with econometric models accounting for offline marketing effects, attribution forms the backbone of bottom-up media mix models that *do* predictively tell you where to spend the media.

Secondly, multi-event attribution is of relevance to a multi-channel marketer with substantial budgets in two or more media (search and display, for instance). Even typical heuristic attribution can provide some insight as to channel interaction.

However, it is important to keep in mind that the value the attribution can provide you is strongly dependent on what technology was deployed. A channel tagging+rules based attribution system will give you some insightful reports, and that's where it ends. An algorithmic attribution platform with advanced econometric models will provide you with bottoms-up media mix models that predict different marketing outcomes with a high degree of accuracy.

Conclusion

While attribution is vital to many large advertisers today, it is often oversold and misrepresented in what it can do accurately. Rules-based attributions are limited in their capabilities as they are descriptive and not predictive in their capabilities. For a small marketer with limited budgets, last click-attribution might be just fine. The same applies to marketers solely focused on search as the primary marketing channel.

While every marketer might see different cross channel interactions (and hence, attribution impacts), it is important to understand the capabilities and limitations of attribution technologies before one invests in them. When done right, it could provide you with valuable business insights and recommendations; when done wrong, it could be a colossal waste of time and money.

Opinions expressed in the article are those of the guest author and not necessarily Search Engine Land

- **Traditional push advertising in digital has a poor value exchange with consumers.** The writing is on the wall for interruptions that consumers have not requested or for which they have not given explicit permission: 83% of US online adults and 85% of European online adults tell us that they mistrust ads on websites.[2] While the Interactive Advertising Bureau (IAB), Digital Advertising Alliance (DAA), and TRUSTe provide consumer awareness about the ad display ecosystem and tools for consumers to manage opt-in/out permissions, they have been largely unsuccessful.

- **The clutter of visual advertising dilutes customer attention.** Consumers are increasingly attuned to the presence of online display advertising and choose either to block it, using tools such as AdBlocker, or to develop "banner blindness."[3] The ratio of ads to publisher content can also hamper effectiveness. AdWords has set a limit of seven ads per page as of January 2013, but publishers can use multiple sources of inventory, allowing for a clutter that greatly reduces web page experiences.[4] This cluttered visual environment has a negative impact on brand perception, too. In a recent survey by Burst Media, 52.4% of respondents had a less-favorable opinion of an advertiser when its advertising appeared on a web page they perceived as cluttered, with 29.9% saying they would immediately leave the site if they perceived it to be cluttered.[5]

- **Push mobile advertising is a difficult nut to crack.** Three of the primary characteristics of mobile that make push advertising difficult are: 1) the real estate available; 2) the very personal nature of the devices; and 3) the platform and technology fragmentation. Mobile further frustrates advertising accountability with its higher error threshold for impression counting of visual ads.[6]

What's a native ad? In 197 characters or less.

Native ads are contextual paid ads that appear in your content stream, designed to augment the user experience by providing semantically relevant supporting content, without breaking the flow of information.

But placing ads in content is bad, right?

It certainly is. The typical method for injecting ads is to use interruption marketing tactics to plant banners and text ads directly into the middle of a piece of content, forcing you to look at them in order to experience the whole article. People – me included – despise these ads. They provide no contextual benefit and diminish the value of the content they appear in. You can probably blame Google for this, as most of the bad behavior seems to have been built around the mass adoption of AdSense as an advertising platform.

There's a reason for the epidemic known as banner blindness. **People never liked banners and decided unconsciously to tune them out**, focusing instead on the real content on the page. If you infer the same reaction to ads placed *inside* your content, you can imagine how unpleasant and interrupted the content consumption experience would be.

However, done correctly, ads inside content *can* be effective. This is where native ads come in.

So how are native ads different?

To extend the definition of native ads a bit. You can think of them as sponsored content designed to "blur the distinction between editorial and advertising in the eyes of the consumer", according to Pilgrim Advertising. What this means, is that despite the ads being paid for, they are placed more carefully, with a heightened level of knowledge about where and how they are being used. The result is that they appear more like 'useful supporting content that just happens to be paid for'. Read more about native ads.

The benefits of native ads

The infographic below was created based on a study to compare differences in behavior and perception between native ads and banner ads. Using eye tracking tools and surveys, the following insights were uncovered:

- **Native ads are more visually engaging:** Native ads in the study were looked at 52% more frequently than banner ads.
- **Native ads drive higher brand lift:** They registered a 9% lift for brand affinity and an 18% lift for purchase intent, compared to banner ads.
- **Native ads are more likely to be shared:** 32% of respondents said they would share the ad content with a friend, compared to 19% for banner ads.
- **Native ads are consumed in the same way as the content they appear in:** Consumers actually registered that they looked at the native ads slightly more than the content itself.

Enjoy the rest of the data in the infographic, and be sure to tweet the facts at the end of the post.

People Are More Likely to Survive a Plane Crash Than Click a Banner Ad [Infographic]

By Oli Gardner | Google+ in Online Marketing | 1 comment

Get your ejector seat ready. You'll be using it sooner than you start clicking on banner ads. (Source)

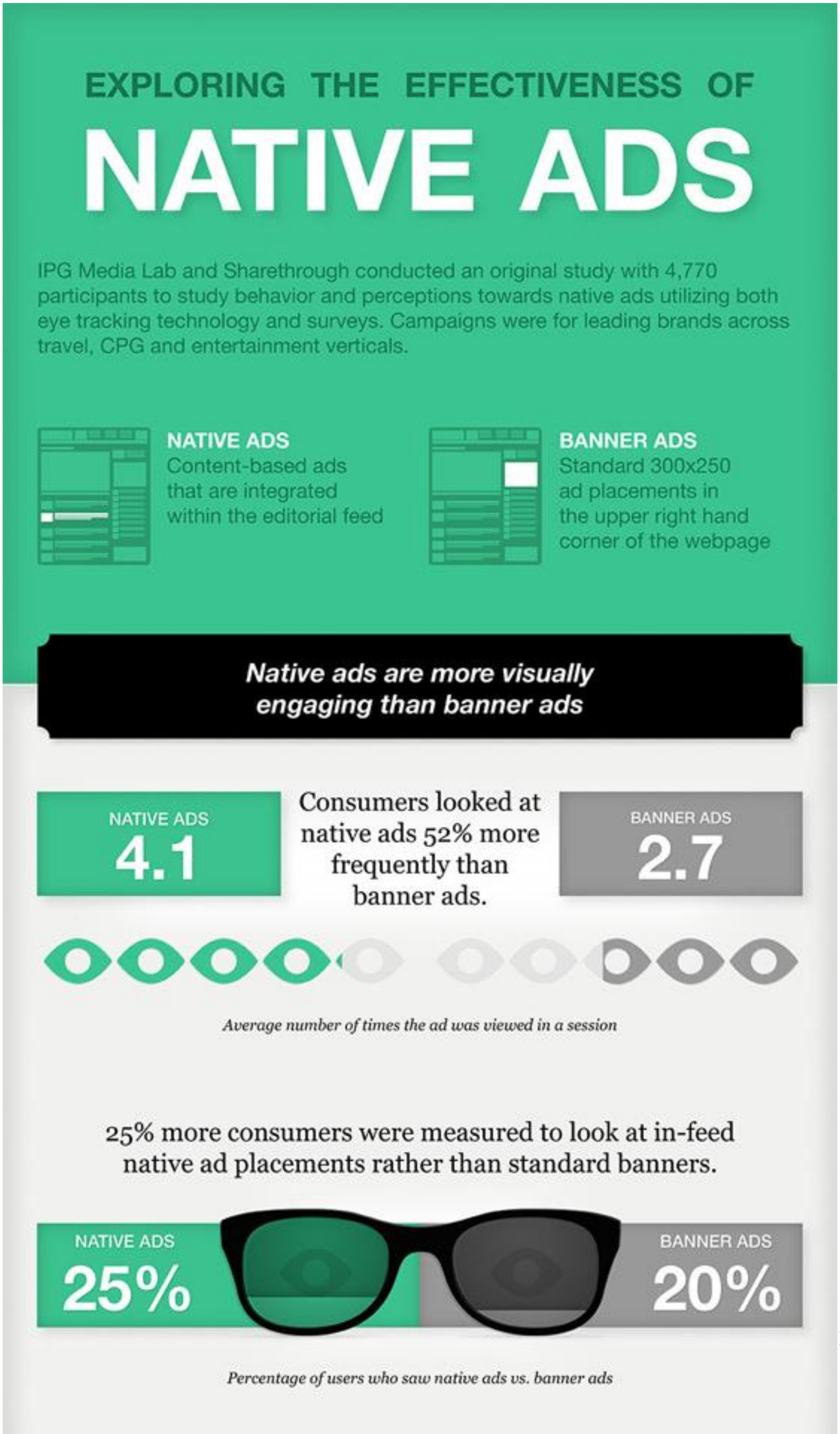
Best. Statistic. Ever. Makes me feel better about flying, but sorry for those designing banner ads.

They say that a kitten dies every time someone uses a bullet point in a presentation, so I shudder to think what's going to happen the next time someone clicks on a banner.

Banner ads. The ugly stepchild of online marketing. Just trying to hang out in the top-right corner, minding their own business. They never asked to be overused. They never asked to be animated GIFs. But they certainly didn't want to be ignored.

Yet, here we are, about to discuss how little action they get, and how they're being usurped by another form of advertising. Poor little rectangular bastards. **75,000 wasted pixels in an otherwise useful area of your page.** Destined to be thrown on the marketing scrap heap, never to be seen again…

Scratch that. Banners aren't going anywhere. Yes they're annoying. Yes they are essentially useless. But they're here to stay, in all their 300x250px glory. They just have to compete with what're known as 'Native Ads', which, as we'll learn, have some significant advantages.


EXPLORING THE EFFECTIVENESS OF
NATIVE ADS
IPG Media Lab and Sharethrough conducted an original study with 4,770 participants to study behavior and perceptions towards native ads utilizing both eye tracking technology and surveys. Campaigns were for leading brands across travel, CPG and entertainment verticals.
NATIVE ADS
Content-based ads that are integrated within the editorial feed
BANNER ADS
Standard 300x250 ad placements in the upper right hand corner of the webpage
Native ads are more visually engaging than banner ads
NATIVE ADS
4.1
Consumers looked at native ads 52% more frequently than banner ads.
BANNER ADS
2.7
Average number of times the ad was viewed in a session
25% more consumers were measured to look at in-feed native ad placements rather than standard banners.
NATIVE ADS
25%
BANNER ADS
20%
Percentage of users who saw native ads vs. banner ads

From: Fulgoni, Gian [mailto:GFulgoni@comscore.com]
> Sent: Friday, August 02, 2013 9:05 AM
> To: joel rubinson; Wonks
> Subject: RE: [wonks] is the eMarketer report believable that digital is overtaking TV?
>
> Yes, it is grossly overstated. I suspect this is because most of the data that eMarketer used was based on online surveys, and it's been shown that people who join survey panels are two to three times heavier-than-average online users. If one uses behavioral data (comScore Media Metrix Multi-Platform for online and Nielsen for TV) it turns out that online time spent per person is about 40% of the time spent watching TV. In terms of total minutes spent, online is equivalent to about 33% of the time spent watching TV.
>

Native Facebook Ads Yield Higher Return On Desktop and Mobile, Study Says

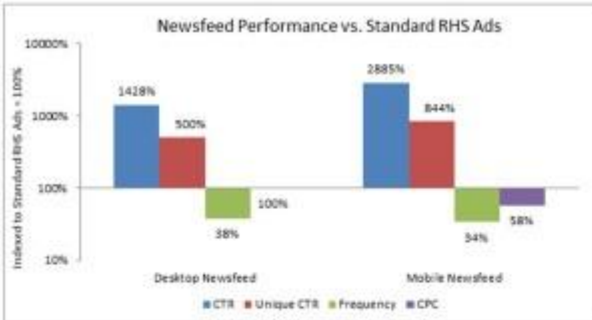
July 23rd, 2013 - 12:10 amBy Kelly Liyakasa

- Like
- +1
- Tweet
- Share

When it comes to variability between desktop and mobile advertising on Facebook, new data from Adobe suggests context and content matter in native ad placement.

Desktop newsfeed ads yielded a 14% greater click-through rate than right-hand side ads, according to a recently published study that looked at an aggregate of customer data for cross-channel ad optimization solution Adobe Media Optimizer, which represented 150 billion Facebook ad impressions for 50-plus advertisers.

On mobile devices, newsfeed ad performance was similarly strong compared to RHS ads, generating 28% higher CTRs with 42% lower cost per clicks. Additionally, daily impression frequency was 62% lower for desktop newsfeed ads and 66% lower on mobile.

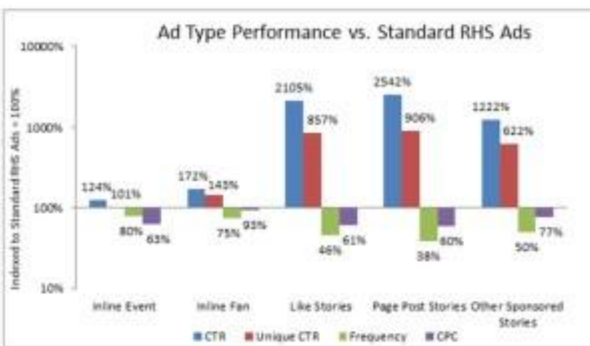


([Facebook Newsfeed Performance vs. Standard RHS Ads. Source: Adobe]())

Although newsfeed ads can struggle with scalability due to tighter controls on insertion and impression frequency than right-hand side ads, there are ways to drive higher performance natively.

"When we're looking at comparables between news-feed placements and right-hand side placements, what we're seeing, and, as data's proving, is your newsfeed placements do drive a lot more success in brand messages," said Rebecca Kaykas-Wolff, group product marketing manager for Adobe Social Advertising solutions. "Placement, strategically, is important for return on investment from a marketing perspective."

In terms of performance of varying ad units and despite Facebook's reduction of more than 50% in its 27 ad formats this summer (See Facebook news release), Kaykas-Wolff noted that measuring performance by varying units will continue to be an important consideration for marketers using Facebook to deploy social ad campaigns.



(Ad Type Performance vs. Standard RHS Ads)

Adobe found "page posts that had the best yield in results were supported by content that was contextually relevant and in that stream of content," she said. For instance, Inline Event ads (or an event posted on a brand's page) experienced 24% higher CTRs than standard ads. Similarly, Inline Fan ads yielded 72% more return than standard ads. Sponsored stories, including both "liked" stories and page-post stories, generated similar results with 21 and 25 times higher CTRs than standard ads.

Commenting on Facebook's move to reduce and eliminate ad formats such as standalone Sponsored Stories, Kaykas-Wolff noted, "It's always hard for us to comment on Facebook's strategy, but what I can say is simplification of ad types is always a good thing, especially as you try to find the most compelling units that drive the best business results."

Read more: http://www.autonews.com/article/20130722/BLOG06/130729984#ixzz2ZrcQsnlr
Follow us: @Automotive_News on Twitter | AutoNews on Facebook

Banner Ads Are Back from the Dead: How Google Has Given Banner Ads New Life

ONLINE MARKETING

By Megan Marrs, Published July 1, 2013

Be the first to comment!

Share:

Banner ads are largely seen these days as fossils from the internet's dinosaur period, back when blinking text was cool and Angelfire sites were all the rage.

Such online billboard ads have long been considered deceased, dead, and buried, with few mourners grieving the demise of web banner ads. However, a new breed of banner ad has evolved and is on the rise thanks to Google, and they're hungry for blood (or clicks. Whichever is easier).

Today we're looking at the horrific past of banner ads, their new and improved counterpart, and how you can make banner ads work for you!

Everyone's (Least) Favorite Ad: Why Most Banner Ads Stink

Just like the Trail of Tears, slavery, and parachute pants, banner ads are an ugly part of our history. They've generally been seen as a public nuisance and hideous to boot. Once commonplace, their popularity dive-bombed in 2008, with most users saying good riddance!

As Brian Morrissey of Digiday notes, "The banner ad is now 18 years old. It has become a symbol of all that's wrong with online advertising. It is more often than not devoid of creativity; it stands out as an intruder on webpages; and it is mostly ignored by readers."

Harsh words, but not untrue! A couple years ago [Solve Media did a report] showing just how ghastly click-through rates for web banner ads are. Turns out you're a LOT more likely to accomplish any number of amazing feats than you are to click a website banner ad. In fact, you're:

- 31.25 times more likely to win a prize in the Mega Millions
- 87.8 times more likely to apply to Harvard and get in
- 12.5 times more likely to sign up for and complete NAVY SEAL training
- 475.28 times more likely to survive a plane crash
- 279.64 times more likely to climb Mount Everest

Welp, time to break out those hiking shoes! Despite these dismal CTRs, some claim that even those run-of-the-mill website banner ads *can* serve a valuable purpose for advertisers.

Is There More to Banner Ads Than CTR?

These days, standard banners get somewhere around a 0.3% CTR, and while that's pretty darn terrible, one has to look past CTR to see the big picture.

Many simply want to know, **do banner ads work?** The answer isn't so simple, and takes more into account than just CTRs. With internet banner ads, impressions can be nearly as valuable as clicks – they may not be gold, but bronze is still valuable! Marketing Profs reminds us to heed PEAR – Potential Eyeball and Retention. Some banner ads aren't even designed to get clicked; they are essentially there for branding purposes. Even mosquitos have a purpose in the grand design of advertising.

While some online users claim they ignore all online ads completely, the truth is that we humans aren't as good at voluntarily blinding ourselves as we think. If a bright, colorful banner appears on your screen, you'll look at it, and while it may have no affect today, days, months, or even years later it may become relevant.

Maybe you don't need a new laptop today, but when an ad for that slick new MacBook Air appears on your favorite blog, you may think "Wow, that looks great! I'd love to get my hands on one of those." A few months later your buddy drinks a few too many Twisted Teas and accidentally pours one all over your computer! Before you know it, you're mulling over what new laptop to buy and what comes to mind, but that MacBook Air!

While PEAR is a metric that can't be ignored, it's incredibly difficult to measure how a banner ads affects click-less assets like brand awareness, and with internet banner ads as a whole being largely ugly and irritating, it's no surprise banner ads of ages past have such a bad reputation.

Google Gives the Banner Ad a Much Needed Makeover

While old-school banner ads have lost favor in our new online ad age, Google's new banner ad system, the Google Display Network, gives the banner ad its comeback.

What makes the Google Display Network better than the previous generation of banner ads? A few things, the major one being remarketing.

If you're not familiar with remarketing, it's easier to explain it in practice: You're visiting a beer hobby site, looking for some classic German beer steins to add to your impressive collection. Suddenly you get a call from your friend wanting to know the movie times for Fast and Furious 9, which you two are seeing tonight. You click over to the Regal Cinema website to check the movie time, and after hanging up with your pal, you forget all about the steins. As you click around the web, you see a display banner ad that looks familiar – it's an ad for those German beer steins you were looking at earlier! Oh man, you totally forgot about those! You click the ad, finish your purchase, and everyone is all smiles.

How is it done? A little cookie hops onto your browser when you visit a site with a remarketing campaign set up. If you navigate away from the page, it might toss up some display banner ads around the Google's banner ad network, aka the Display Network, trying to get you back to that original product page you were visiting.

Remarketing ads perform drastically better than classic banner ads, with higher CTRs and conversions – up to 36 times higher. Why the increase? **Classic banner ads are aligned with interruption marketing**; they throw an ad in front users and hope for the best. This technique has been the foundation of most historical advertising, relying on obstructing a user's natural flow to promote a message. In order to get attention, interruption marketing is often forceful, loud, obnoxious, and strives to be shocking in order to demand attention.

However, remarketing changes all that, transforming interruption marketing into inbound marketing. Inbound marketing tries to merge itself with a user's natural, organic flow by offering helpful content or something you've already shown interest in. **Remarketing banner ads are inbound marketing**; they don't scream out the same proclamation to all users – instead, they offer a tailored, targeted, and intent-based ad experience that speaks to each individual user.

Remarketing banner ads may look similar to banner ads of the past, but they're truly a whole new breed. They are more effective banner ads that are better for users and advertisers.

Google Display Makes it Easy to Craft the Best Banner Ads

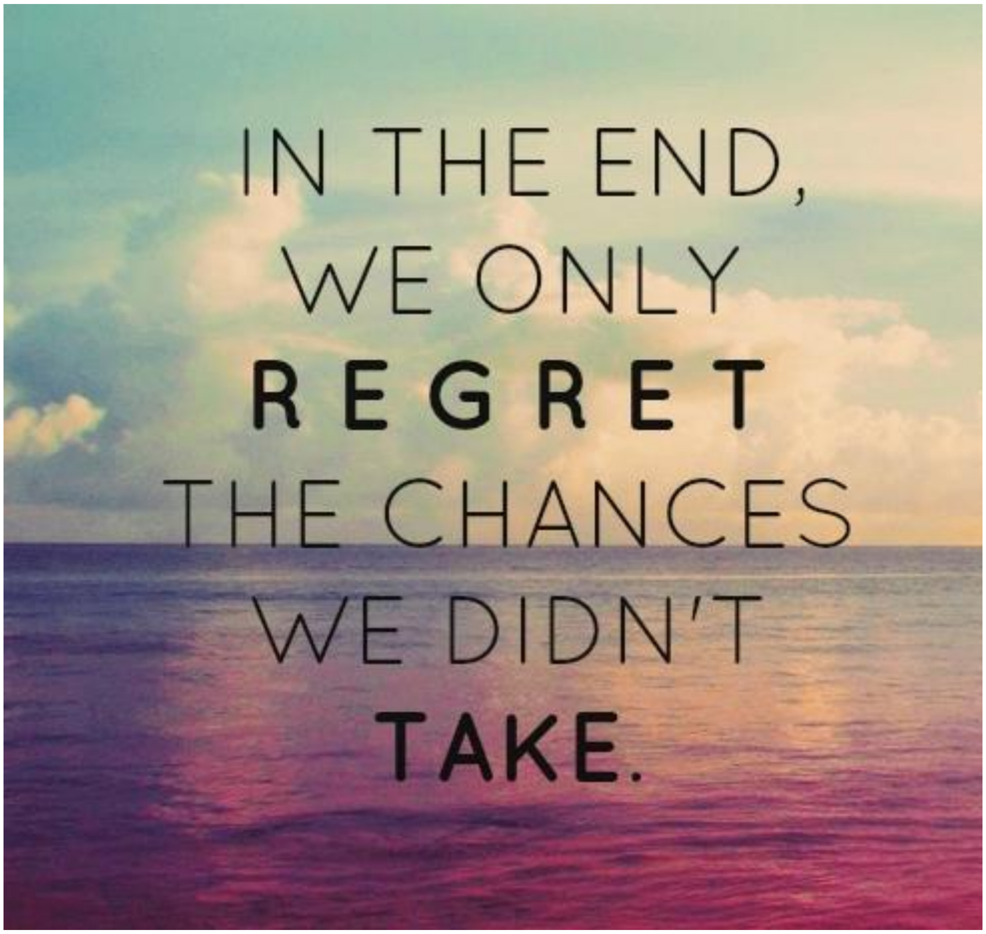
Online banner ads are also improving as Google makes it easier for advertisers to craft good banner ads. In efforts to get even more people on the Google Display Network boat, Google offers many tools and resources to help advertisers create banner ads with ease.

AdWords provides help with banner ad design, offering a large range of various banner ad sizes, templates, and tips on banner ad best practices so all advertisers can make great banner ads.

You don’t *have* to set up all your banner ads for remarketing campaigns, but we recommend putting in the effort to experiment with remarketing. Advertisers are usually shocked by the hefty conversion rates for remarketing campaigns – give it a try!

Banner Ads Are Back & Better Than Ever!

This new generation of improved banner ads means great things for advertisers, especially considering the popularity of images these days. Pinterest is a great example, showing the insatiable hunger users have for image-based content. Some of the most popular Pinterest images feature a single colorful image with a simple line of text that could easily be mistaken for a good banner ad.



Lock your doors, hide your kids, the banner ad is back and better than ever! The Google Display Network's remarketing capabilities are bringing the banner ad into a new and glorious era

Rethinking Native Advertising

- *Adam Broitman*
- *07.02.2013* It is human nature to categorize things. It helps us understand the world. It helps us differentiate one thing from the next. Yet sometimes we as marketers go too far.

Take "native advertising," which needs a more meaningful and useful definition for industry professionals. The most common understanding of the term "native advertising" casts it as in-context advertising. While theoretically intended to be discernible from the editorial surrounding it, native advertising fits snugly alongside or within the editorial itself, often confusing readers as to its purpose.

Many would say the need for this sort of advertising is based on "banner blindness," where readers either consciously or unconsciously ignore information that is presented in banners. Others simply say that banners do not work.

As a veteran of the industry, I can tell you that banners do work when they are relevant and well targeted. The big challenge facing current forms of advertising is rooted in the proliferation of screen sizes and the ever-changing ways that people interact with content and services. Modal context is a necessary addition to the current definition of "native advertising" since embedded advertising will be extremely effective and should be a critical consideration for those looking to cut through the clutter. The Nike+ FuelBand activity tracker, which users wear on their wrist, is an example of embedded advertising, or truly native advertising. It is embedded because the advertising is baked into the product.

It is not new to talk about how advertising formats have tended to adopt the form of the medium, which preceded it. Under the definition in this article, one might conclude that the day television advertising took full advantage of sight, sound and motion, it became native.

So why has the term "native advertising" surfaced today? The shift away from purely screen-based media and the proliferation of the smartphone has integrated media into our lives in an incredibly personal and human fashion. Our smartphones are increasingly "running in the background" constantly performing functions for us, and in order for advertisers to truly find a way to be native on mobile devices, they must find new means to derive value for their consumers – ways that are native to the experience that a media channel creates. When a brand creates something that affords it a willful initiation into the life of consumers, all the while creating value, tremendous growth is inevitable.

Native Advertising: Native ads are meant to blend in. The point is to create an ad that looks, acts, and feels like the rest of the content on the website, says Dan Greenberg, CEO of Sharethrough, which helps companies place native video advertisements. On Twitter, a native ad takes the form of a promotional tweet -- **on a news site**, native ads may be sponsored articles, complete with a headline and photo. The goal is not to trick consumers, says Greenberg, but rather to offer an ad that users view as actual content, not just marketing material. "If it's not content," he adds, "it doesn't deserve to be there

Starcom President Explains Her Holistic Approach to Data

Making digital horizontal By James Cooper

- June 2, 2013, 11:13 PM EDT
- Technology
-

Amanda Richman

Specs
Who Amanda Richman
New gig **President, investment and activation, Starcom**
Old gig President, digital, MediaVest
Age 46

What is your mission statement?
It's truly to break down the silos in the marketplace and within our organization so that we're investing in building out experiences for our clients, no longer simply media plans.

What is the most pressing digital priority for your clients?
The real challenge is driving convergence and integration and taking digital from a siloed vertical world to making it horizontal across the organization and helping to fuel and power all of the media connection points.

How does your digital background inform how you approach traditional media?
Digital is about the art of the possible, so bringing that creativity into the discussions, freeing it from looking at things by channel or medium or by daypart to more holistically look at content and audiences and bring a greater appreciation of the data. That is playing a much bigger role in the upfronts—and really, all media conversations.

What has been the most important disruption in the past, say, year?
Social and mobile are both huge disrupters of the business in that they bring the two-way dialogue between consumers and brands to life. And with mobility, too—the idea of place and location data, and how that is changing how we connect. They are two great forces that are difficult to separate.

Take-away from the NewFronts this year?
It was a great pivot from last year, where the story was about building awareness, to this year, really showcasing the quality of content and demonstrating that there are other sources of video supply. It's not all about the television upfront and the traditional ways we do business. There is a much broader landscape here and a greater opportunity to look not only at video but the experience surrounding video.

And the upfronts?
What you see with the TV upfronts is great attention to storytelling and promotion, and digital has something to learn from that.

What is your view on program- matic buying?
The industry has shifted that way, and there is valuein attaching the right data to inventory and finding consumers in new areas. But it's not going to replace the direct-buying model. The fear of it is unwarranted, and the two can coexist. The data from programmatic can fuel the richer experiences we can design with media partners that will never be programmatic and require human interventions.

What's the most important peoplesoft thing for you to stay in touch with in order to be good at your job?
I need to be able to listen for a whole range of emotions and value them as equally as a data point on behavior. There is an EQ element to this business that still needs to be embraced along with the science.

What digital platform are you not using but find intriguing?
There hasn't been a Netflix opportunity per se yet, and I think that's interesting, particularly if you look at their work with House of Cards and how they take data around the audience likes from talent to genre, all packaged up to actually create content. That's a huge opportunity for us, to be more predictive in making hits and to do that in

collaboration with the networks.

Have an opinion on Google Glass?
There is a risk there. As humans, how much real-time data can we process? And does it become a distraction from experiencing life?

2014 will be the year of?
2014 will be the year of data

Web Display Ads Often Not Visible

The old adage in advertising—that half the money is wasted but no one knows which half—turns out to be as true for the digital world as it ever was for traditional media.

[redacted]

An astounding 54% of online display ads shown in “thousands” of campaigns measured by comScore Inc. between May 2012 and February of this year weren’t seen by anyone, according to a study completed last month. Suzanne Vranica joins Lunch Break with details. Photo: Getty Images.

An astounding 54% of online display ads shown in "thousands" of campaigns measured by comScore Inc. SCOR -0.13%between May of 2012 and February of this year weren't seen by anyone, according to a study completed last month.

Don't confuse "weren't seen" with "ignored." These ads simply weren't seen, the result of technical glitches, user habits and fraud.

The finding implies that billions of marketing dollars are being poured down a digital drain. Last year, $14 billion was spent on online display advertising, estimates eMarketer, 40% of all online ad spending.

Advertisers can blame both technical snafus and more nefarious factors for ads going nowhere. Technical issues include ads being displayed on part of a browser not open on a computer screen—such as when an ad appears at the bottom of the screen and surfers don't scroll down. Another problem: Some ads load so slowly that the Web surfer switches off before the ad comes up, says comScore.

And then there is fraud. A significant number of display-ad "impressions" often paid for by marketers are based on fake traffic. Malicious software makes a website think a person is actually on a page and ads are served up to that fake visitor. In other scams, ads show up on several Web pages but they are hidden behind a window on a website that is the size of a pencil point, according to comScore.

Tod Sacerdoti, who runs video-ad company Brightroll Inc., puts the proportion of fake display-ad impressions at 30%, accounting for 10%-15% of all display-ad revenue. That proportion doesn't include video, where fraud is a smaller but growing issue, he said.

Enlarge Image

Close

Google Inc. GOOG -0.90%has attempted to stamp out fraud, according to ad executives. Google, which owns DoubleClick ad exchange—a marketplace for buyers and sellers of ads—has invested in tools to measure and remove fake Web traffic to ensure ads are "being viewed by real people," said Mr. Sacerdoti.

Online measurement tools introduced two years ago, including an ad-tagging system used by comScore have made marketers more aware of how many of their display ads aren't being seen, giving them the ammunition to agitate for change.

Using comScore's technology, ConAgra Foods Inc. CAG -0.71%learned that its display ads were served up in non-viewable areas of the website roughly 30% of the time. ConAgra's ads sometimes reached its preferred demographic—women aged 25 to 54—only about 30% to 40% of the time. Its online video ads were hitting the right target roughly 50% of the time.

"We were shocked to see what was out of view and when we go after a certain demo what is not hitting a certain demographic target," said Heather Dumford, global marketing manager at ConAgra, whose food brands include Hunt's, Wesson, Banquet and Bertolli, among others.

ConAgra is now demanding that all its display-ads deals come with some sort of guarantee from publishers that their ads will be visible to the human eye and/or its online video and display ads will be seen by a bigger swath of its target audience. Ms. Dumford said ConAgra will make sure that a Web publisher runs ads as many times as it needs to ensure that it gets the correct amount of viewable ads it has paid for.

Kellogg Co., K -0.25%similarly, found that "up to half of the ads never come into view," said Aaron Fetters, director of insights for the cereal maker.

Last month's study was prepared by comScore, using its ad-tagging technology. It said the study showed wide ranges in how different websites perform when it comes to ad "viewability." Premium sites, that is, more popular sites that have at least $100,000 in monthly ad revenue, generally performed much better than ads that marketers have bought through some ad networks and exchanges, which place ads on dozens of websites across the Web, comScore said.

ComScore deems an ad visible when at least 50% of the ad is visible for at least one second on laptops and desktop computers. For the study, comScore said it measured about 76% of the ads directly using the tagging method and projected the remainder of ads because its technology can't measure some of the ads.

The study doesn't include ads that appear on mobile devices such as smartphones and tablets, which have their own set of challenges when it comes to measurement and visibility.

The Interactive Advertising Bureau, the trade group for Web publishers, declined to comment on the comScore study, saying it hadn't seen it. The IAB said, however, the industry is working on a "uniform way of measuring if an ad is viewable." To improve an ad's prospects for being seen, publishers have been experimenting with new page layouts and site redesigns, the IAB said.

In April, Google Inc. said it received accreditation from the Media Rating Council, which also accredits comScore's measures, for a technology called "active view" that allows marketers to "know when and for how long your ads were viewable on a consumer's screen" and allows them to pay only for "viewable" ads.

Website visitors are more than twice as likely to click on ads that are viewable for more than one second versus ads that are viewable for less than a second, Google said, based on its data.

Google declined to comment on the comScore study.

Marketers have been using the data from comScore and Nielsen Co., which can measure if ads are hitting the target, to tweak ad campaigns, during the weeks and months the ad effort is up and running, by moving ads around a page or to different websites.

Unilever ULVR.LN -1.32%said that, after going back to publishers and requesting changes, its ads are reaching between 70% to 80% of its target audience, whereas previously it was reaching just 30% to 40%, as measured by Nielsen. ConAgra has also seen dramatic improvements.

"Improvement can be continued through ongoing monitoring, conversations with publishers," said Jennifer Gardner, Unilever's director of media investment for North America.

Spark, a media buying firm owned by Publicis Groupe SA, PUB.FR -1.29%said it is now asking that all its display ad deals come with some kind of "viewable" guarantee.

"We can't go back," said Shelby Saville, executive vice president of digital at Spark.

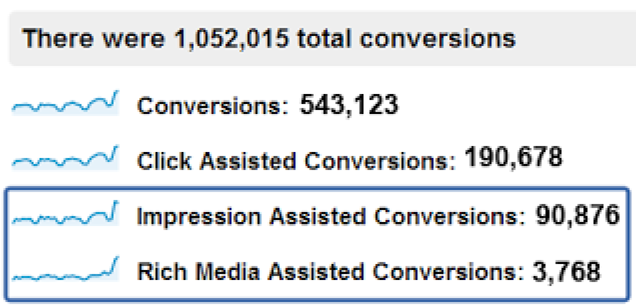
—Amir Efrati contributed to this article

Google Analytics Now Offering Unclicked Display Ad & Video Ad Impression Reports

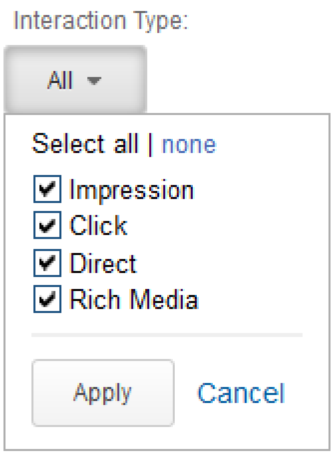
Jun 19, 2013 at 4:41pm ET by Amy Gesenhues

Google Analytics has launched new display ad and video ad impression reports, giving advertisers a look at how unclicked ads impact the conversion path. Using data from the Google Display Network (GDN), advertisers will be able to see when a user has viewed ads on the GDN or video ads on YouTube before visiting their website and completing a conversion.

Advertisers who enable the new GDN impression reports in their Google Analytics accounts will have access to two additional conversion metrics in their Multi-Channel Funnel reports: Impression Assisted Conversions and Rich Media Assisted Conversions.

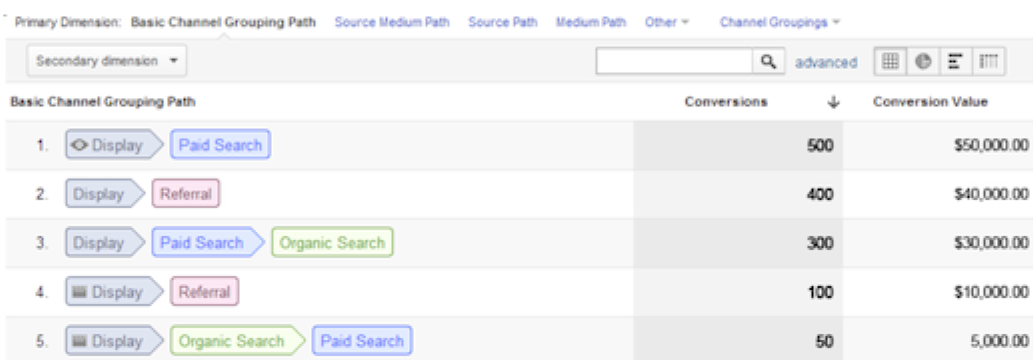


An ‘Interaction Type’ selector has also been added so that advertisers can filter reports by impressions (users who viewed an ad but did not click the ad), direct (users who visited their website, converted or completed a goal directly after viewing an ad), and rich media (users who convert after interacting with rich media and YouTube ads).



The Multi-Channel Funnels Top Conversion Path report now has two new path elements to note non-interactive display impressions versus interactive experiences with a Rich Media or YouTube video ad. The “eye” symbol represents a pure display impression from a user who has viewed a display ad during the conversion journey, but not clicked on the ad. The “movie” symbol illustrates when a user has interacted with rich media ads or YouTube video ads.

Advertisers can now see how many conversion paths are driven by display impressions or rich media interactions, and can break-out display and rich media campaigns using custom channel grouping.



	Basic Channel Grouping Path	Conversions	Conversion Value
1.	Display > Paid Search	500	$50,000.00
2.	Display > Referral	400	$40,000.00
3.	Display > Paid Search > Organic Search	300	$30,000.00
4.	Display > Referral	100	$10,000.00
5.	Display > Organic Search > Paid Search	50	5,000.00

Display events can also be assigned partial credit using the custom model builder from the Attribution Modeling tool. Google recommends advertisers give the display events on the conversion path more credit to compare the events against their baseline model.

With the newly added impression reporting, advertisers will also have access to a three new dimensions for defining custom segments, including an ‘Above the Fold’ dimension that uses Google Active View measurement solution, a ‘Video Played Percent’ dimension that lets advertisers know how much of a video was viewed, and a ‘True View’ dimension to track if a user has watched more than 30 seconds of an ad or watched the complete ad.

According to Google Analytics, the new impression reports are currently available to a limited number of advertisers. To make the whitelist, advertisers must enroll online and are not guaranteed access to the reports. Once access has been granted, an advertiser can enable the GDN impression reports by accessing ‘Data Sources’ > “Adwords’ where there is an entry for each linked Adwords account. From there, the ‘GDN Impression Reports’ can be turned on or off

Google Admits That Up To 10% Of All Web Ads Are Never Actually Seen

Jim EdwardsAPR. 29, 2013, 9:24 AM7,6166

-
- inShare841
-
-
- Email
- More

Unattributed

Neal Mohan, Google's VP of display.

Google has finally fixed one of advertising's worst-kept secrets: That advertisers frequently pay for web ads that have never been seen by consumers.

Up to 10% of all ads appear in positions that make it unlikely they were seen by human eyes, Google noted in a blog post on Friday. Those ads are often referred to as being "below the fold," meaning they appear so far down a web page that a user would have to scroll down to encounter them — which most users never do. However, advertisers get charged for such ads simply because the ad impression was served, even though it may never have been seen by the target user.

Google's solution is a system called ActiveView, which will rate ads for actual viewability. It's just been endorsed by the Media Ratings Council — meaning it becomes an industry standard of sorts. AdExchanger reports:

"Viewability is the first critical building block – no other metric matters, from a brand's perspective, if the ad wasn't seen by an actual human being," said Neal Mohan, Google's VP of display, in an interview with AdExchanger. "Anything that we build on top of that, such as brand lift, as we announced with our Google Consumer Surveys product, follows from that first step of knowing if an ad has been viewed."

To give you an idea of just how many ads are served in positions where users are unlikely to see them, take a look at these two charts that Google's DoubleClick unit produced.

Up to 10% of ads are clicked on by users who have seen them for less than 1 second, suggesting that the clicks were accidental:

Study: Digital Advertising Found "Annoying and Invasive"

0

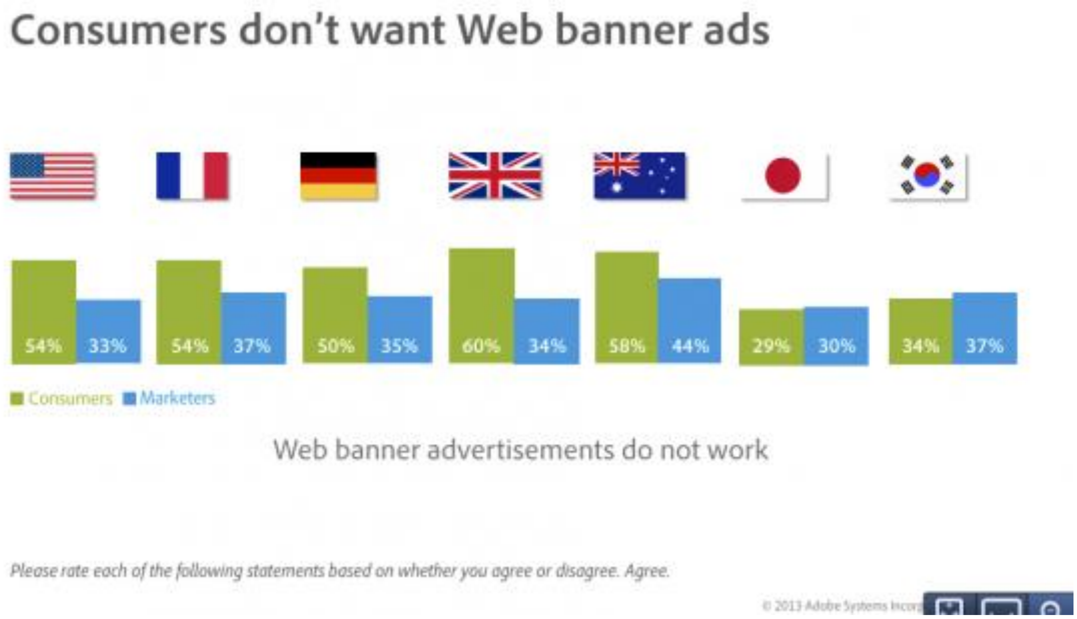
Posted June 14, 2013

In a recent country comparison study by Adobe half of the respondents made clear that digital advertising is distracting, invasive and annoying – in the UK less than in Germany and France though. The study which asked 1,750 marketers and 8,750 consumers across the UK, France and Germany, shows that two out of three users find TV campaigns still more important than online ads (US 66%, UK 70% and Germany 67%). Consumers even responded online ads were "annoying" (US 68%, UK and Germany 62%), "invasive" (US 38%, UK 45% and Germany 17%) and "distracting" (US 51%, UK 44% and Germany 31%).

There is still some negative perception of digital advertising that the repondents described in their feedback. However, web ads came in the top three preferred advertising tactics in the UK. In France print magazines (31%), billboards (24%) and TV ads (23%) were the leading three categories. For Germany, print magazines were also the leader with (28%), billboards (23%) and window displays (21%) came in second and third. In the UK 39% favoured print magazines, 23% TV ads, and 12% websites.

Some weeks ago, I have been interviewing Mark Phibbs, VP Marketing EMEA at Adobe on the dmexco hot chair in Cologne. Nice seeing some statements on the study from him:

"Some digital advertising is failing to hit the mark. While digital provides great promise, often it is not being delivered in an emotionally compelling or targeted way."



The storytelling boom was again also highlighted in this study. Even in the ad world content plays an important role. 68% of UK users responded that ads should tell a unique story which mentioned John Lewis and Guiness as good examples. One of the main ingredients should be the humour factor of the story. Funny is the driver for happiness, and outplaces "sexy" ads (92% thought so).

"We think online advertising can learn from traditional advertising in three ways. Is it beautiful and eye-catching? Is it integrated? Do consumers have control over it? Creative agencies have had decades to get traditional advertising right. It's not wholly surprising that online and digital isn't resonating to the same degree – not only is it still relatively in its infancy as an advertising channel, but the digital landscape and the corresponding opportunities for brands are constantly changing," said Phibbs.

Spot On!

The study also made clear that targeted banner ads based on programmatic buying in Social Media like i.e. in Facebook could be "creepy" (76%). Even more, 49% would like a dislike button in Social Media for it. Again this reminded me on my last dmexco Night Talk moderation in Munich when I could ask Scott Woods, Commercial Director Facebook DACH, how it can come that I get banners for social networks 60+ years old people. Facial recognition (do I look so old)? Bad programming? Bad automation or bidding process? Maybe the people behind? The answer was "Well, technology can only do what it is capable of!" Fair enough… It seems we will have to live with that weakness for some time

Marketers Say Traditional Media More Effective than Online

June 17 2013 | Kathy Crosett

It's surprising when an enterprise that plays a big role in online marketing releases a report showing the strengths of traditional media. That's what happened last week when Adobe published its State of Online Advertising Report. Surveyed consumers and marketers both say that traditional newspapers and TV are best for advertising. An in-depth look at the report suggests there's a little more to the story.

In the U.S., 45% of consumers and 42% of marketers rate newspapers and TV as tops for advertising. About 30% of U.S. consumers say online advertising isn't effective with 54% saying the same for Web banners. Only 16% of marketers are willing to agree that online advertising doesn't work but 33% do think that Web banners are useless.

Why do consumers say that online advertising doesn't work? This is a question that should concern companies that are moving their budgets to digital. For the most part, consumers accept that advertising is necessary. 41% believe marketing helps companies sell and 39% say the messages inform them of what's available.

But consumers also appreciate being entertained when they have to see an ad. 73% want ads to tell a unique story. Another 51% agree that beautiful advertising is more effective. These statistics suggest that consumers want to see more story-telling and beauty in online campaigns.

Another troubling statistic for digital is that 46% of consumers believe "online advertising is creepy and stalks you." Despite understanding that free online access to content requires giving up person information, consumers don't like the idea. Over 80% do not want to reveal their social security numbers and they don't want information being shared with a third party.

Big data may be a big solution for marketers who are eager to sell their goods and services to consumers, especially in a personalized pitch. But not all consumers are ready to join this party, so marketers might want to tweak their online efforts to deliver a story or another form of entertainment to their target audiences

AOL adding Realeyes emotional tracking

By cmarcucci on Jun, 17 2013 with Comments 0

-
-

Talk about real-time media measurement: AOL is unveiling a new platform that enables brands to measure not just whether people are exposed to or even see their content, but how they feel about it, too. The platform, being introduced by AOL entertainment unit Be On, is powered by Realeyes, a tech firm that has figured out an economical way of utilizing "computer vision to read faces and measure human emotion" via common webcams on users' PCs, tablets and smartphones."

Be On offers advertisers branded video. That will provide their customers with quick feedback on how viewers reacted to their videos. The emotions are determined by automated analysis of facial expressions captured by webcam. The data is analyzed in real time to provide brands with data around emotions and performance criteria: attraction, retention, engagement and impact. On average, the process from launching the panel testing to campaign analysis takes just 48 hours, noted a Forbes story.

Regular users don't need to worry about being secretly analyzed, at least for now. Only panels of subjects that have explicitly consented to participate in the expression monitoring activity will be tested.

Realeyes has been in business since 2007 and boasts a list of blue-chip clients like eBay,

IKEA and The Economist

SUZANNE VRANICA

The battle between companies measuring the reach of online ads is heating up.

Ad-buying giants Starcom MediaVest Group and ZenithOptimedia said they have signed on to use comScore Inc.'s online advertising ratings system, dealing a blow to TV ratings leader Nielsen, which offers advertisers a comparable service. The ad-buying firms, both of which are owned by Publicis Groupe SA, had been testing both services for some time.

Marketers have long been demanding a way to measure online ad campaigns in a manner similar to how TV is measured. ComScore's Validated Campaign Essentials, or VCE, and Nielsen's Online Campaign Ratings, or OCR, are two products that offer a solution. The new services are the first step toward a measurement system that could track how ads perform across all screens, including TVs, the Web and mobile devices.

Marketers say the inability to track ads effectively across multiple screens is a hurdle they face when trying to figure out how much money they should move from traditional advertising into digital ads.

The decision of the Publicis firms to go with comScore's system is significant, given the scale of the ad budgets they handle. Starcom MediaVest and Zenith spend about $32 billion annually on ads in the U.S. on behalf of companies such as Coca-Cola Co., Anheuser-Busch InBev N.V and J.P. Morgan Chase & Co. Several weeks ago, Procter & Gamble Co, the world's largest advertiser and a Starcom MediaVest client, signed up with comScore.

Starcom MediaVest said its chose comScore in part because its service will be offered in more countries and because it will be able to collaborate with comScore to create new measurement products. Price also played a role in Starcom's decision.

"It's a multi-screen, mobile world and we need to be able to measure audiences fluidly and seamlessly," said Laura Desmond, SMG's chief executive officer. "Traditional industry measures and players fall short on delivering the innovation we need for our clients."

A Nielsen spokeswoman declined to comment.

The Publicis ad-buying firms' decisions are "favorable for comScore" but the race in digital audience measurement is "far from over," said Brian Wieser, an analyst with Pivotal Research Group.

As of April 15, Nielsen had signed up more than 100 advertisers such as Unilever, Kimberly-Clark Corp. and WPP PLC's ad buying firm GroupM for its Online Campaign Ratings product, and it had been used on more than 4,000 campaigns.

Clients of Publicis aren't obligated to use the comScore ratings system, despite the ad-buying firm's decision. Also, marketers and ad-agencies could choose to use both comScore and Nielsen's products rather than choosing one

Effective Digital Ads: A Fragment Of Your Imagination?

by Ken Mallon, 5 hours ago

Digital media proliferation appears to be infinite. Each year, a “shiny new object” arrives. First it was “rich media,” then video ads, then user-generated content. Now it's social networks, in-game and in-app advertising, and ads with social features. But media time remains finite. People simply have just so many hours a day to consume content.

As each new enticement appears, consumers must make tradeoffs with other media. The teen who once spent his time on a music site may now spend more time on social networks. His father, who once searched for sports updates on a sports Web site, may now primarily use a mobile app.

As people spend more time consuming digital content, their time increasingly shifts and becomes diffused. As the number of digital channels increases, the amount of time anyone can spend on any single channel decreases. The result -- the ability to reach a target audience on any one channel is diminished.

Beyond the challenge of reaching a specific target with an advertising message, marketers’ next challenge is to understand the impact of their digital campaigns.

Measurements miss impact

Digital was supposed to be the medium that measured itself, first with click rates for search and display, then with interaction rates (rich media), completion rates (video), and then social measures -- “likes,” “tweets, re-tweets” and “follows.” But none of these measures answers the question -- how did the campaign impact my brand? -- through increased sales, equity and advocacy.

Survey-based research methods were developed a decade ago to measure the impact of display advertising on awareness and brand perceptions. However, the proliferation of media makes marketing research more difficult. Digital ad research methods that were relevant from 2000-2005 no longer apply. Once it was easy to do ad research online, since digital researchers could choose to randomly serve ads to some people and control ads to others, then survey to measure the effects.

But today it’s much more complicated. One cannot afford to buy control impressions or “go dark” online. Plus, consumers may have been exposed to the same campaign via social networks, YouTube or apps. Control groups have become contaminated as digital campaigns become more complex -- between owned, earned and purchased media -- making experiments virtually impossible to conduct.

Creative quality drives results

These types of research methods were developed when the objective was to prove that digital ads "work." Now, it's generally accepted that quality advertising will be effective in any medium. Repeated research shows that the main driver of ad effectiveness is creative quality, yet digital media planners still spend much of their time optimizing ad sizes, Web sites and frequency.

So how can researchers help advertisers leverage the fastest-growing medium when we can no longer conduct scientific research with always-on campaigns that are too fragmented for econometric modeling? On the flip side, we cannot go back to lab experiments because we know that in digital, context and mind set play an important role.

We believe that the future of digital research should combine the best of:

1. A relevant way to assess ads' creative strengths before going live.

2. A natural in-market environment in which one can account for mindset and context, as well as behavior, after exposure to a test ad.

Real-time measurement needed

The best practice is to expose consumers to ads as they naturally surf the Web, which allows for a holistic analysis of consumer response and Web analytics/behavioral data to determine campaign potential. Such a system can leverage creative evaluation to provide insights to the advertiser and to:

• Deliver results before or just after campaign launch

• Be flexible enough to account for any size campaign

• Provide insight into the extent to which a desired audience is likely to visit certain Web sites

• Provide an understanding of which contextual exposures work best against marketing objectives

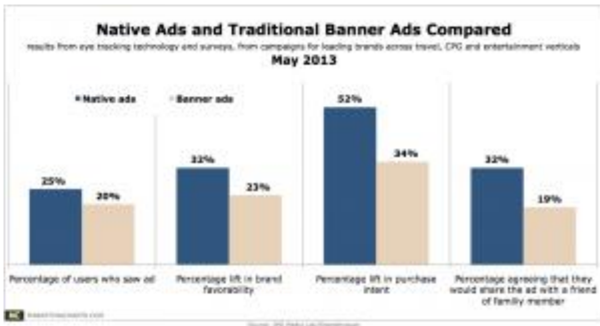
• Provide a sense of publisher overlap to determine the percentage of your target that would be exposed on two or more Web sites

The goal of a real-time measurement system is to deliver a better understanding of digital ROI so clients can optimize digital advertising spending. With continued, rapid media proliferation, we recognize that research methods need to quickly evolve.

We hope to help advertisers experiment to enhance the quality, effectiveness and offline synergy of digital advertising. Only by working together can advertisers and market researchers make sense of an increasingly fragmented media landscape.

Native Ads Seen Outperforming Banner Ads Across Several Measures

May 6, 2013 by MarketingCharts staff



A study pitting native ads against banner ads has found the former attracting more attention and generating more lift. The study, conducted by IPG Media Lab and Sharethrough, leveraged both eye tracking technology and surveys to come to its conclusions, using leading brands across travel, CPG and entertainment verticals as test cases. Among the findings, consumers were 25% more likely to see native ads than banner ads (25% vs. 20%), looking at the native ads 52% more frequently (4.1 times per session, compared to 2.7). Notably, consumers looked at native ads at a slightly higher rate than the original editorial content, spending almost the same amount of time doing so.

That may be due to an inability to discern between the two. According to survey results released in November 2012 by MediaBrix, two-thirds of respondents felt misled by advertorials (sponsored editorial appearing in both online and in print).

That study didn't elaborate on to what extent the misleading nature of those ads had a negative impact on the survey respondents. But, according to the IPG and Sharethrough study, native ads resonated with the study participants. In fact, lift in brand favorability was 9% points higher for native ads than for banner ads (32% vs. 23%), while the boost was even more significant for purchase intent (52% lift vs. 34%).

Given that they found native ads to be more engaging, it's not surprising that respondents were almost 70% more likely to say they'd share a native ad with a friend or family ad than share a banner ad (32% vs. 19%).

About the Data: The study was conducted with 4,770 participants. Eye-tracking technology was used on 200 consumers.

Topics: Branding, Online, Online Ad Networks

Related articles

PEW: TEENS MORE CONNECTED

4-16-13

According to a new study released by the Pew Research Center smartphone adoption by teens has increased substantially and they use their mobile phone access to access the internet much more than adults. One in four teens are "cell-mostly" internet users, who say they mostly go online using their phone and not using some other device such as a desktop or laptop computer.

These are among the new findings from a nationally representative Pew Research Center survey that explored technology use among 802 youth ages 12-17 and their parents. Key findings include:
•78% of teens now have a cell phone, and almost half (47%) of them own smartphones. That translates into 37% of all teens who have smartphones, up from just 23% in 2011.
•23% of teens have a tablet computer, a level comparable to the general adult population.
•95% of teens use the internet.
•93% of teens have a computer or have access to one at home. Seven in ten (71%) teens with home computer access say the laptop or desktop they use most often is one they share with other family members

Advertisers Grab Third-Party Data For Tablet Ad Targeting
by Laurie Sullivan, Yesterday, 6:31 PM
Advertisers prefer to use third-party online data along with first-party CRM data to target ads since they receive a higher response rate when targeting specific audiences.

In fact, more than 60% of advertisers use third-party online data as the preferred data source for audience targeting, and more than 80% find audience targeting an effective marketing strategy, according to a study released Wednesday.

The eXelate study also found an increase among advertisers using audience targeting on smartphones and tablets. While the PC remains the preferred platform, 51% of advertisers say they use the smartphone, compared with 62% of agencies and 60% of networks, exchanges and demand-side platforms (DSP).

Some may believe the eXelate findings show a bias. The third-party data provider supports audience targeting -- but experts admit that the results rely on methods to confirm and maintain authenticity in data segments, no matter what the vendor. The results are drawn from 650 digital industry

advertisers, agencies and networks between March and April 2012. The online survey examines audience targeting strategies and how eXelate can improve audience targeting.

This year, 69% of advertisers said they plan to increase their ad targeting budgets by 43%, compared with 68% of agencies who plan to increase budgets by 30% and 89% of networks, exchanges and DSPs, by 40%.

The study also shows that only 29% of advertisers and 40% of agencies have implemented a campaign rating solution. About 30% of advertisers said they would implement one this year, versus 46% of agencies.

Brands may find third-party outsourced data more appealing in targeting ads, but not all vendors secure consumer data correctly. An Experian Data Breach Resolution commissioned survey conducted by the research center Poneman Institute polled 748 people in organizations who transfer or share consumer data with vendors.

The most common mistakes outlined in the Securing Outsourced Customer Data include organizations that fail to hold vendors to the same security standards as they do for their own in-house security practices; do not know how frequently the vendor is losing their consumer data; do not take action following a breach, such as requiring the vendor to fix any known problem causing the data breach, and do not require the vendor to conduct an audit and detailed assessment to understand the source and cause of the incident.

The study, released earlier this year, estimates that in the past 24 months, 65% of participants admit their organization had a breach involving the loss or theft of their organization's information when it was outsourced to a third party. Some 64% report it happening more than once.

Even as Madison Avenue pushes to raise the bar for ad exposure from an "opportunity to see" to a "likelihood to see," a promising new research

technology has emerged that could raise it even further to, well, actually seen. The new research, which is based on state-of-the-art eye-tracking technology, uses consumers' own eye movements to verify what ads they have looked at.

While eye-tracking technology has been around for years, what makes the new system -- dubbed Sticky -- so powerful is that it doesn't apply it in a laboratory or a resting facility, but in the real world, in real-time, while people are exposed to ads online.

"Fifty percent of all ad impressions are never seen," says Jeff Bander, president of Sticky, who recently won the Advertising Research Foundation's "Great Mind Award" for helping to develop the innovative media tracking technology. That percentage, he notes, is the same as the oft-quoted John Wanamaker line: "Half the money I spend on advertising is wasted. The trouble is, I don't know which half."

"Now," says Bander, "we know which half."

Utilizing the webcams built into their own computers and handheld devices, Bander says Sticky has already tracked ads actually seen, or not, among 350,000 consumers. That's 700,000 eyeballs, more or less, creating a new form of media currency that some of the biggest advertisers in the world have already begun to use. Among Sticky's biggest customers is Procter & Gamble.

How Sticky might play into media negotiations isn't exactly clear, but it comes at a time when Madison Avenue is pushing the online industry to adopt a new standard of "viewability" for advertising exposure, meaning an ad has to be viewable on a consumer's screen -- not "below-the-fold" -- for at least one second to be credited as an ad exposure. Fifty percent of impressions are never seen.

"Viewability is nice, but viewability just means that an ad is within the viewable area of a screen," notes Bander, adding: "It doesn't mean a consumer is actually looking at your ad."

Citing estimates from the Interactive Advertising Bureau that as much as 30% of online ads run outside the viewable area of a consumer's screen, Bander says viewability is a good first step, but that the only way to know if someone has actually seen an ad is to track their eye movements.

Sticky was recently re-branded from its original corporate name, Eyetrackshop, to evoke the connotation that only the ads your eyes stick to are the ones advertisers should pay for. Bander says that logic evolved from some early beta work Sticky did with P&G, which wanted to know which of its ads were seen or not seen, in order to develop a "real CPM," or cost-per-thousand for the money it spends to reach consumers.

"Their question basically caused us to reinvent our model," recalls Bander, who says Sticky has refined the notion of a CPM by developing a CPV, or cost-per-visual, which is the actual dollar cost of reaching 1,000 consumers -- or 2,000 consumer eyeballs

Google Universal Analytics: Benefits of Integrating Call Tracking
April 24th, 2013 by Angelo Tsakonas
Many of you are eager for more insight into Google's newly released Universal Analytics, and we are eager to provide it. Our first blog on the subject gave you the basics and introduced our Universal Analytics integration. Now we're back to dig a little deeper into some of the truly powerful things you can do with the assistance of this new tool to extract more information about your marketing campaigns.

A Broader Scope
The ability to see which ads, search keywords or social media platforms are driving web site visits and phone calls to your business is just the beginning. Google Universal Analytics allows users to view call data inline with all other web metrics right in the standard Universal Analytics reporting interface. No more having to look at virtual pageview goals that limit your ability to view other metrics/dimensions in contrast with your call data–Ifbyphone sends call data in as a Custom Metric to Google

Universal Analytics which will allow you to add a reporting column for phone calls to any report/dashboard you already use daily.

You can also gain valuable insight into where (geographically) visitors are calling from. By adding a column for phone calls to your Visits by Geography report, you are able to see not only where the most visitors to your site come from but also which states, regions, or cities convert the most phone calls for your business. This is an invaluable tool for any multi-location retailer, franchise or business to determine the origin of their call flow.

Your Call Data–Organized

Another compelling aspect of Ifbyphone's Universal Analytics integration is that we attribute your business's calls to the unique Google Client ID that is assigned to each visitor on your site. Not only is this a much cleaner way to integrate call data into Universal Analytics, but you can now see how your users are interacting with your site and how that interaction leads to or generates phone calls.

For example, you can view the actual page a user was on when they picked up the phone and called you, or see if they made an online purchase before calling. You can also see how a person who originally found your site from a paid search ad and contacted you via web form, returns to your site via organic search and then calls. Needless to say, the amount of information that can now be mined about your customers' activities—not to mention the connections being made within your marketing strategy—is much broader, and much more valuable. These metrics enable you to optimize not only your marketing campaigns, but your overall website experience as well.

Take More Action
We built our GUA integration using events as opposed to virtual pageview Goals. This not only changes the way we get our call data into Universal Analytics but also allows you to take more action with this data. For example, if you are A/B testing pages on your site and rely on phone calls as a conversion metric, you can now use calls to your business as a Content Experiment Objective.

Do you see the possibilities? Universal Analytics provides a much broader landscape in your marketing campaigns than ever before, and with Ifbyphone's integration, you're able to explore that landscape without missing a thing.

Have you seen a demo of our Universal Analytics integration yet? If not, do it now to start taking an active approach to your marketing campaigns. Also be sure to stay tuned for our next post in this series, we will be giving you a step-by-step how to on setting up your Ifbyphone Universal Analytics integration.

The Future Of Advertising Is Facial Recognition
April Joyner, Inc. | Apr. 27, 2013, 12:00 PM | 2,211 | 8

Affectiva
If Rana el Kaliouby has her way, you will never have to channel surf again. Affectiva, the company that el Kaliouby founded with MIT colleague Rosalind Picard, develops technology that reads minute facial expressions to measure emotion. A television equipped with a webcam and Affectiva's technology could determine which shows you like to watch, given your past emotional reactions to them, and program your television accordingly.
Affectiva's facial-reading software, Affdex, is already being used by major advertisers, including Unilever and Coca-Cola, that previously depended on focus groups and surveys to test ads. The problem with the old approach? It requires people to self-report their reactions. Affdex is more scientific. It records viewers as they watch ads on their computers and uses an algorithm to analyze subtle facial cues, drawing from a database of

more than 283 million facial frames. Then it adds viewers' moment-to-moment reactions to a timeline for the ad, so companies can see precisely which segments might need tweaking. Affdex also determines if each viewer's overall reaction was positive or negative.

Since its launch in 2011, Affdex has helped measure audience sentiments for several high-profile events, including the 2012 U.S. presidential debates and this year's Super Bowl. The technology has spread globally, too: Affectiva's algorithm now includes data from viewers in 35 countries. Its ability to detect cultural differences in audience reactions has proved especially valuable to advertisers, says el Kaliouby, Affectiva's chief technology officer. For instance, when one company tested an ad in Brazil, it found an enthusiastic reception in one region of the country and a lackluster response in another. "If they find these things out earlier, advertisers can save millions of dollars," el Kaliouby says.

Originally, Affectiva's technology was developed for a far different purpose. El Kaliouby and Picard, an MIT professor and Affectiva's chief scientist, were developing a device that could respond to users' emotions, with the aim of helping autistic children communicate better. They realized that companies and researchers could benefit from the technology. In 2009, MIT's Media Lab spun off the project into a separate company. That year, David Berman, formerly the president of WebEx, joined as CEO.

Since then, Affectiva has grown in large part by signing partnerships with market research companies, including Millward Brown and InsightExpress, both of which offer Affdex to customers. It has raised $21 million from investors, including Kleiner Perkins and WPP.

Eventually, Berman says, the technology could be used to test websites for ease of use or become a more scientific version of Facebook's Like button. In the next two years, Berman envisions Affdex becoming a complement to "smart" televisions that can understand people's preferences. "If my wife and I both like to watch the same show, it will fine-tune the algorithm," he says. "It puts the emotion back into viewing."

2013 Trend: The Focus Is On "Programmatic"

Mad Men are becoming Math Men with programmatic, transparent, scientific processes according to Michael Baker of DataXu, a programmatic marketing platform. Programmatic Marketing is the key phrase and practice for marketers in 2013. Programmatic marketing is a brand's use of their consumer data to measure and tailor messages to incite action – most notably in their digital display advertisements.

"Brands, companies and marketers now have tons of data, but few processes to really understand and leverage it. So we see the rise of programmatic marketing," says Michael Baker. "A programmatic approach is allowing the human entities that work within an organization to focus on leveraging technology for creativity instead of non essential tasks."

Programmatic marketing enables brands to optimize their media spends and eliminate spend waste by automating ad targeting through leveraging that data and predictive analytics. The practice of programmatic marketing is directly related to the contextual relevance of the ad content to the target audience's behaviors, needs, geographic locations and possibly other AIO variables.

The promise of programmatic marketing is to bind dispersed data together and make it actionable in a real-time, digital world, notes Search Engine Land columnist Dax Hamman. Hence, publishers potentially view the rise of programmatic ad buying as a threat to premium ad pricing and are tailoring their revenue strategies to accommodate a middle tier of ad pricing that can make up for the pressure on premium rates, as most recently noted by Digiday with Hearst Publishing.

Though in its infancy, there are already companies such as Immserive Labs and Face.com (bought by Facebook) testing digital billboards with facial recognition or companies such as Control Group that target digital ads that change based on customer location captured from mobile devices.

These groups stand to push the boundaries and legal limitations of programmatic marketing capabilities.

Brand Content Must Align To Social Culture

Content marketing continues its rise. Currently estimated at $40.2 billion dollars, brands are continually looking to leverage their content to create consumer interest on social networks and platforms. But they are having to do so in a way that matches their target audiences' affinities for things like Justin Bieber and animated kitty gifs.

They do all that by analyzing and leveraging the content's context. Context is about delivering the right message to the right people, at the right time via the right platforms and messaging media that then drives them to take the action you desire.

The end result of content created in the right context is action i.e. your audience successfully completed the actions you were hoping for, whether that was a simple sharing of information or conversion (successful performance of a task or set of tasks that results in a desired outcome) to business lead or product purchase.

Furthermore, content marketing requires brands to put their brand owned assets where consumers are, while also driving them back to key entry points on their brand owned properties.

For example, "80% of pins on Pinterest are repins and people spend 70% more time on Pinterest than Facebook," said Ali Turner of Leapfrog Interactive. "And retailers' goals for Pinterest are to translate in-store experience online and to inspire, and encourage customers to engage and act online." If retailers want to effectively leverage Pinterest for content marketing, they're going to leverage content their customers have affinities for.

People remember what they were exposed to not where they were exposed to it

Insider Tip: Marketers must aim to put content with the brand itself; whether that is a product, service or offering. People remember what they see, not where they saw it. So a brand must be aligned within the content itself. Kate Spade is a great example of this, the fashion brand does this

Google Gains Viewable Impressions Accreditation, Viewable Ads Double CTR
by Laurie Sullivan, Apr 26, 2013, 5:50 PM
Google gained Media Rating Council (MRC) accreditation for its viewability measurement solution, Active View, which it introduced last year.

Marketers intuitively believe that consumers will more likely click on a viewable ad, but Google now has the data to back up the assertion by comparing ads by the number of seconds they appeared on screen and found on the Google Display Network (GDN).

Viewers are 21 times more likely to click on an ad in view. Publishers often see clickthrough rates doubling, on average, for below-the-fold inventory. On average, Google found that the CTR is comparable for viewable above-the-fold and viewable below-the-fold inventory. The longer users view an ad, the more likely the viewer will click through the advertisement.

Google saw up to a 125% increase when an ad was viewed for more than 20 seconds.

The biggest problem has been confirming with certainty when an online ad impression served on a Web page actually gets viewed by consumers. Technology now makes it possible to measure whether an ad is viewable onscreen.

Active View supports other Google efforts made in digital advertising that brings awareness to campaigns, such as Lightbox ads and TrueView in

AdMob and games. These efforts appear to be paying off for brand advertisers: "We saw a 65% increase last quarter alone in the number of brand advertisers using our brand formats and buying tools. Google also turned viewability into what the company calls an "actionable metric," Neal Mohan, vice president of display advertising at Google, wrote in a post.

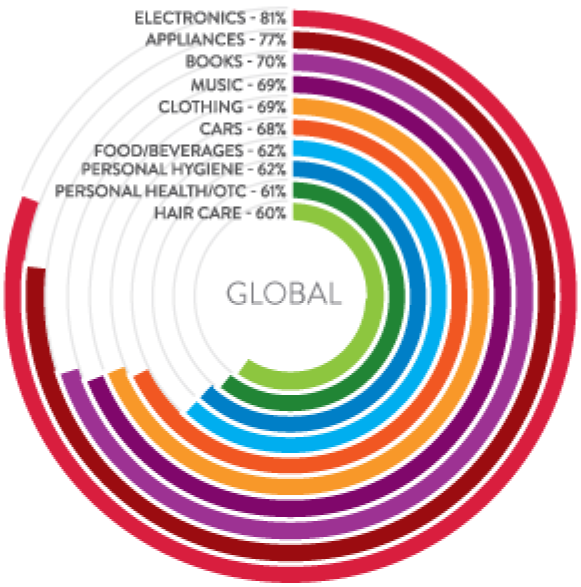
"Based on Active View, advertisers can buy reservable inventory on the GDN paying only for impressions that meet the Interactive Advertising Bureau's proposed viewability standard, at least 50% on screen for one second or longer," he added.

Aside from the GDN, Active View reporting becomes available in DoubleClick for Advertisers and DoubleClick for Publishers in 2013.

By Carl Marcucci on Feb, 27 2013 with Comments 0

According to a Nielsen global survey, the Internet is an important influence on consumers interested in buying new products in categories like electronics (81%), appliances (77%), books (70%) and music (69%). The trend is catching on in consumption categories too—such as food and beverages (62%), personal hygiene (62%), personal health/over-the-counter medicines (61%) and hair care (60%)—with respondents in Asia-Pacific, Latin America and Middle East/Africa most engaged in online decision-making. More than half of all global respondents consider the Internet important when it comes to purchasing new clothing (69%) and cars (68%), according to a NielsenWire blog.

Top 10 New Product Categories Ranked by Percent of Claimed Internet Importance in Decision-Making Process



Based on respondents with online access only. New products are defined as any product not purchased in the past.

Source: Nielsen Global Survey of New Product Purchase Sentiment, Q3 2012

nielsen

U.S. respondents say the Internet is very/somewhat important when making a new product purchase decision for electronics (73%), appliances (63%), cars/auto (62%) and music (59%). Just under half of the respondents also consider the Internet's influence on new product decisions for clothing (48%) and cars (68%) important.

The findings are from the Nielsen Global Survey of New Product Purchase Sentiment, which surveyed more than 29,000 respondents with Internet access from 58 countries about new product awareness.

Social media is also an integral decision-making tool for consumers hunting for new products.

"Consumers are increasingly finding the Internet and mobile vehicles just as compelling as other more traditional advertising," said Rob Wengel, senior vice president at Nielsen Innovation Analytics. "Social media can also be an effective soundboard to hear about potential issues or to identify future innovation opportunities. As reliance on social media continues to broaden for CPG products, it is especially impactful when used in combination with TV to enhance recall, facilitate one-on-one consumer engagement and dialogue, and listen to what consumers are saying."

In the U.S., almost sixty percent (59%) of respondents said that they were much more or somewhat more likely to purchase a new product after learning about it through active Internet research, an Internet forum (30%), a brand or manufacturer's website (45%), or through an article on a frequently visited website (39%). Respondents also said they were much more or somewhat likely to purchase a new product after learning about it through social media (30%), a Web ad (29%) or a video posted on a video-sharing website (27%).

CMOs to Rein in Traditional Ad Spend, Press on With Digital Marketing

February 27, 2013 by MarketingCharts staff

Despite consumer and marketer beliefs that traditional media advertising on the whole is more effective than online advertising, marketers continue to shift budgets away from traditional media and towards digital marketing channels, finds Duke University's Fuqua School of Business in its latest installment of The CMO Survey. In this latest survey, CMOs forecast a 2.7% decline in traditional advertising spend over the next 12 months, after predicting a 1.9% decrease in August 2012, an 0.8% decrease in February 2012, and a 1.3% increase in August 2011.

By contrast, digital marketing spending is forecast to grow by 10.2%, a slower rate than the 11.5% increase forecast in August 2012, but a healthy rate nonetheless.

Segregating the responses by company type, the study finds that B2C service firms will pull back on traditional advertising the most (-5.4%), with B2B product companies (-4.1%) also curtailing spending. B2B services (-2.2%) and B2C product (-0.6%) companies will keep their budgets relatively flat. Each company type is projecting a double-digit increase in digital marketing spend, save for B2B product companies (+8.2%).

Meanwhile, CMOs are projecting increased budgets across a number of other areas, though they're less bullish than in the August 2012 survey. They're expecting to spend more on new product (8%, down from 9.4% in August 2012) and service (5.8%, down from 6.5%) introductions, while also forecasting an 8.1% increase in budgets devoted to customer relationship management (down from 9%), and 6.8% more spending on brand building (down from 7.5%).

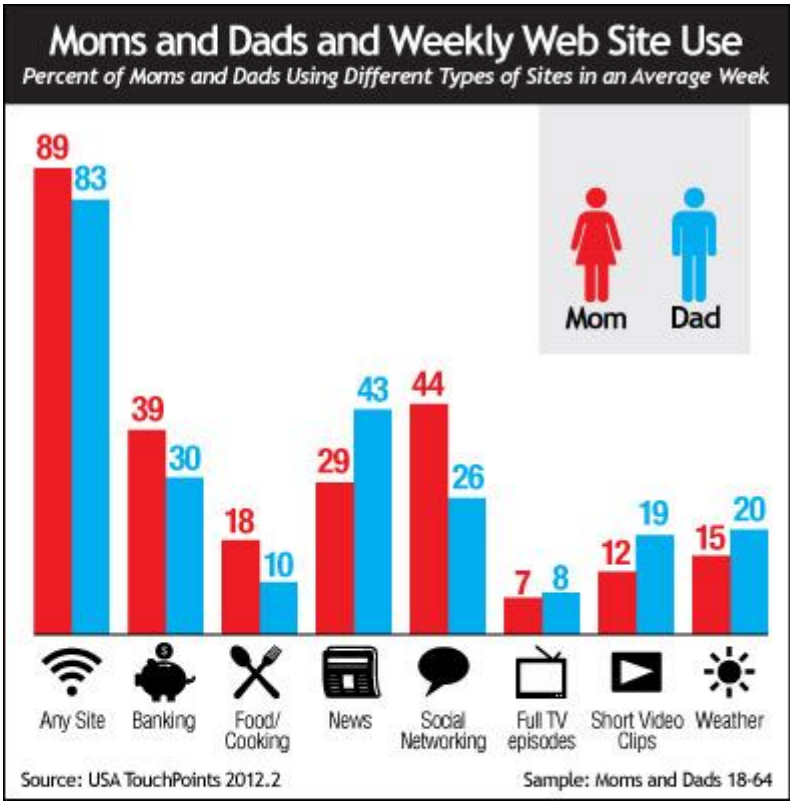
Overall marketing spending is expected to grow by 6.1% over the next 12 months, slightly slower than the 6.4% growth forecast from August 2012. Currently, marketing budgets are reported to account for an average of 10.6% of firm budgets, down from 11.4% in August 2012.

As a percentage of overall firm budgets, B2C product companies devote the largest share to marketing (16.3%). B2C services companies had reported 16.8% share of budgets going to marketing in February 2012, but that dropped to 10.9% in the most recent survey.

About the Data: The CMO Survey is conducted online twice a year. The latest survey was fielded from January 22 to February 8, 2013. 468 CMOs responded to the survey, of which 95% were VP level or above.

The Whole Story: Parents' Average Week On The Web

by Mike Bloxham, 7 hours ago



We often see stats relating to Web use among different ages and genders, but seldom any that compare Moms and Dads as opposed to simply men and women.

This USA TouchPoints analysis sought to explore the extent of any differences in the use of various types of Web sites between Moms and Dads in the average week and found there are at least some disparities between the two.

Whereas the vast majority of both Moms and Dads can be found on the Web during the average week, social networking, news and to a lesser extent banking and food/cooking sites all show marked differences in average weekly reach.

The greatest difference (just) is in the use of social networking sites, which is dominated by Moms: 44% vs. 26% for Dads. While the female skew in itself may not be surprising, its extent may be more so. However when considering the amount of other research that points to the same conclusion, the well-documented"Mommy-Blogger" phenomenon and the amount of time many Mothers – particularly those of young children – spend at home, this becomes much less surprising.

When one also considers how many work environments are not conducive to the use of social networks (or in which they are prevented by firewalls), then this also logically contributes to the disparity.

News Web sites almost exactly reverse the disparity between Moms and Dads – this time we see 43% Dad vs. 29% Moms. Anyone conducting any qualitative research among Moms will have heard of the time constraints that impacts their daily lives. It is likely that outside of major events, this is a factor here. Preference is given to other activities, like social networking, in the time they do have available.

Interestingly, online banking appears to be more the preserve of Moms than Dads (39% vs. 30%), this may again play to time issues and online banking is an easy fix for an essential part of household management.

Two other categories that are interesting in relation to each other are full TV episodes (online) and short video clips. While the numbers are not large for either, they are equal between Moms and Dads for full episodes: 7% and 8%, respectively). But there existed a much larger gap between the two for short video clips – 12% for Moms vs. 19% for Dads.

Suicide By Cookies

by George Simpson, 8 hours ago

Evidon measured sites across the Internet and found the number of web-tracking tags from ad servers, analytics companies, audience-segmenting firms, social networks and sharing tools up 53% in the past year. (The ones in Mandarin were probably set by the Chinese army.) But only 45% of the tracking tools were added to sites directly by publishers. The rest were added by publishers'partners, or THEIR partners' partners.

Clearly data is unknowingly being transferred from one company to another in a series of data "hops." In fact, Evidon found that nearly 29% of tracking technologies were deployed in two hops, around 13% in three, and nearly 10% were deployed in four degrees of separation from the publisher.

Putting aside the notion that this is stealing user data that can be monetized directly to ad buyers, or even resold in bulk data transactions via various exchanges -- thus screwing up the publisher who built the content to attract the audience in the first place -- it is one of those things that gives privacy advocates an erection.

Did all of those entities think their ad tags would go unnoticed? Did they not read the *Wall Street Journal*'s "What They Know" series, where reporters learned much of what they disclosed by simply reading ad tag codes on major websites? And did the publishers learn nothing when the WSJ called and asked them about those tags? "Gee, really? Never saw those before…" was not an acceptable answer, although it was the norm – and, you would have thought, sufficient to light a fire under the online ad industry. Apparently not.

This is just the kind of low-hanging fruit that gets stuck under the noses of local, state and national representatives and encourages them to make a name for themselves by sponsoring privacy bills. Increasingly all of the "you will stifle innovation" and "hurt our ability to serve free content" cries will go into the wind that will eventually blow a chilled air down Silicon Valley and Alley alike.

I have spent the better part of the last 15 years defending cookie-setting and tracking to help improve advertising. But it is really hard when the prosecution presents the evidence, and it has ad industry fingerprints all over it -- every time. There was a time when "no PII" was an acceptable defense, but now that data is being compiled and cross-referenced from dozens, if not hundreds, of sources, you can no longer say this with a straight face. And we are way past the insanity plea.

I know there are lots of user privacy initiatives out there to discourage the bad apples and get all of the good ones on the same page. But clearly self-regulation is not working the way we promised Washington it would.

I appreciate the economics of this industry, and know that it is imperative to wring every last CPM out of every impression -- but after a while, folks not in our business simply don't care anymore, and will move to kill any kind of tracking that users don't explicitly opt in to.

And when that happens, you can't say, "Who knew?"

How Inbound Marketing Can Fuel Native Advertising

Posted by Steve Hall
Mon, Feb 18, 2013 @ 08:00 AM

Comments

135
in Share
.

If you're a CMO, you may have heard the term "native advertising" bandied about recently. While there are many varied definitions of the term, it can best be described as a form of advertising that consists of relevant, valuable content that's part of a media outlet's editorial offering. In plain English, that means paid editorial.

Wait ... **What** *Is Native Advertising?*

Native advertising can, in its most popular format, take the form of a sponsored blog post or article. Or it could be a sponsored story on Facebook, a promoted video on YouTube, or a promoted account on Twitter, among other things. **Basically, it consists of natural content that appears in a medium's organic content stream -- with the caveat that its placement was purchased rather than appearing organically.**

Now, many of you may be shaking your head at this point exclaiming, "What's up with all these people who feel the need to slap a new label on something that's been around since consumer packaged goods companies created the soap opera?" And to some degree you'd be right in your assumption that native advertising is just an advertorial in shiny new clothing. But you'd also be wrong.

Native advertising, done right, is not an advertorial. Native advertising, done right, is not product placement. Native advertising, done right, offers valuable, educational, useful information to your customers and prospects.

The Role of Content in Inbound Marketing

So why would an inbound marketing software company like HubSpot be telling you about the benefits of native advertising, which, by most accounts, is just advertising? Because without inbound marketing strategies in place, there can be no effective use of native advertising. That's a fairly strong statement, but follow along as we make our case.

A recent Marketing Budgets 2013 study by Econsultancy and Responsys found that **70% of brand marketers will allocate budget to content creation**, an integral component of inbound marketing, in 2013. The category ranked the highest of all digital marketing channels -- which just makes it all the more important that you ensure your content strategy is in place before your competitors'.

The role of content creation is integral to inbound marketing success. Developing informative and educational content enables you to advance the cause of your product or service in a way that doesn't sound like a car dealer screaming at you while holding a bunch of balloons in one hand ... and a waving flag in the other.

And within inbound marketing, you're using that content to cultivate and generate leads through marketing offers (e.g. ebooks, webinars, whitepapers, etc.). Content in marketing also includes the use of email marketing to offer additional information to leads with the aim of moving them down the purchase funnel (which isn't really a funnel any longer), as well as the creation of landing pages on which products can be promoted, and the use of social media, which can further disseminate content.

Additionally, the use of content extends to many other marketing methods like search engine optimization, lead management, and marketing automation. For the most part, it all starts with content. Content that is informative, educational, and relevant, but also -- and this is most important -- content that is ultimately designed to sell something.

Inbound marketing became possible with the advent of the internet, which offers potential buyers the ability to access any kind of information they want, about any topic of interest, at any time of their choosing. Google made the process even easier. SEO and SEM tactics easier still. But it wasn't until the marriage of buyers' increasingly anti-advertising mindset and growth of ad blocking technologies (e.g. DVRs, ad blockers, etc.) that inbound marketing really took a foothold.

Inbound marketing sidesteps buyers' advertising blinders, because it isn't car dealer-style advertising that not one wants to see. Instead, inbound marketing offers information that was sought after and found to be valuable to the consumer. If you're a marketer touting the latest and greatest in, say, inbound marketing, you had best dominate the first few organic search results for it.

Now, those top organic SERP positions can be links to content on your own site (gleaned through effective SEO and social media efforts), they can be links to content on other sites to which you have contributed, or they can be news stories on media sites. That covers owned and earned media ... but what about paid media?

How Inbound Marketing Can Fuel Native Advertising

Certain types of advertising can help boost and supplement inbound content efforts. We do it right here at HubSpot when we use PPC, Promoted Posts, Promoted Tweets, and other forms of paid marketing to attract more people to our content. And that's the key: to promote your *content*, not your *product*. You don't want to point people to a man standing in a parking lot with a bunch of balloons in one hand and a flag in the other; you want to point people to a thoughtful piece of content that discusses why buying a car at your dealership will save you money in the long run and provide you with years of hassle-free service.

Yes, ultimately you want to sell a product or service -- and you will (likely with the help of with segmented lead nurturing, dynamic content, and proper marketing automation). But you'll be far more effective in doing so when you offer valuable, usable, actionable information on *why* a person should consider your products/services rather than just screaming at them that they should just trust you and buy because you told them to.

Put simply, native advertising and sponsored stories cast a wider net to amplify your inbound marketing efforts. Sure, straight inbound marketing will go a long way to getting your message in front of your potential customer base in a very cost-efficient manner, and everyone should start with purely organic inbound marketing to get the best possible ROI. But if you have a few extra bucks to help that content proliferate further and are willing to spend more for higher growth even at a lower ROI, then native advertising is worth considering.

It's also worth noting that there may still be many people who find sponsored stories annoying and disruptive. Keep in mind that the people who see these types of ads did not give you permission to talk to them and were not expecting them in their organic content streams. This makes it even more critical that you fuel your native advertising with inbound marketing. Keeping track of sentiment can also help you determine whether your efforts are worth it.

Remember though, you must have worthwhile content in the first place. And a robust inbound marketing solution will provide you the process, procedures, and proper workflow you need to create great content worth sharing.

Is your inbound marketing content strategy up to snuff?

We Need a Better Definition of "Native Advertising"

by Mitch Joel | 11:00 AM February 13, 2013

Comments (2)

If you're looking for marketing jargon in 2013, look no further than "native advertising." Brands, media companies and marketing agencies are jumping on the native advertising bandwagon faster than you can say, "what ever happened to Pinterest being the next big thing?"

But there's a debate about just what, exactly, the advertising industry means by "native advertising." Many believe that native advertising is just a digital euphemism for the classic advertorial that would frequently fill a page in your local newspaper or national magazine — only with less of a wall between the traditional church-and-state structure of editorial and advertising (like when *The Atlantic* ran a subtly flagged advertorial for The Church of Scientology). Others will say that "native advertising' is advertising that is unique to a specific channel (like when BuzzFeed works with an advertiser to create a piece of content that will only run on BuzzFeed) or it could even be platform-wide (let's say AOL runs sponsored content across many of their channels, from Huffington Post and TechCrunch to Patch). No wonder flailing publishers like "native advertising" — they can make it mean whatever they want it to mean!

In 1996, the IAB (Interactive Advertising Bureau) was founded with a core belief that if media and advertising standards were not put in place, the online advertising medium could never mature and capture a brand's advertising spend. Unlike traditional media (which had established formats and specifications across the multiple channels), every web page could be a media company unto itself with different advertising specifications and measurements in place. The Wild West that was the web back in the nineties would be equally wild for advertising. Beyond best practices, research, education and advocacy, the IAB managed to achieve a common ground in the area of creative standards and measurement guidelines, but this could all go away if marketing professionals can't agree on a clear definition for "native advertising."

Not to sound alarmist, but if there is not a consistent definition (that includes both the technical format along with the content that is embedded within in), the confusion will cause challenges in the growth of online advertising. The industry will revert back to a time and place when publishers could create complex and chaotic environments for advertisers. If every piece of digital creative must now become unique (from the technical to the content), brands are going to struggle with everything from ideation and production to comparable measurement models.

So let's try to define it. The divergent definitions above all confuse the unique format (size and technical specifications) of the ad placement with the content (the creative that is placed within that format). I define native advertising as an ad format that must be created specifically for one media channel in terms of the technical format *and* the content (both must be native to the channel on which they appear and unable to be used in another context). For example, you can't place a Google AdWords campaign on The New York Times' website and you can't run a promoted tweet on The Huffington Post's Twitter feed. The advertising that you buy from Google to run on their search engine (or network) is unique (or, native, if you will) to their platform, much in the same way that promoted tweets on Twitter were created and can only be run on Twitter. The advertising formats and the content within them are native to the environment.

So does this mean than any ad is a native ad? If you ran a Super Bowl ad, wasn't that native to the Super Bowl... or native to TV? Not really. Television ads are traditionally shot the same way. An ad on the Super Bowl could be shown on Storage Wars and nothing would need to be changed. The formats are consistent. The advertising content just happens to be tailored for the big football game, but the format is ubiquitous across the entire television medium.

For example, The Atlantic also ran an editorial piece titled "Where Design Meets Technology" that was sponsored by Porsche. That was lauded in the media as an attempt to drive native advertising. According to Digiday, the 155-year-old-publication feels that advertising which has the "look and feel of The Atlantic's content... help[s] brands create and distribute engaging content by making the ads linkable, sharable and discoverable." Does this sponsored post truly feel like native advertising? What makes this native to The Atlantic? Is it simply the fact that The Atlantic's editorial team created and curated the content with Porsche's approval? Could Porsche and their media company not ask to sponsor content on any number of other online publishing platforms? Ultimately, I would argue that this was not native advertising, but simply good content marketing or sponsored content that didn't smell like pure advertorial.

The current state of online advertising is about to hit a tipping point. Last month's MediaPost headline says it all: "Online Poised To Break 25% Budget Milestone, Mobile Fueling Half Its Growth." With this growth, interest in and confusion over native advertising is likely to grow. Advertising, as we have traditionally defined it, continues to morph as traditional publishers attempt to figure out their digital monetization models. The complexity is only enhanced as the traditional advertising formats in the online channel (namely banner ads or display advertising) continue to provide weaker results to advertisers.

Until we get a better handle on the definition of native advertising and the standardized formats digital ads can take, brands and publishers will continue to go through the standard growing pains when new opportunities and nomenclature enters the fray. (Just look to that much-ridiculed Scientology piece on the Atlantic as an example.)

The charm of traditional advertising was in cost and efficacy. One ad could be produced and — with minor adaptation — pumped into a handful of media channels with enough repetition to create awareness and interest to buy. If advertisers are going to have to create unique formats mixed with unique content for each and every different channel and platform, it's going to massively affect not only budgets and timelines, but also a brand's ability to get their message out to a larger audience in the same way that they used to. The somewhat ironic irritant here is that marketers know and understand that the best kind of advertising is when the message feels unique and highly personalized to both the consumer and how the ad is placed within the context of the media channels.

The industry is talking about native advertising as if it is something new. Google AdWords is native advertising. Promoted tweets on Twitter is native advertising. Buying reach on Facebook's newsfeed/timeline is native advertising. Everything else just feels like sponsored content or an advertorial in sheep's clothing.

Native advertising can't just be about the creative that fills an advertising space. Native advertising must be intrinsically connected to the format that fits the user's unique experience. There's something philosophically beautiful about that in terms of what great advertising should (and could) be.

But first, we need to all speak the same language around "native advertising." The future of paid advertising depends on it.

The Rise Of Programmatic Branding In RTB

Feb 13, 2013 at 11:01am ET by Frost Prioleau

-
-
-
- inShare41
-

Does RTB really stand for *Real Time Branding*?

Since the advent of Real Time Bidding, programmatic display advertising has largely been thought of as a technique for direct-response, performance based advertisers.

This is largely because RTB has worked very well for performance advertisers. The ability to buy impressions one at a time (and more recently, the ability to buy audiences with similar granularity) has enabled performance advertisers to lower their cost per action (CPA), whether those actions are leads or purchases or something else.

Despite its benefits, many “brand advertisers” initially stayed away from Real Time Bidding, largely due to concerns about the quality of the inventory on which their campaigns would run.

Times, however, are a changin’, as brand advertisers are discovering to the benefits of RTB. In a recent interview with Forbes.com, Bob Arnold, the Director of Digital Strategy at Kellogg stated that “ROIs have increased as much as 6 times” using programmatic buying.

On AdExchanger, Jeff Holecko, North American Media Manager for Kimberly Clark, said of display: "We had very specific qualitative and quantitative goals. It's blown through all of them".

Here at Simpli.fi we also see this trend. As I mentioned a few months back, 9 of the 10 largest campaigns on our platform in 2012 were for national brands. While many of those were driving campaigns to hard direct response metrics, we see more and more brands coming on board looking to optimize campaigns to branding metrics.

What's Behind The Shift?

There are several developments behind the increasing flow of brand advertising dollars to programmatic purchasing. These include:

- **Higher quality inventory**. As real time bidding has ramped up over the last couple of years, so has the availability of inventory perceived as "high quality". Several of the Supply Side Platforms (SSPs) have been working hard to bring on inventory from nationally recognized publishers, and addition of Facebook inventory through the Facebook Exchange (FBX) just added to this trend.
- **Better inventory screening tools**. Tools that report on and/or ensure that campaigns are run on "brand safe" inventory have evolved and are available at multiple levels through out the programmatic stack. Brand-safe controls can now be set at the SSP level, at the DSP level, by whitelisting and blacklisting, and also by using third party ad verification vendors.

Drive toward ROI**. Brand advertisers are no longer content to target users to broad demographics, or semi-transparent site lists, and hope for a positive outcome. Increasingly brand advertisers, like Kellogg and Kimberly Clark mentioned above, are closely monitoring ROI and driving for continuous improvement on this metric. The ability to optimize campaigns to specific goals is one of the strengths of real time bidding, so it is an excellent fit for brand advertisers looking to improv**

Slow Economic Growth WIll Pressure Advertisers To Maximize ROI

Years After Ditching the Click, CPG Marketers Embrace Web Ads With 'Calls to Action'

RB, Lever Add Interactive Games, Digital Deals to Online Branding Efforts

By:
Jack Neff
Published: February 25, 2013

share
email print rss

In Laurent Faracci's ideal world, "100% of our digital media would have a call to action."

After studying effects of brand advertising on e-commerce sites and elsewhere, the U.S. chief strategy and marketing officer for packaged-goods giant Reckitt Benckiser believes that "the return on investment is three times better when you do."

Lysol Power & Free

That's a back-to-the-future move for CPG marketers, which embraced the "click here" and "enter to win" admonitions of early internet ads but focused more on branding during subsequent decades. Recently, however, they've embraced anew the "call to action," thanks to increased focus on accountability, e-commerce and social interaction. Perhaps most important, the CPG industry, which has long put most of its true marketing budget into promotions, is moving toward offering digital deals.

Lysol Power & Free ran a Facebook program last year whose call to action was getting women to play a first-person-shooter game using a bottle of cleaner to zap germs. It encouraged them to post their scores, invite friends to play or share other content about the product, said Chris Pape, exec creative director at Genuine Interactive, Boston.

The campaign purposely left out an offer, to see how well it could work without one, Mr. Pape said. Ultimately, it drew three earned impressions for every paid one.

"The key principle is: If people are taking action, they're retaining information better than if it's passive," he said. "We're big fans of adult-learning theory, which says if you're passively watching information, it's not really being sent to long-term memory."

Social media has created new ways for advertisers to seek a call to action. Besides the share and the "like," Unilever in December tried a promoted tweet-to-purchase format for Tresemmé that took people directly to Amazon to close the deal. But Unilever VP-global media Rob Master said the company still uses a mix of call to action and branding ads online.

A 2010 study by WPP's DynamicLogic found no link overall between a call to action and effects on recall or brand favorability, but did find that call-to-action digital ads do better on purchase intent for CPG and travel advertisers. Across industries, ads asking people to "send something" or share doubled brand favorability and purchase-intent scores compared with the average ad.

That was a key element in a recent campaign by Kimberly-Clark Corp.'s Huggies. Using an ad format from Media Multiplyer, an offshoot of WPP's Rockfish Labs, Huggies offered a $2-off coupon good on Amazon, bumping the deal to $3 for people who clicked within the unit to share the offer in social media or email. Nearly half the moms who clicked also shared.

"We absolutely want to have moms do something, to share information," said Jason Rottier, e-commerce experience officer for K-C.

Media Multiplyer moves beyond coupons to let people choose a retailer and close the deal within the ad unit, which provides accountability.

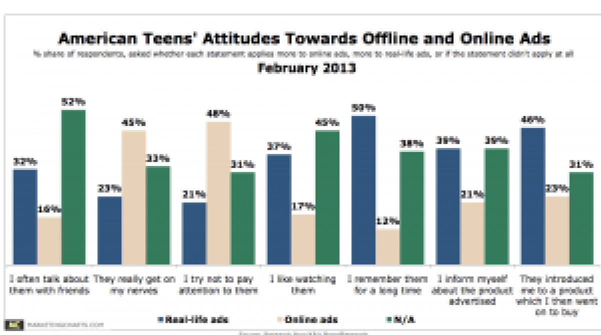
"The economy is driving people to think about something that isn't just going to drive an impression, but will drive a visit or sale or trip," said Dawn Maire, president of Media Multiplyer.

Call to action is a big part of CPG digital advertising largely because much of the budget is coming out of promotional buckets, said Gian Fulgoni, chairman of ComScore. Accounting rules don't count such spending as marketing, but CPGs spend 67% of their all-inclusive marketing dollars on retailer trade promotion, he said, citing data from Kantar and SAP. Media advertising of various forms makes up only 22% of spending, while consumer promotion -- largely around distributing coupons -- makes up 11%.

"Almost half of digital ads in CPG have some kind of promotional message," Mr. Fulgoni said, compared with 8% of TV ads.

American Teens Prefer Offline to Online Ads

February 26, 2013 by MarketingCharts staff



They may be digital natives, but American teens don't fancy everything digital. According to data provided to MarketingCharts from a new study from Research Now and K&A BrandResearch, American teens strongly favor offline over online ads across a variety of measures. The respondents were presented with several statements about ads and asked whether each statement applied more to online ads (such as on Facebook, search engines), more to "real-life" ads (such as those on the TV, radio, posters, and magazines), or whether the statement didn't apply. The results indicate that online ads have a long way to go in winning over teens.

In terms of likability, offline ads were easily preferred by respondents. For example, when asked which ads really get on their nerves, teens were twice as likely to point to online than offline ads (45% vs. 23%). They were even clearer in their assessment of which ads they try not to pay attention to, with 48% choosing online ads against 21% choosing offline ads. In terms of the ads they like to watch, 37% opted for offline compared to 17% for online.

Teens also believe they're more likely to recall and share offline than online ads, too. When asked which ads they're more likely to remember for a long time, half chose offline ads, while just 12% chose the online option. And for every teen who often talks about online ads with friends, the survey found 2 saying the same about "real-life" ads (32% vs. 16%).

Even on measures of influence, offline ads won out. Asked through which ad types they inform themselves about the advertised product, 39% chose the offline option, compared to 21% who chose the online option. And in perhaps the most telling measure for advertisers, teens were twice as likely to say that offline ads had introduced them to a product they then went on to buy (46% vs. 23%).

Teens are sometimes used as a barometer of future attitudes and behaviors towards products and services, so the results suggest an uphill battle as brands try to reach the next generation of consumers online, particularly as online advertising dollars have been rising quickly.

In general, though, the responses from the teens simply mirror those from adults – and marketers. In a study released in October 2012, Adobe revealed that among ad types, marketers and consumers alike preferred magazines and TV to online sources. Indeed, consumers were most likely to describe online ads as "annoying" and "distracting," and fewer said they pay attention to those ads than ads in a number of traditional channels.

About the Data: **The data is derived from a study conducted by Research Now among 2,490 teens averaged 12 to 17. Respondents were recruited directly through their parents who provided consent for their teenager to participate in the study. The survey was designed by K&A BrandResearch. Interviews were conducted via Research Now's youth panel in each of the following four markets: Germany, Poland, the United Kingdom and the United States. To ensure a safe and robust sample, quotas were set on age and gender across all four**

markets. The sample size among US respondents was more than 600

Banner Blindness: 60% Can't Remember The Last Display Ad They Saw

by Laurie Sullivan, Yesterday, 4:51 PM

After being asked to recall the last display ad they saw, only 14% could name the company, the brand or the product, suggesting that brands are wasting millions of dollars in ads that consumers don't remember.

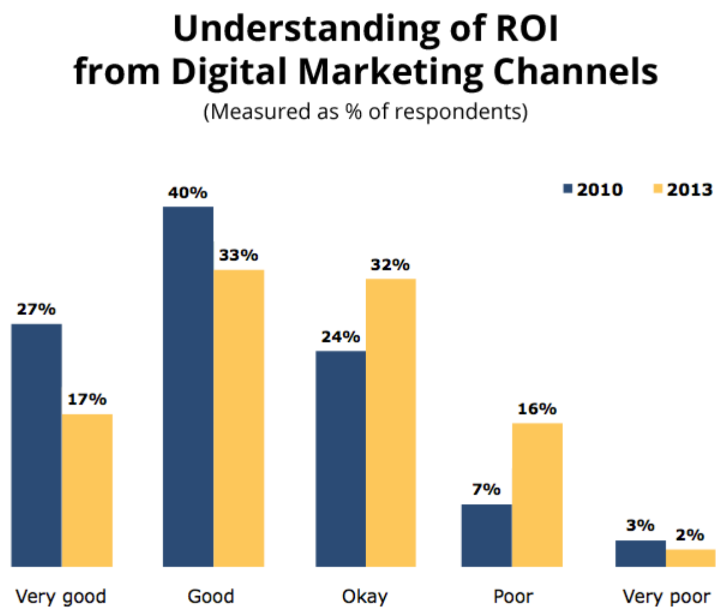
The Infolinks study analyzing banner blindness reveals that 60% couldn't recall the last display ad they saw, although 75% of respondents who remembered seeing the last ad remember seeing it online. The survey analyzes responses from U.S.-based consumers in December from all genders, ages, income and education levels.

Relevance remains a key challenge, and 3.65% of respondents who remembered the last ad they viewed did not remember the context. About 80% felt the last ad they saw was not relevant to them. Only 2.8% of respondents said they thought the ads they saw met their needs to either answer a question or provide more information.

The findings also reveal that only half of users ever click on online ads, while 35% click on less than five ads per month. Among online ad viewers, 75% saw the ad on their computer, while the remainder viewed the ad on their phone or tablet.

Speaking of ROI – How Are We Doing At Measurement?

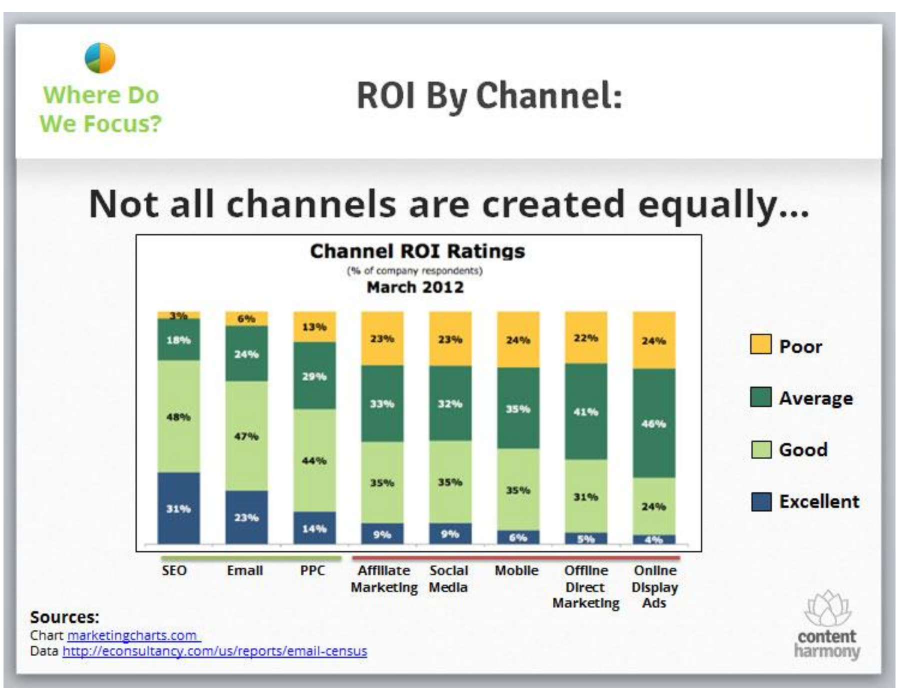
Another eConsultancy study has been measuring digital marketer's feelings on how well we understand ROI for the last few years. Take a look at Feb 2013 vs Feb 2010 – just three years ago:



The number of people responding that their understanding of digital marketing ROI was Good to Very Good dropped from 67% to 50% over 3 years.

The number of people that said Poor to Very Poor jumped from 10% up to 18% over the same period.

But here's the thing – while we don't feel our understanding is great overall, we do feel that the ROI is above average in many channels. Take a look at this chart, without our reported feelings on ROI by channel:



Yowza. Let's take a deeper dive:

Number of respondents saying that a channel had good or excellent ROI:

- SEO & organic search – 79% of respondents.
- Email marketing – 70% of respondents.
- PPC – 58% of respondents.

Areas where less than 50% of respondents rated the channel's ROI as good or excellent

- Online display ads
- Offline direct marketing
- Mobile marketing
- Affiliate marketing

Combine this ROI data with the 2013 budget data, and I think we have a good idea of where the internet marketing community is headed in 2013.

Multiple Screens Force Ad Industry To Revamp Rich Media Ads

by Laurie Sullivan, Yesterday, 3:18 PM

- Comment (2)
- Recommend (2)
-
-
- inShare17
- Share
-

Subscribe to *Online Media Daily*

Subscribe

- RSS
- Email
- Print

Tags

cross-platform, mobile, rich media advertising, technology

Some 51% of ad agencies have seen an increase in demand for dynamic rich media ads, while another 20% expect to see more interest from clients in 2013. But the process, which remains riddled with roadblocks, needs to be reworked.

About 88% of companies participating in the Jivox study call the process stressful-to-very stressful when it comes to executing rich media campaigns using today's processes. Of those running rich media campaigns across multiple screens and devices, 42% call it painful.

The Web browsers on mobile and desktop need to be more in sync, since technology determines the behavior of content and ads, according to Diaz Nesamoney, CEO and founder of Jivox. He says that more time is needed to bring them together: "This is one reason it's become significantly more complex."

Nesamoney said the industry needs to reinvent the business of creating and serving rich media to meet new technological demands, such as having the ability to run the same ads across different operating systems and browsers.

Half estimate the average time to complete a rich media creative ad at one to two weeks, while 40% said it takes longer than three weeks. Some 66% would recommend more rich media campaigns if production times and cost were halved.

About 31% said they almost always experience delays in campaigns due to last-minute creative changes or rich media ad production, and 62% said they sometimes experienced delays. Out of the 5% not running rich media campaigns, half call them expensive and cumbersome.

The survey supports responses spanning three weeks from more than 100 participants at 25 agencies such as BBDO, Digitas, MEC Global, Mindshare, MediaCom, Omnicom Group, Razorfish, Starcom MediaVest, Zenith Optimedia and 360i.

Experts believe touchscreens will prompt the increase in rich media, dynamic interactive ads that allow consumers to find information about products and services where the data is based on preference, browsing history and more.

Do Display Ads Influence Search? Attribution and Dynamics in Online Advertising

Published: February 28, 2013

Paper Released: February 2013

Authors: Pavel Kireyev, Koen Pauwels, and Sunil Gupta

- E-Mail
- Print
- Share
  - Add to FacebookLinkedInTwitter**Executive Summary:**

The introduction of online metrics such as click through rate (CTR) and cost per acquisition (CPA) by Google and other online advertisers has made it easy for marketing managers to justify their online ad spending in comparison to the budgets used for television and other media. However, these metrics suffer from two fundamental problems: (a) they do not account for attribution, since they give credit to the last click and ignore the impact of other ad formats that may have helped a consumer move down the conversion funnel, and (b) they ignore the dynamics, since they only account for the immediate impact of ads. As firms spend more of their ad dollars on online search and display, managers and researchers alike recognize a need for more careful attribution adjustment that takes into account the journey consumers follow before conversion as well as account for the impact of ads over time. In this paper, the authors use time series models to infer the interaction between search and display ads and also capture their impact over time. Examining data from a bank that used online advertising to acquire new customers for its checking account, the authors found that display ads have a significant impact on search applications, as well as clicks. The majority of this spillover was not instant, but took effect only after two weeks. On the other hand, search advertising did not lead to an increase in display applications. However, search ads showed significant dynamic effects on search applications that made them very cost effective in the long run. Key concepts include:

- Classic metrics used in practice are highly biased since they do not account for the effects documented in this study. As a result, firms may be making suboptimal budget allocation decisions.
- Managers should carefully consider the interaction and dynamic effects of search and display advertising.

- In the study, revised measures of ad effectiveness lead to a very different budget allocation than the one used currently by the firm.
- Even though the proposed allocation gives credit to display due to its effect on search applications, the search ad budget should be increased by 36% from its current level due to its strong dynamic effects. The display ad budget should be decreased by 31%.

Author Abstract

As firms increasingly rely on online media to acquire consumers, marketing managers feel comfortable justifying higher online marketing spending by referring to online metrics such as click-through rate (CTR) and cost per acquisition (CPA). However, these standard online advertising metrics are plagued with attribution problems and do not account for dynamics. These issues can easily lead firms to overspend on some actions and thus waste money, and/or underspend in others, leaving money on the table. We developed a multivariate time series model to investigate the interaction between paid search and display ads and calibrated the model using data from a large commercial bank that uses online ads to acquire new checking account customers. We find that display ads significantly increase search conversion. Both search and display ads also exhibit significant dynamics that improve their effectiveness and ROI over time. Finally, in addition to increasing search conversion, display ad exposure also increases search clicks, thereby increasing search advertising costs. After accounting for these three effects, we find that each $1 invested in display and search leads to a return of $1.24 for display and $1.75 for search ads, which contrasts sharply with the estimated returns based on standard metrics. We use these results to show how optimal budget allocation may shift dramatically after accounting for attribution and dynamics. Although display benefits from attribution, the strong dynamic effects of search call for

an increase in search advertising budget share by up to 36% in our empirical context.

-

- question marketers are asking after reading comScore's new U.S. Digital Future in Focus report. Nearly 6 trillion display ad impressions were delivered across the web in 2012. But comScore research shows an average of 3 in 10 ads are never actually seen by their target audiences. That's causing waste, weaker campaign performances and a glut of poor-performing inventory that depresses CPMs (the price advertisers pay per thousand impressions). To improve performance in the coming year, display advertisers will demand more accountability and website publishers will reconfigure their site design and ad inventory, comScore predicts. Last year's largest online display advertiser is also one of radio's top spenders: AT&T. Other large radio buyers among 2012's top 10 display advertisers are Verizon and State Farm
-

It's Time to Move TV Ad Spending Dollars to Digital

James Dohnert | February 28, 2013 | 0 Comments

-

A recent IAB study has found that moving TV ad dollars to digital advertising can increase reach while lowering overall costs.

IAB officials say that moving 15 percent of a firm's TV spending dollars to digital ads can increase the reach of consumer-packaged goods (CPG) by over 3 percent in the 18 and over demographic. In non-CPG categories, the study found that incremental reach grew by over 6 percent on average in the same demo.

"This study documents that brands need both online media, especially digital video, and TV to reach consumers effectively," says SVP of research, analytics, and measurement at IAB Sherrill Mane.

"It's eye-opening to discover that viewers actually have an easier time naming the brand behind a TV commercial if they have had the opportunity to be introduced to the creative first on a digital screen. Marketers and media planners clearly need to start thinking about their digital buys - whether video or display - before they forge ahead with a traditional television buy, in order to optimize reach and effectiveness."

According to IAB's study, TV-only schedules for CPGs reach over 61 percent of the 18 and over demographic. While TV-only schedules for non-CPGs reach roughly 48 percent of the same demo.

When reallocating 15 percent of TV ad spend to digital platforms, CPG reach reportedly grew to over 64 percent for the 18 and over demographic. Non-CPGs that performed the 15 percent switch saw reach jump to over 54 percent with the 18 and over crowd.

In comparison, the IAB also found that reach in the aforementioned demographic only stands at over 6 percent for CPGs using an online-only campaign. While reach for online-only non-CPGs was measured at around 10 percent for the 18 and over set.

IAB's study found that launching campaign video ads online first is a good way to generate buzz. According to the group's research, an online-first strategy for video-based ads is the way to go for TV campaigns.

Statistics showed that online video had a stronger impact on consumers' general recall, brand recall, message recall, and ad likeability metrics when compared to TV ads. On average, the study found that consumers streaming 20 second video ads watched the full ad 87 percent of the time.

The study's outlook comes from research performed by Nielsen. Nielsen's numbers came from research performed over the course of 2011 to 2012. Data gathered by Nielsen research platforms was cross-examined with Census data to uncover demographic statistics

Pinterest Launches Web Analytics to Track Popular Content

Service for Brands and Bloggers Includes Tally of Impressions Inside Pinterest

By:
Cotton Delo
Published: March 12, 2013

How Does Facebook

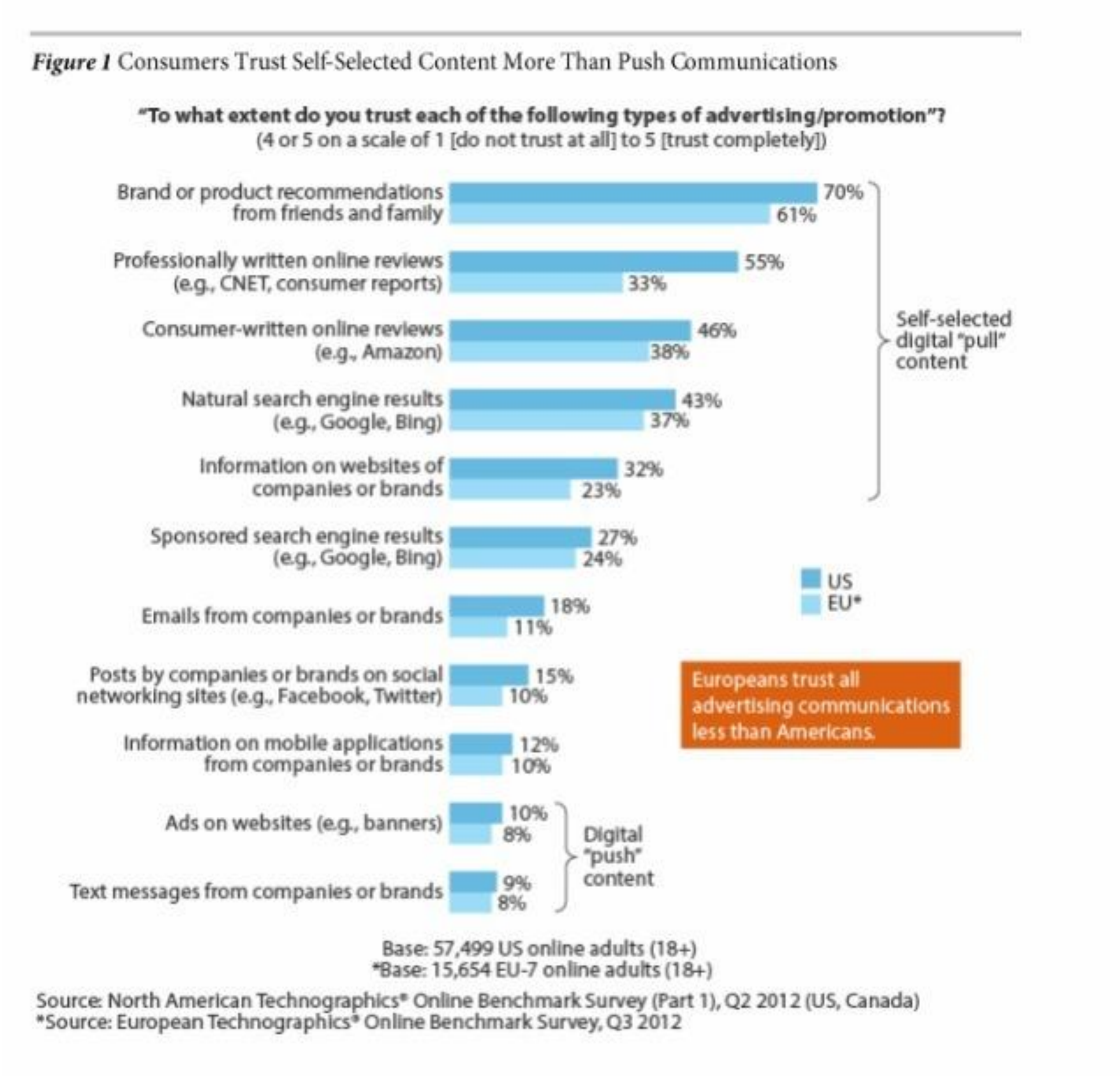
Seventy percent of consumers trust brand recommendations from friends, but only 10% trust advertising, according to a new report from Forrester Research.

The study, based on responses from 58,000 respondents, also found that 46% of consumers trust consumer reviews and 9% trust text messages from brands. The findings come after at least one Facebook partner has affirmed that the social network's Sponsored Stories — which are based on friend recommendations on behalf of a brand — are more effective than standard banner ads.

Forrester's report advocates branded content, which analyst Tracy Stokes writes "has the ability to create brand differentiating by bridging the gap between TV's emotive power and digital media's efficient reach." Stokes views branded content as a "pull" model vs. advertising's traditional "push" approach. Forrester defines branded content as:

Content that is developed or curated by a brand to provide added consumer value such as entertainment or education. It is designed to build brand consideration or affinity, not sell a product or service. It is not a paid ad, sponsorship or product placement.

According the Stokes' research, the need is more acute in Europe, where consumers are generally more skeptical about online ads and messages from brands.

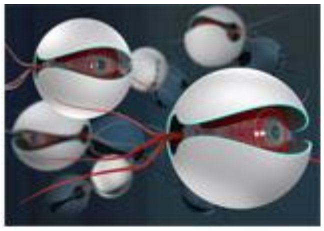


Marketers appear to have gotten the message. The report states that 79% of brands say their organizations are shifting into branded content. The problem, however, is that branded content is far from tried-and-true as a strategy. Writes Stokes: "For every Oreo or Old Spice there are hundreds of unseen messages and videos."

To Catch A Botnet

March 19th, 2013 - 10:17 amBy Zach Rodgers

- Like
- +1
- Tweet
- Share



Big Botnet Traffic

The growth of Real-Time Bidding (RTB) has created a paradox for those trying to root out ad quality issues of all kinds. On the one hand, the rise of viewability measurement and the relatively small number of scaled RTB marketplaces has made it easier to identify and police worthless impressions. But it's also easier for unscrupulous media sellers to make fraudulent inventory look legitimate, and then sell through exchanges -- creating something of a new dawn for bad actors.

The rising opportunity for shady media sellers is apparent in a botnet described this morning by London-based ad measurement and viewability firm [Spider.io](). Spider.io has observed 120,000 host machines on what it has dubbed the "Chameleon" botnet. It says these machines are driving traffic to a cluster of at least 202 websites, resulting in a minimum of 9 billion monthly ad impressions served.

This traffic often appears human, suggesting a high level of sophistication. Chameleon machines click on ads at a rate consistent with the general population – about 0.02% – and they even generate rollovers on 11% of impressions.

The sites receiving this non-human traffic are spread across several networks, but one U.S.-based firm in particular is strongly represented, according to sources.

AdExchanger spoke with several senior executives at this company, which owns 75-80 websites that sell billions of monthly impressions but lack recognizable brands. The company says it buys significant traffic from numerous sources, but denies owning or knowingly working with a botnet.

However these executives said they wouldn't be surprised to learn of ad quality problems on their sites – partly because they've observed strange things themselves.

Among those characteristics is a lack of variation in browser versions, the company's COO tells AdExchanger.

As it turns out, the browser version issue is consistent with what Spider.io has observed with Chameleon. From Spider.io's disclosure:

"The bot browsers report themselves as being Internet Explorer 9.0 running on Windows 7. The bots visit the same set of websites, with little variation. The bots generate uniformly random click co-ordinates across ad impressions."

But even as it has seen problems with its own traffic, the company has resisted overtures by companies representing advertisers. Its chief operating officer said the firm was approached by two viewability vendors who asked to run their tags, but declined to participate because "they wouldn't tell us how they do it."

Even viewability proponents are quick to point out that publishers receiving traffic windfalls from Chameleon and similar botnets may be unwitting pawns in another party's fraud scheme. Even so, they are large beneficiaries of that scheme, and there are large short-term incentives to look the other way.

Spider.io founder Douglas de Jager says, "Any publisher experiencing a huge growth in traffic should take responsibility for knowing where that traffic originates.

Media6degrees is among the companies very active in trying to reduce botnet traffic and other sources of fraudulent inventory.

Chief Operating Officer Andrew Pancer said, "We have seen botnet traffic grow significantly over the past 18 months. It's a big concern for us, especially as we all see the huge potential in programmatic buying."

You might like:

Global Media Shift: Online Tops Offline Usage

by Steve McClellan, Yesterday, 11:18 AM

- Comment (5)
- Recommend (5)
-
-
- inShare16
- Share
-

You are subscribed to the *MediaDailyNews* email newsletter.

- RSS
- Email
- Print

Tags
china, cross-platform, europe, latin america, media, online

For consumers of media worldwide, online usage now exceeds offline media consumption. Offline media such as TV, radio and newspapers still account for the majority of media time in mature Internet markets such as the Netherlands, Germany, the UK and the U.S.

TV remains the strongest traditional medium, per the GlobalWebIndex report, with average daily viewing time across all markets of 2.49 hours. U.S. TV consumption is the greatest, with an average 3.59 hours daily.

But overall, more media time is spent online than offline in 23 out of the 31 major markets tracked by the study.

Global consumption of digital media now accounts for 57% of daily media time. Overall, consumers now spend an average of 10.7 hours a day with all forms of media -- and 5.6 hours of that on digital, according to the study.

The report is a based on a survey of 32,000 respondents in 31 countries that was conducted in the fourth quarter of 2012.

The report also found that online consumption is heavier in rapidly growing markets such as UAE and China, where total online time accounted for 7.3 and 6.1 hours of average daily media consumption, respectively. In China, the report found, only 35% of media time is spent with traditional media.

"This data shows why it is so critical to build a holistic communications strategy," stated GlobalWebIndex founder Tom Smith. "Consumers worldwide have increasingly digitalized their media consumption and online now dominates the way they spend their day. This is a clear argument for online media to get a greater share of advertising spend, regardless of where you are in the world."

Consumers in Argentina have the most voracious media appetites, spending nearly 13 hours a day with some form of media, per the report. Japanese consumers spend the least time with media, about 7.56 hours a day.

Social media increasingly dominates the time that consumers spend online. The study found that globally it accounts for 48% of total digital time.

More on the report can be found here.

- **Google Launches "Full Value Of Mobile" Calculator To Help Businesses Measure Online And Offline Impact Of Mobile Marketing**
- **Ingrid Lunden**
-
- The market for mobile advertising is forecast to reach $11.4 billion this year on the back of explosive growth in smartphones and tablets, but companies like Google, currently the world leader in mobile advertising, are all too aware of a big issue that could trouble the industry longer-term: there aren't enough tools out there for businesses to measure how effective their campaigns are relative to actual sales. So the search giant is taking the bull by the horns and rolling out a new service to combat that: a calculator, called the Full Value of Mobile, that helps businesses that

use Google's mobile advertising services — specifically using AdWords — to measure how their mobile marketing translates into actual business, both online and offline.

- Perhaps not coincidentally, Google's calculator is launching on the same day that local listings service Yelp is releasing its own estimating tool for small businesses to measure the impact that Yelp is having on their business. It's like the old saying about buses.

- Google has already made some efforts in this space, for example by extending AdWords analytics into mobile, but as Johanna Werther, head of Mobile Ads Marketing, notes in a blog post, "with more work to be done to improve measurement tools, most marketers still account only for sales happening on a mobile site and aren't seeing the full picture."

- The calculator, she says, provides "simple equations and benchmarks" that speak to different aspects of a mobile marketing campaign. For example, how many people phone you as a result of an ad (using Google's automatic dialling feature); and what impact is a cross-device campaign having versus one across a single platform? The metrics, in a sense, bring into context the many features that Google has been building out for the platform, and provide a way for businesses to better access those analytics. This is important for small businesses in particular, who may not have the budgets for larger campaigns and teams of people to do this work for them.

- Google claims that the set-up for using the new calculator takes only about 30 minutes, and other metrics that are revealed include total value, value per click, and ROI for a campaign. "You'll also see how cost-effective your mobile CPAs are," Werther notes.

The Recency Bump: In Retargeting Timing Is Everything

Mar 14, 2013 at 11:46am ET by Frost Prioleau

-
-
-
- inShare36
-

In retargeting, as in life, timing is everything.

There are two major factors that make search marketing so successful. The first is marketer control at the keyword level. That's about as granular as intent-based advertising gets.

The second is that search ads have immediate recency. Meaning, the time between user intent and ad impression is nearly zero. As soon as the consumer hits search, the relevant ad is right there for him or her to click. This is one reason click through rates in search blow away social CTR. We refer to this impact of immediacy as the “recency bump.”

Now, retargeting users with display ads enables marketers to benefit from the recency bump beyond the search engine results page. And, the triggering event doesn’t even have to be a search. A site visit or even an offline event can trigger time-sensitive display ads that cash in on recency.

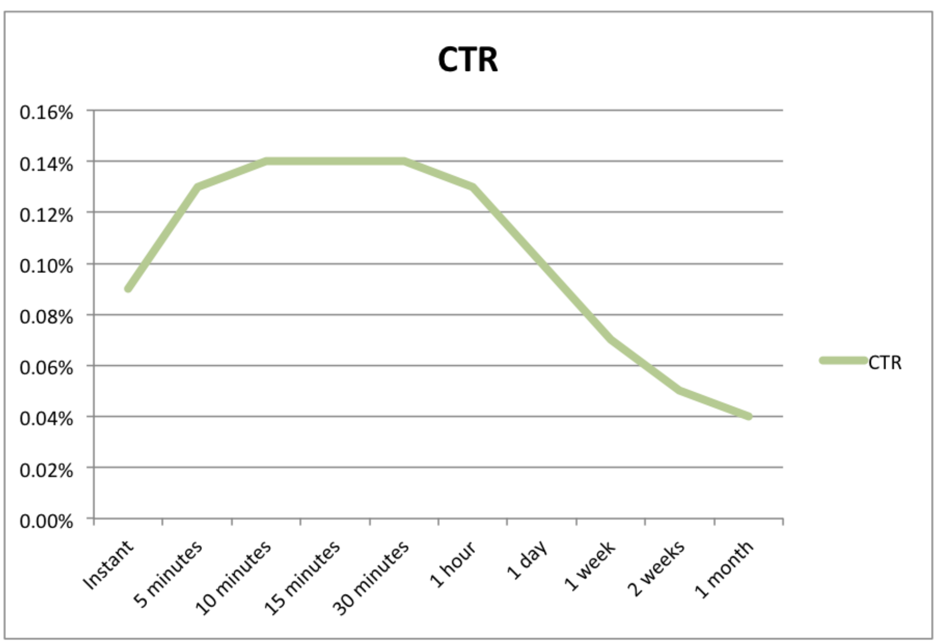
Why Recency Matters: The Proof Is In The Data.

Although the recency bump should make sense to marketers on an intuitive level, recency is the forgotten dimension of retargeting.

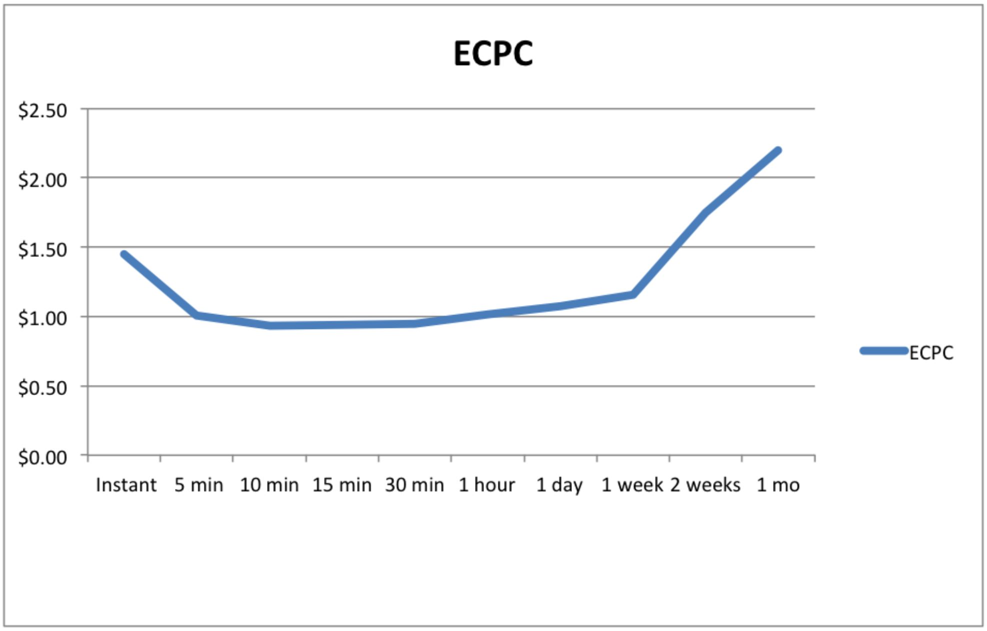
The data bears out the importance of recency. Simpli.fi CRO James Moore recently reported data recency findings collected from more than 200 display campaigns in the personal finance industry. To give you an idea of what we’re looking at here, keywords included terms like mortgage, debt, loan, credit. You get the idea.

Here’s what he found.

First, recency drives up CTR. We’ve learned that CTR and conversion rates are highest within one hour of the campaign-triggering search. Once the search ages beyond 24 hours, the numbers fall off dramatically. In fact, CTR begins its decline as soon as 30 minutes after the triggering event. The chart below illustrates this point.



Meanwhile, recency drives down cost per click (CPC), if you're smart about it. It's up to you (or your retargeting platform) to find that sweet spot between the aggressive bidding war in the seconds immediately following the action and the period so far down the road that your ad is no longer relevant to the user. The chart below highlights the CPC sweet spot between five minutes and one hour after the triggering event.



Search, Site Visits & The Customer Lifecycle

Now, let's take a look at how the recency bump impacts specific retargeting scenarios.

Recency and Search Retargeting. Search data speaks volumes about a consumer's interests, likes and dislikes, and intended behavior. The shelf life of the recency bump in search varies by industry and by keyword.

For example, if you're running a pizza delivery company near an airport, you'll only get a couple minutes to convert someone searching for "deals on pizza" into a buyer. On the other hand, if you're selling real estate or car insurance, your recency window will hold up better over time.

Recency and Site Retargeting. You're probably paying to drive traffic to your website. Unfortunately, up to 98% of site visitors don't convert to a newsletter opt-in, a coupon download, or a product purchase. You don't have to lose that visitor, especially if you act fast.

The key to bringing them back and getting them to convert is to be cognizant of where they're at in the funnel. Are they doing basic research or simply browsing? Good. You've got some time. Did they abandon their shopping cart? You must get them back to your site *fast* before they forget why they put your product in their cart in the first place.

Recency and Customer Lifecycle Targeting. Retargeting use cases tied to online behaviors like searches or site visits are obvious. But what about timing your campaigns based on offline actions like retail visits or purchases?

By investing in a retargeting platform that ties into your CRM, you can do some pretty cool things. An electronics store can follow up immediately on a television purchase with ads for cables or speakers. A car dealership can turn on its service department ads in six-month intervals after a new vehicle purchase.

When it comes to targeting campaigns based on the customer lifecycle, the imagination and data hygiene are the only barriers to success.

The Impact Of Ad Buying Technology

When we think of retargeting campaigns, we rarely think about the element of time. Is that due to our limited points of view, or is it a function of a market littered with lackluster buying platforms? I think it’s the latter.

This is unfortunate, because there’s great technology out there. You just have to find it.

The right technology should programmatically adjust bidding based on the age of the search, site visit, or customer lifecycle triggers. All marketers can benefit from the recency bump by taking advantage of the critical – yet overlooked – impact of time.

Opinions expressed in the article are those of the guest author and not necessarily Search Engine Land.

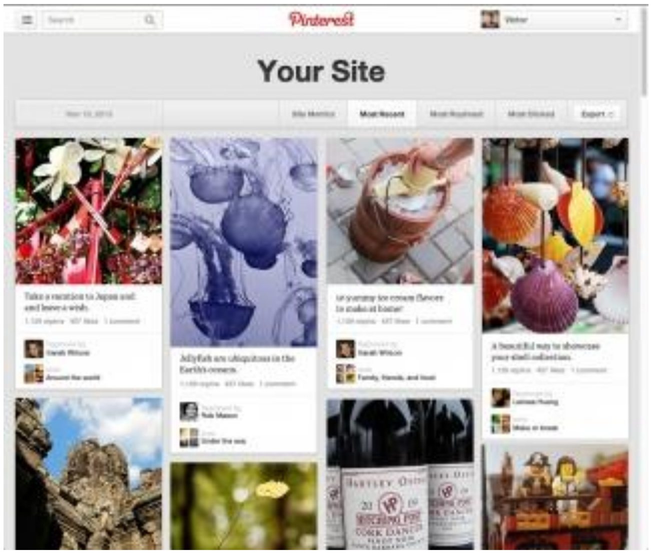
Pinterest Launches Web Analytics to Track Popular Content

Service for Brands and Bloggers Includes Tally of Impressions Inside Pinterest

By:
Cotton Delo
Published: March 12, 2013

Pinterest today became more measurable to brands and bloggers alike by launching web analytics that shed light on how images shared there resonate with users.

Available to any account that's gone through the automated verification process on its web site, Pinterest's new analytics tool lets accounts track how many people have pinned content from their sites, how many people have visited their sites from Pinterest, and how many Pinterest impressions their content has generated. It will also show a selection of the most recent pins captured from their site and the content that's been re-pinned and clicked on the most within Pinterest.



View of recent pins from a user's website now offered by Pinterest.

RELATED STORIES

[Pinterest Image Data Proves Valuable to Brands]

Startups Curalate and Pinfluencer Provide Data In Absence of APIs

[Group M Next Taps Pinterest Analytics Company Curalate]

Agencies Will Use Startup's Software for Tracking Images on Social Site

Marketers are keen to know what content is popular on Pinterest, since it gives them a window into consumers' ever-changing preferences.

For example, for marketing purposes, a retailer might want to know that red is the most popular color of a particular style of shirt. But in the past, it would have had to work with a startup like Curalate or Pinfluencer that scrapes Pinterest data to get analytical insight into its content's performance. Pinterest hasn't yet opened up an API that would allow developers to build applications on top of the service, and harvest the data.

Cat Lee, Pinterest's product manager for platform, said the idea is to help brands with their content strategy. Now they can see which pins are popular on a given day, for example, and highlight those on their website to juice Pinterest sharing even further. She acknowledged a continuing opportunity for startups that can do custom integrations with brands, helping them map out the connection between their Pinterest presence and sales, for example, and execute contests and promotions on the platform.

"There will continue to be a need for the companies that provide an even deeper level of services for businesses," she said.

Curalate's CEO Apu Gupta said he views a Pinterest analytics product as a boon to small businesses instead of competition for his company, which is focused on charging big companies for Pinterest analytics. (Pinterest's own product is free.)

"Pinterest is driving material revenue to small brands, and they don't have the means to afford some of the more robust solutions that are available to enterprises," he said.

However, companies specializing in Pinterest measurement may need to evolve their feature set to keep the business of big brands. Hearst Digital was among the publishers beta-testing Pinterest web analytics over the last weeks, and its director of audience development and social media Ross Geisel said his team was still on the fence about whether to keep working with a startup. (Hearst has tested both Curalate and Pinfluencer.) There's something to be said for getting data direct from the source, he said.

"The other services are scraping that content," he said. "So far as the analytics trust factor, I feel more comfortable with the numbers I'm getting from Pinterest."

Native Video Ads Outperform Pre-Roll Ads

by Gavin O'Malley, Yesterday, 4:44 PM

- Comment

Continuing to push the promise of scalable "native" advertising, Sharethrough just released some Nielsen-vetted data, which -- surprise, surprise -- reflects well on the model formerly known as the "advertorial."

Using Nielsen's Online Brand Effect survey tool, Sharethrough compared the effectiveness of its native video ads in affecting brand lift metrics -- like awareness, purchase intent and favorability -- with that of pre-roll video ad units.

The result? Sharethrough's native video ads outperformed pre-roll ads for five advertisers, regardless of their campaign's category or marketing objective.

In one case, the findings from a Jarritos campaign -- the primary marketing objective of which was to drive brand favorability – showed native ads generated 82% brand lift among users exposed to the ads. By contrast, pre-roll units generated 2.1% brand lift among users exposed to the ads.

For the study, Sharethrough served the same creative message in both pre-roll and native ad formats for five advertisers' campaigns, though the pre-roll ads were restricted to 15 or 30 seconds in length.

Exactly what makes an ad native? "Native advertising has definitely become one of the buzz words of 2013, and the industry is still coalescing around a single, agreed-upon definition," according to Dan Beltramo, executive vice president, product leadership for ad effectiveness at Nielsen. "For the purpose of this case study, we defined native video ads as user-initiated ads that are fully integrated into the natural site experience and do not have a limit on video length."

As for whether Nielsen has found native ads to be more successful than pre-roll ads, Beltramo said: "There are too many flavors of native ads to make a general statement like that. There are many factors that play into an ad's success -- the creative itself, the site it appears on, the frequency with which consumers see that ad."

Sharethrough boasts a network of millions of blogs thanks to direct partnerships with WordPress, The Awl Network, Forbes, Thought Catalog, and other platforms.

Founded in 2008, Sharethrough is a privately held company based in San Francisco, Calif.

Formerly named Vizu Ad Catalyst, the Nielsen Online Brand Effect tool endeavors to capture consumer sentiment with Web polls, which ask consumers to measure how individual campaigns performed against their primary objectives.

Native advertising is a more insidious encroachment into consumer media content than any prior form of advertising. Billions of banner ad impressions may annoy readers, but they don't misdirect users by disguising the source of the message — and this is exactly what native does. If publishers and marketers aren't careful, they are going to poison the well of digital ad communications by breaking consumer trust.

First, understand why publishers are so tempted to make native their future. Digital outlets are getting creamed by RTB on online ad inventory that avoids the comparatively high prices publishers charge for ads. If you want to reach a business executive, you could pay The Wall Street Journal a $17 CPM on its website, or you could use DSP audience targeting to reach the same executives at a $2.50 CPM. eMarketer estimates RTB will account for 19 percent of all U.S. display advertising in 2013, and if you factor in the lower costs per impression, that translates to about 44 percent of all online display impressions. (Any publisher saying RTB is substandard ad inventory must now be prepared to explain why nearly half of her inventory is lousy.)

Publishers see native as a way to convince marketers to spend more directly with them — and to charge higher ad rates. Like all marketing intrusions, native has a spectrum of annoyance; I classify it into three categories: "The Frame," "The Insertion" and "The Misdirection." At each level, native is growing more problematic.

"The Frame" is the most innocuous of sponsored content, where an article has an intro or ending noting it is sponsored by a marketer. The sponsor acts as a wooden frame, holding the content up for your view but not in the picture. No real issues here.

"The Insertion" is where the actual content is produced by a marketer and mirrors real stories or videos. Examples include Quartz.com or The Huffington Post's entire section of sponsored content, where Chevron writes about the future of energy or IBM notes it is a platform for sharing comments about vampire movies. Such native insertions can cause trouble, because even when the source is disclosed, the attempt of the content to look native confuses readers. The Atlantic caught fire for its Scientology sponsored post that, while using different font, a different color headline and a colorful "sponsored" tag at top, discombobulated the audience accustomed to The Atlantic's high editorial standards.

"The Misdirection" is a deeper level of trouble, where content is specifically designed to misdirect the source. Facebook Beacon was a classic example, in which Facebook broadcast your commercial purchases on other websites to friends. Beacon scared the wits out of Facebook users, with the potential for guys buying lingerie for girlfriends being exposed to their wives; the deeper issue was Facebook was misrepresenting itself as a promoter of a product without your consent. IZEA has washed over similar rocky ground with its past paid posts, or acquisition of Be-A-Magpie, which helped marketers buy the minds of tweeters. All of this could be disclosed, but the intent is clearly to misdirect the recipient.

And that's the rub. Native confuses the source of the message, despite disclosure, and in human communications, understanding the source of anything is critically important for us to judge value.

If this sounds like a silly debate in ethics, consider what has happened with any communications network that grew polluted. We've been down this road before. Telemarketing overuse led to the Do Not Call list; email spam has led to spam filters. Myspace once had too many ads, and users fled to Facebook.

Native advertising has challenges for marketers, mainly that it is hard to control scale and frequency (although new "native networks" such as Sharethrough or BuzzFeed are working to solve this). But the real issue concerns digital publishers, which must face a world where consumers now spend 37 percent of their digital media time on mobile, may rush too quickly to use native ads to defend their revenue and despoil the remaining value they provide.

Oh, publishers. If you pollute what little you have left, don't blame me if I skip you entirely tomorrow for a mobile app that aggregates every whiff of news from your category. Information may want to be free. It also needs to have integrity.

Image via Shutterstock

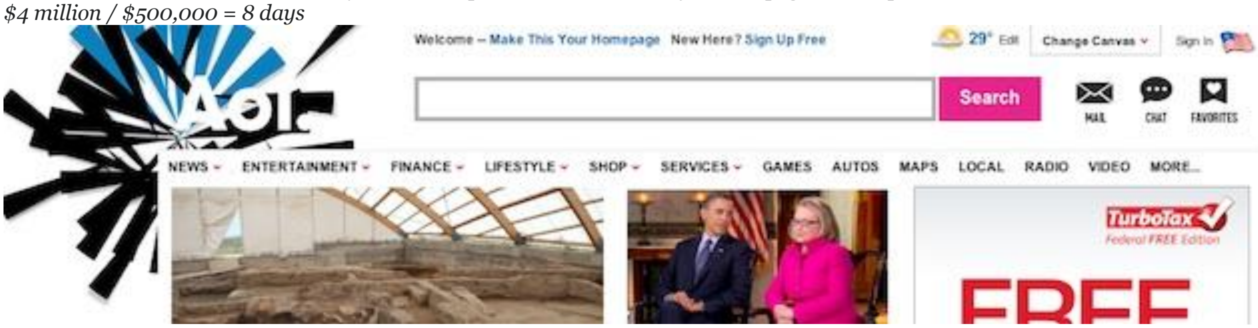
What a $4 Mil. Super Bowl Ad Could Buy in Digital

- *Jack Marshall*
- *01.28.2013*
-

TV ads during the Super Bowl are expensive: $4 million for 30 seconds of media, to be precise, and that's before paying for things like production costs, agency fees and celebrity endorsements. They do, however, allow advertisers to reach over 100 million viewers at a single time — and be part of the cultural zeitgeist.

The digital industry regularly complains it doesn't see the level of big-brand ad investment TV does, so we thought it'd be interesting to figure out how far $4 million would go in the world of digital advertising. Here's what it'd buy, in theory at least:

A portal roadblock every day for at least a week
AOL, Yahoo and other major publishers sell day-long homepage takeovers for around $500,000, media buyers report. That means $4 million could ensure your ads are plastered all over a major homepage non-stop for at least a week.
$4 million / $500,000 = 8 days



Over 100 million video impressions on Hulu
According to media buyers, Hulu currently sells its video ad inventory at around a $30 CPM. Therefore:
$4 million / $30 CPM = 130 million impressions

200 pieces of BuzzFeed-sponsored content
Agencies say BuzzFeed typically charges around $100,000 for four or five pieces of branded content. Based on that figure, $4 million would buy a lot of branded content.

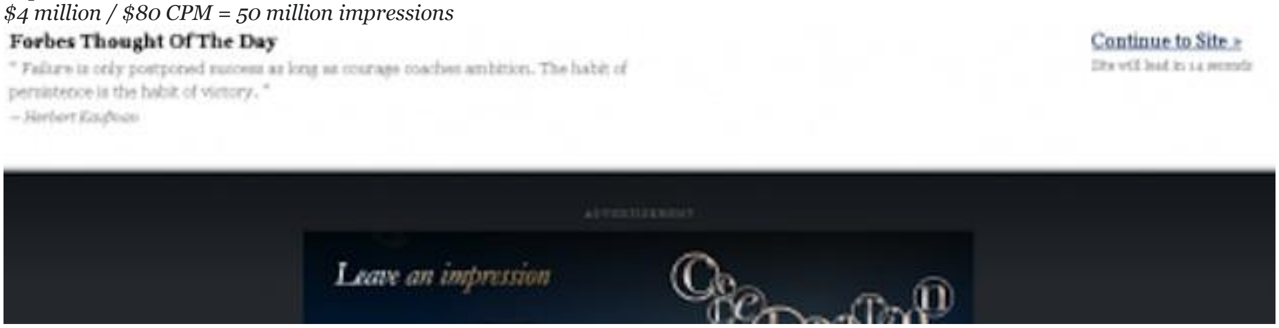
$4 million / $20,000 = 200 pieces of content.

An eight-day YouTube homepage ad
Instead of a Super Bowl ad you could buy out YouTube's homepage ad units for at least 10 days, based on a price tag of up to $500,000 a day.
$4 million / $500,000 = 8 days

Twitter's Promoted Trending Topic every day for a month
Promoted trending topics on the social network currently sell for up to $120,000 a day. Based on that figure, $4 million would afford you the paid placement every day for at least a month.
$4 million / $120,000 = 33 days

A lot of impressions on Tumblr's "Radar"
Tumblr's Radar ad unit costs $25,000 for 6 million impressions, not including any earned media those impressions may lead to if and when users share that content around the network. $4 million could, in theory, buy over 900 million impressions. In reality, Tumblr would, of course, have difficulty delivering them, and reach would be limited.
$4 million / $120,000 = 33 days

50 million Forbes.com first-page interstitials
Media buyers say Forbes charges around an $80 CPM for its welcome interstitial ads. At that price you could buy around 50 million impressions, but even if every impression hit a unique user, that'd still only be half the potential audience for a Super Bowl ad.
$4 million / $80 CPM = 50 million impressions

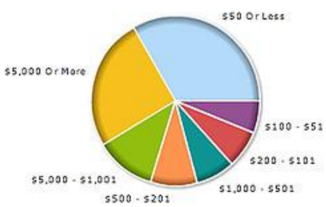


Over 100 million video network impressions
A typical video ad network buy is charged in the region of $10 CPM. On that basis, $4 million could buy around 400 million impressions.
$4 million / $10 CPM = 400 million im

It?s a Time to Remain Conscious Towards Cheats of Adsense Fraud

January 28, 2013 by Business Expert
Filed under Adsense

Leave a Comment



It's worthwhile to examine Google's definition of Google AdSense and Click Fraud, before delving deeper into "AdSense Fraud" .
Google AdSense fraud is one of the diseases that plague the Ad Words advertisers. The AdSense program essentially allows website publishers/owners to sign up with Google, enabling them to display Google Ads on their sites. These publishers essentially act as "Google Partners". The ads chosen by the Google both for display are contextual and the ads are related to the contents of the publisher's website, more specifically that particular web page. The intent for Google is to capitalize on the traffic to these (in practice) niche sites and provide highly direct targeted traffic to the advertiser. A subset of the users of the Google Partner website, click on those ads and Google charges the advertiser per click. Google shares the booty with the website publisher but the revenue sharing ratio falls under Google's "undisclosed "criteria. While the exact amount can be reverse engineered, the take home lesson is that the final amount is proportional to Google's income from that click.
In theory it's a match made in heaven. The advertiser gets good ROI through targeted traffic, the publisher gets to monetize the traffic on their website and the web browser gets to buy that classic CD that he couldn't live without. Not to mention that Google gets a wad of cash. The gods of lucre smile beneficently on all.

Unfortunately, this happy façade hides blemishes. Severe ones. For all Google AdSense Publishers are not created equal. While (we daresay) many advertisers have a genuine website, providing a valuable or interesting service to the world wide community, there is a significant number of unscrupulous operators who are out there to prey on the advertisers. These creatures of the night (and we will explain later why we use that term), make websites for the express purpose of milking AdSense revenue.

Visit now – Picmoney.com

This category of fraudsters deserves a taxonomy of its own, which we have developed (the other categories, click fraud and impression fraud are even bigger problems in some industries). In the interest of not being gender biased, we have alternated between genders. We hope that our lighthearted tone does not mask the revulsion that we feel towards these cheats.

Regressive Fraudster (aka ClickMonkey):

This guy is at the bottom of the food chain. Inspired by the riches of his neighbor Ms. Jones, who has been making more than ten grand a month in AdSense revenue, he plans a course of action. He "invests" in a clickbot software (a simple google search reveals many) and gets a list of anonymous proxy addresses. He then goes to register a few domains and hires someone off of elance to create a "network of sites"and " click bot ". He hopes that the interlinked sites will provide each some "link popularity" and increase his page rank. If only it were that simple! He then proceeds to use the 30 dollar clickbot to start clicking on the sites. Or he could click on them himself manually using the proxies. We don't call him click monkey for nothing. He clicks and clicks all the way to see his account getting banned. No banana for this monkey! His calls of despair to google fall on deaf ears. This person is likely to quit, but sometimes retries to get up the food chain, the Wanna -Be-Fraudster.

Wanna -Be Fraudster (aka BOZO):

This girl searches for high paying keywords like "home loan equity" (current ad words rate: 45 dollar), or "web hosting" (ad words costing 20 dollar). She correctly guesses that the AdSense payout is proportional to what Google earns and therefore homes in on such words. Her strategy is to make a page with contents that are appropriate for the targeted high payout keyword. She moves ahead by clicking on the link multiple times and recruits friends and family to give them a click. Or ten!

Little does she know that Google has a 45 day inspection period before she get her nubby little fingers on that cash. With little to no knowledge of Click through Ratio, her greed couples with her ignorance. Seeing her ill-gotten paper wealth multiplying in her AdSense interface, she increases the clicks. Google however inspects the CTR and throws a fit when they see a CTR exceeding 20%. Furthermore, Google notices clicks mostly originating from a few IP addresses and that essentially seals her fate (or rather docks her earnings). That virtual cash is now just some deleted bytes on a hard disk on Google's servers. She moans, nay she rail against the cruelty of Google's policy. Some of these people wisely cease and desist such activities, perhaps philosophizing about the NFL (no free lunch) theorem. Others however see it as ground school for the next stage of nefarious behavior. The Almost-There Fraudster.

Almost-There Fraudster (aka SmartAlec):

The archetypical ATF is supremely confident in his ability to fool Google. Like the BOZO, he looks for high paying keywords and makes appropriate website(s). Let's assume that he is in a third world country, just to make the case more interesting. The case described here is 1 year old news. He has read this article and taken the learnt the subsequent lesson. He knows that that the clicks from the IP Addresses of USA, UK & Canada are worth much more than the clicks from the IP Addresses from the third world countries. He therefore seeks to befriend people from such IP addresses by logging onto messenger services.

This way, he gets the unique, unrelated IP clicks and (he hopes) that Google is fooled. Remember "creature of the night". Well, these people typically are more than a few time zone removed from the US or Canada and therefore are up at odd hours whenever they feel that their targets are most likely to be active. Plus they sometimes have to deal with "inconveniences" like a day job.

AT fraud thinks that the clicks he obtained by trolling on these sites is a job well done. He has got clicks from the IP address of his choice .. An interesting factoid is that for AdSense, state also matters. Clicks from Washington and New York State have the highest payout for AdSense Fraud.

He has just one problem. His tragic flaw. While he worked so hard to get the unique IP and high earnings, he is not able to maintain a good CTR. He is likely to cross the limit of 30-40% of daily CTR and 10-20% of overall CTR. He ends up in the same purgatory as the BOZO. The account is banned, and he gets the abominated email. Yes, the "AdSense account closure". Almost-There is never good enough in this nether world of AdSense gaming. Although it is possible that he would have made a few thousand dollars before the punishment catches up to his crime. Crime doesn't quite pay, now does it? Well, gentle reader, unfortunately crime _is_ paying to the next category. Fraudster Maestro (aka Satan's Spawn).

Fraudster Maestro (aka Satan's Spawn):

This category of fraudsters is the most sophisticated and rarely gets caught by google . She has researched the high paying keywords as well as the CTR issues well. She has the smoothest lines in the business of soliciting clicks. She can flirt online, and ask to click the "link" for her picture. Or she may claim that clicking the link causes the hungry child to be fed in Ethiopia. Let's follow a typical "simple" chat session:

US User: hello

FM Fraud: what are your coordinates, handsome?

US User: NY, NY

FM Fraud: Oh! Wish I could be there. Can you help out a damsel in distress?

US User: sure

AT Fraud: I have made a site and want to see if all the links on this page are working or not. Can you please click on the links and see if the other page loads?

US User: Sure. Link?

FM Fraud:www.fraudstersite.com/high-value-keyword-page.html

Please generate and paste your AdSense code here. If left empty, the default referral ads will be shown on your blog.

US User : wait! Yes I checked all the links and they are working fine.
FM Fraud:

Why does this matter? Google has dominated online advertising for a host of reasons, but the chief one is the measurability of its ads. When a user clicks on a link, that sparks a storm of data used by Google and its advertisers alike to tweak their next campaign. Search-engine marketing is now a science rather than an art.

By Neicole Crepeau, Contributing {grow} Columnist

Native advertising. It's all the buzz. Marketers are enthralled with it, and studies suggest spending on native advertising will increase significantly in 2013. Let's take a reality check of this big trend.

Why all the excitement?

Traditional ads that display on blogs and publisher's sites are easy to spot. That's led to what advertisers call "ad blindness," the tendency for readers to ignore ad blocks on websites. Native advertising helps counter ad blindness by embedding the advertising into the site more subtly.

Definitions vary, but in general, native advertising is content presented in a way that closely fits the tone and style of the online publication where it is shown. Facebook's sponsored posts and Buzzfeed's presented-by stories are oft-cited examples. Native advertising goes beyond this, though.

> Native advertising is part of a general trend of blurring the lines between paid and earned content
>
> Click to share

Native advertising blurs the lines between paid and earned content, and it's creeping into the blogosphere as well. More successful bloggers are accepting payment for posts and links, and establishing all manner of sponsorships and partnerships whereby they promote and write about companies and products for pay. Most of the bloggers I know appear to be responsible and are following the FTC disclosure rules. However, since those rules aren't well enforced, it's unclear how many bloggers and publishers aren't giving disclosures.

The opportunity for bloggers

As a blogger, I've been approached in the last year with several native advertising/sponsored content opportunities. They ranged in form. Some would have me produce the content, usually as an article that looks much like the publisher's content except for my bio at the end. I would then pay to have it hosted on the publisher's site, with links to the content embedded on the publisher's site in such a way that they look like links to the publisher's own content.

In other cases, the opportunity was to jointly-develop content development/presentations, such as joint webinars along with white papers I'd produce. I would pay for run-of-network promotion.

In yet other cases, I'd pay for advertising or a white paper promotion, but as part of the package, I'd also provide information to the publisher about a product or topic. The publisher's own writers would then write and publish an article on my product/topic. I was told that this was done to keep the content "unbiased" and accurate — but since I would be paying the publisher, how unbiased could it really be?

You can see how fuzzy the lines are getting. As the amount of native advertising and sponsored content rises, we'll witness more complex and blurred business relationships between bloggers/publisher and advertisers.

So what's the problem? Trust.

We all want to see our favorite bloggers find a way to earn a living from their content. And, as I said, many of these bloggers are putting the requisite disclosure in their promotional posts.

Yet … even though I know they are disclosing relationships, **I suddenly find myself skeptical of any mention of a product on those blogs, especially if there's a link to the product site.** Now that I know these bloggers are earning money by promoting businesses through their content, I can't help but be suspicious of any blog post that turns into an advertisement.

There's no reason to believe Native Advertising will continue to be effective

Click to share

I expect I'm not alone.

Consumers avoid ads. There's no reason to believe they won't be able to see through native advertising on blogs and avoid these blogs, too.

How is Google making money on Native Advertising on publisher sites? They aren't.

Click to share

So, given that advertisers will jump on and drive the native/sponsored content wave, and that consumers will inevitably see through the trickery, what does it mean for the long-term future of native advertising and sponsored content? I can see several possibilities:

- **Native/sponsored content becomes less effective.** That's pretty much a given. As consumers become familiar with the new native advertising territory, they will be less likely to click on the content (except perhaps for content like Buzzfeed's that is purely entertainment with branding).
- **Consumers abandon bloggers/publishers that are clearly being paid.** Bloggers/publishers invest in building a following, which is what enables them to monetize. Yet, it's the regular readers who will most easily spot the monetary influence. (A first-time visitor to a site may not as easily distinguish paid versus unpaid content, when advertisers and publishers are working hard to hide it.) As the regular readers become less trustful of the blogger/publisher because money is now clearly in the picture, they may abandon the site. That would create a real Catch-22 for bloggers who become successful by building a following, but need to make a living from their blog.
- **Smaller and independent bloggers/publishers are favored by readers.** Readers will probably begin to show a preference for smaller bloggers and publishers who are keeping it clean. Similarly, business blogs (sites that are creating content solely for the purpose of promoting their own business and not taking money from other businesses) may be considered better sources of information. Sure, they have a bias, but they have only one bias (promoting their business) and it's easy for a reader to account for.
- **People become more willing to pay for content.** With the increased gaming of review sites and an increased mistrust of "free" content, users may prefer to pay for content from journalist and analysts. Especially when researching large purchases.
- **Google works against native advertisers.** How is Google making money on native advertising on publisher sites? They're not. Native advertising is an alternative to AdWords, and currently it's mostly a direct publisher-to-advertiser play. Anything that threatens Google's ad revenue is likely to become a target for Google. Given the Panda update which focused on ensuring high-quality content, and the fact that native advertising siphons money from Google, it's likely that

> Google will adapt its algorithm to penalize bloggers and publishers using native advertising or sponsored content. Or, the company may find a way to enable native advertising through its network.

I don't know exactly where we'll end up, but I'm sure that native advertising won't be a panacea for advertisers. The web is an ecosystem. When a new element, such as a new ad format, is introduced users adapt to it and change their behavior. In this case, the likely change is one of mistrust, which will undermine the native advertising/sponsored content monetization strategy in the long run.

Are you starting to see any of this cropping up in your web reading? What impact is it having on you?

Neicole Crepeau** is the Senior Marketing Manager at Vizit Corporation, and blogs at Coherent Social Media. She's the creator of* CurateXpress*, a content curation tool. Connect with **Neicole** on Twitter at **@neicolec

DATA MANAGEMENT PLATFORM-Marketers who use DMPs have access to a powerful tool. They can achieve consistent segmentation and precisely target their online audiences. A good DMP will offer insightful analytics reports that allow marketers to learn more about their customers. However, unless marketers understand what they want and how they want to use it, then they may not fully realize all of the aforementioned benefits. Here are a few things a marketer should consider before beginning a DMP implementation (of course, a BlueKai Strategic Services Consultant is also a great resource to leverage in developing an effective approach

WordStream founder Larry Kim said that overall CPCs fell an average of 15% during the past year, which is great for advertisers, but Wall Street gets nervous. "I think falling CPCs can be good for Google, provided you take a longer-term view that providing ROI to advertisers is critical for Google's business model to be successful in the long run," he said.

It likely won't surprise you to read that nearly everyone knows how to click past banner ads, watch the required five seconds of an ad before skipping it to go on to a video, click out of pop-up ads, and fast forward through commercials during television programs.

Combine that with the fact that we're spending more and more time on the social networks, and this year proves to be an interesting time for communicators.

Native advertising is a term you're going to hear a lot about in 2013, and it's going to affect how you create content.

You already see some of this through promoted posts on Facebook and sponsored tweets on Twitter because many PR professionals are charged with carrying out both. Now the lines between advertising, communications, and marketing blurs even more.

Examples of native advertising

Native advertising integrates high-quality content (what I'll refer to as pull marketing vs. push marketing of the traditional media) into the organic experience of a given platform.

This means the content is so complementary to the user's experience on the platform, it doesn't interrupt the flow. People are willing to comment, "like," and share because it feels like it belongs there.

For instance, Jay Peak, a ski resort in Northern Vermont, asks skiers to tag Instagram photos that best exemplify what they love about the mountain. It's user-generated, visually compelling content.

Of course, there has to be a separate strategy for native ads, but as communicators we have to think about how we create content that integrates with our sister disciplines.

Implement native advertising

To implement native advertising, we have to think about a few things:

- Do our users trust us?
- Does the brand have integrity online?
- Who is the best person (or team) to implement this?
- Do we need journalists, designers, and media buyers on our communications team?
- Should we outsource some of the content creation]to keep things fresh consistently?

Too often, organizations use the social networks to push their messages out, as they're accustomed to doing through traditional methods. Native advertising requires a complete shift in thinking and it won't be easy—particularly with those clients or bosses who are used to leaving messages in the marketplace for a year or more.

Today you can't leave a message out there for five minutes, let alone an entire year. Some of you may already be doing some education around how to be *social* and engaging on the social networks.

Take that a step further in 2013 and implement native advertising into your communications programs.

Gini Dietrich is founder and CEO of Arment Dietrich, Inc. A version of this article originally ran on Spin Sucks and on the Airfoil blog.
(Image via)

Real-Time Bidding Myths Busted

by Alex Gardner, Friday, Dec. 21, 2012

More and more publishers are contemplating the value of the real-time bidding (RTB) model, but concerns are keeping many from taking full advantage of it. Some publishers fear that with RTB, they are losing control over how access is being granted to their inventory, while at the same time potentially reducing ad quality standards. Others fear the platform is too complex and requires too many resources in order to adapt to publishers' needs.

It's not surprising, given the fast-paced and often confusing nature of the space, that these misconceptions have been formed -- but they are misguided. The truth is, RTB can represent a meaningful addition to a publisher's monetization strategy. To do so, however, requires a clear distinction between fact and fiction.

Here is my attempt to clear up some of those myths that publishers hear about RTB:

Myth #1 – What's good for buyers is bad for sellers.

Fact – Publishers are in the driver's seat, and make the decisions.

Publishers decide who gets access to what impressions and at what price, and these decisions are based on real pricing intelligence derived from actual bid data.

With RTB, buyers are looking for more control of their buys, specific impressions and a higher degree of transparency and granularity. These demands from buyers add to the concern that publishers fear the most: cannibalization of their inventory, ultimately leading to an erosion of their direct sales channels.

These concerns can be eliminated if publishers are empowered by their channel partner, such as a sell-side platform (SSP), to make their impressions available the right way through the RTB model. Publishers can use a wealth of information and controls to help them strategically enable the demand they wouldn't otherwise have access to via direct sales. This creates a win-win for both publishers and buyers. Publishers are able to make their inventory available to buyers in a way that not only protects their direct channel, but also enhances the depth and breadth of those relationships, while opening up new revenue opportunities. Buyers get what they want, while working within a framework that publishers are confident and comfortable with.

Myth #2 – An impression is an impression is an impression.

Fact – Environment really does matter.

The common publishers' concern is that value is determined at the impression level only, and they lose when a buyer that wants high value audiences ends up finding them on a cheaper quality site for a cheaper price. The reality is that all impressions are not created equal -- and environment does, in fact, play an extremely important role in advertisers' willingness to bid.

The move toward quality that continues in our industry is by no means lost on RTB. Recent articles identifying the major buy-side concerns relating to the glut of low-quality impressions (e.g., Torrent sites and manga sites) being represented across numerous exchanges, in addition to industry momentum around viewable impressions, all serve to validate the importance of environment and the value of one impression over another.

Myth #3 – The machines are taking over.

Fact – Relationships are more important than ever.

Despite the automation inherent in the RTB model, people still need to be working with one another. Publishers that develop relationships with demand-side platforms (DSPs) and agency trading desks (ATDs) are in a position to directly affect the consideration and value among those buyers. At the end of the day, people like to work with people they trust, and leveraging these relationships and continuing the dialogue with the buy-side still matters.

Publishers need to position themselves to be able to use the machines intelligently, making their inventory available via the automated channels. However, their ability to communicate value and present opportunities to buyers depends on the strength of their relationships.

Myth #4 – RTB is rigid and inflexible.

Fact – Publishers can customize how they choose to leverage RTB according to their specific needs.

Publishers view RTB as a highly complex, daunting process with limited flexibility, only accessible through open market exchanges. That's not the case. A publisher's approach to RTB can be seamlessly customized and accessible through either open or private exchanges. RTB gives publishers the ability to control everything: the level of transparency they choose to set, the corresponding prices, which DSP to work with, which agencies, and even which brands have access to their inventory.

RTB has become a vital part of selling online. In order for publishers to maximize the value of the channel and see greater results, they need to continue to gain more knowledge of the model. In the end, RTB adds significant value to their direct sales without taking away their control. A keener understanding of market mechanics and more control over the processes involved in RTB will encourage greater participation by those on the supply and demand side of the equation.

40. **18% of U.S. online consumers say they never open email from companies**
    Source: Litmusg
41. **Average return on email marketing investment: $44.25 for every dollar spent**
    Source: iContact

Solve: Media Buyers Warm To Native Ads

by Gavin O'Malley, 55 minutes ago

What do media buyers make of “native advertising” -- that controversial form of customized online ad integration? Some 49% plan to incorporate it into their buys next year, according to new data from the native ad specialists at Solve Media.

Although spending levels vary, two our of five media buyers surveyed by Solve say they have allocated more than 10% of their 2013 budget to native advertising.

Making those transactions possible, nearly 20% of online publishers said they are likely to add a native advertising option to their sites next year, according to Solve.

Solve’s flagship product Type-In lets advertisers survey consumers' interactions with ads by measuring how effectively they remember the brand's messages to complete a transaction.

This past summer, the start-up debuted a new product that replaced CAPTCHAs with select brand logos, which then asks site visitors to type in a word or phrase that they most closely associate with the featured brand.

The combination of the two products put Solve Media “in a position to be one of the most important branding vehicles on the Web,” stated Gene Munster, senior research analyst at Piper Jaffray at the time.

According to critics, however, native advertising is difficult to scale, and can conflict with publishers’ ethical standards. "Native monetization" -- as investor Fred Wilson described the model at OMMA Global last September -- refers to ads that are "unique and native to the experience" of a particular publisher.

In its defense, Ari Jacoby, CEO of Solve Media, said: “The industry talks about 'serving' ads and in a very real sense, I feel they should 'serve' the consumer.”

After surveying 800 media buyers, agency creatives, online publishers, venture capitalists, private equity firms and angel investors, Solve found that nearly 60% of agency media buyers consider native advertising to be “very important” or “extremely important” going into 2013.

Buyers based in Chicago, Los Angeles, New York and San Francisco will spend the most on native advertising, Solve found.

More than half of the venture capitalists, private equity firms and angel investors that invest in media and ad technology said they are likely to very likely to invest in companies that sell native advertising in 2013.

Forrester: 84% Of U.S. Adults Now Use The Web Daily, 50% Own Smartphones, Tablet Ownership Doubled To 19% In 2012

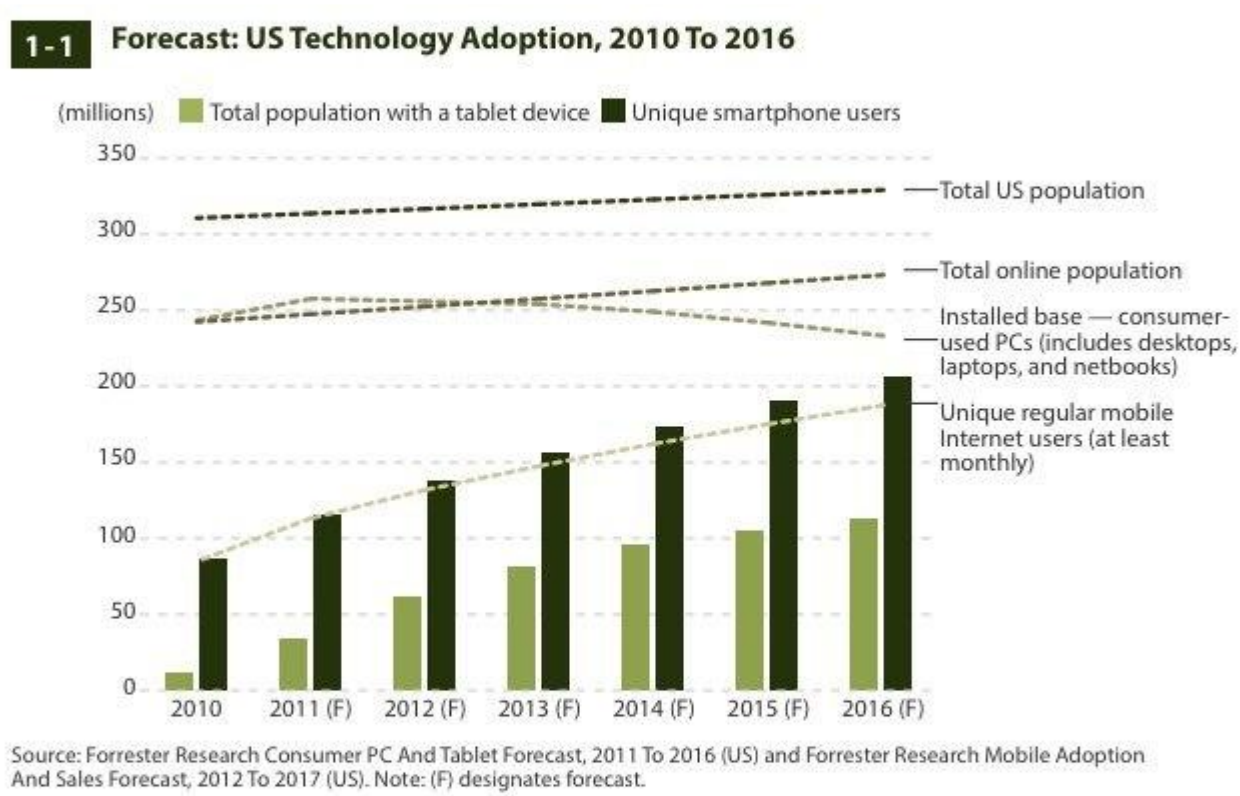
Frederic Lardinois

posted yesterday

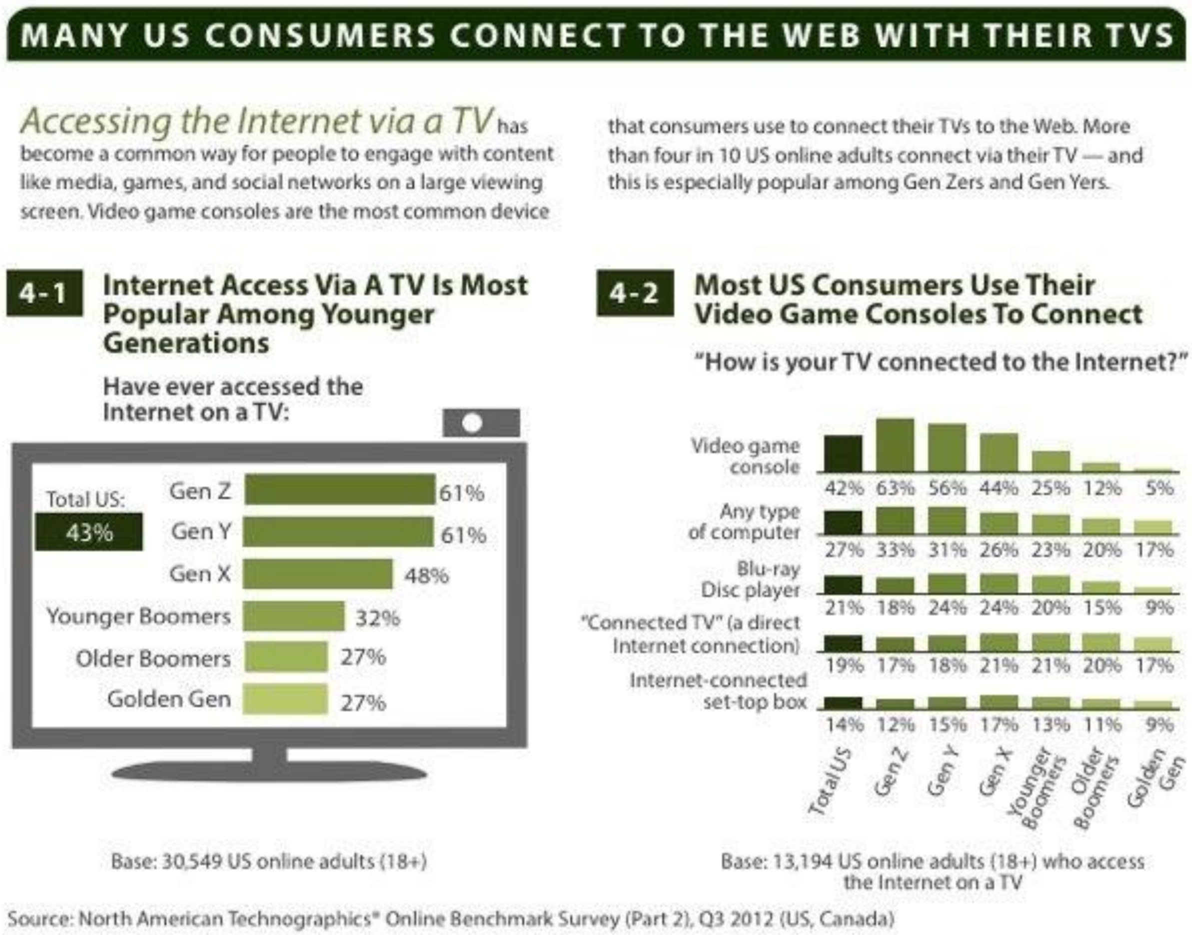
3 Comments

Forrester Research just published its annual "State of Consumers and Technology" report. As usual, it's chock-full of interesting statistics about how U.S. consumers use the Internet, but the most interesting statistic is probably that the overall online penetration rate in the U.S. has stabilized at 79 percent (the same number Forrester found in 2011). That's the percentage of U.S. adults that go online at least monthly. What has changed, however, is how many adults go online at least daily: In 2011, that was 78 percent of U.S. adults, and in 2012, Forrester reports that 84 percent now go online at least once per day.

One of the reasons for this is, of course, the growing smartphone and tablet penetration. Forrester found that about half of U.S. online adults now own a smartphone and two-thirds even own multiple connected devices. Tablet adoption doubled since 2011 and is now at 19 percent.



One trend that the Forrester report, which includes survey data from nearly 60,000 consumers in the U.S. and Canada, also notes is that 43 percent of consumers now connect to the web with their TVs. Forrester, just like similar surveys, found that most of these users rely on their game consoles to do so (42 percent), while connected TVs (19 percent) and Internet-connected set-top boxes like the Roku or Apple TV are only being used by 14 percent.



It doesn't come as a surprise that Forrester's research also found that there are still distinct usage patterns among different generations. The 18-to-23-year-old crowd, for example, is far more active on social networks than anybody else. About 70 percent of these Gen Zers, Forrester says, "visit social networking sites daily" and 85 percent visit Facebook at least once a month. Gen Y (24-32) is more likely to own a tablet (about 25 percent) and smartphone (72 percent) and Gen Xers (33-46) are most likely to spend their money by shopping online (an average of $561 in the past three months compared to an average of $449 for all U.S. shoppers).

Once you get to the Boomers (47-67) and the so-called "Golden Generation" (68+), technology adoption obviously lags quite a bit. Older online adults, for example, are more likely to use desktop computers at home and are less likely to own tablets and smartphones. Still, even among this group, tablet adoption has doubled to 14 percent since 2011.

IAB Tackles Engagement Issue

by Gavin O'Malley, Yesterday, 2:10 PM

Critical as it has become to many online marketing strategies, "engagement" remains an inadequately defined and misunderstood concept.

With that in mind, the Interactive Advertising Bureau, along with Radar Research, recently set out to clear up the matter of engagement.

What did they find? For starters, that the much-used term actually describes three distinct phenomena, including "ad engagement," "content engagement," and "audience engagement."

To assess ad engagement, marketers need to review whether ad creative is compelling, and whether consumers interacted with ads in some way.

Judging content engagement involves determining which content is most captivating on a site, while measuring audience engagement means identifying which viewers are paying the most attention, and are contributing to the conversation.

Those preliminary findings, however, are just the tip of the engagement iceberg, according to Sherrill Mane, SVP of Research, Analytics and Management at the IAB.

"For too long the concept of ad engagement has confounded stakeholders across the media landscape," said Mane.

"With the advent of digital analytics and highly sophisticated technologies for measuring user interactions, the engagement landscape has become overcrowded with hundreds of metrics that may or may not have value in understanding the effectiveness of ads."

The IAB and Radar Research also outlined three major categories of engagement, which they suggest can be the basis of a new paradigm for defining what interactive ad engagement is and how it works.

The IAB's report, titled "Digital Ad Engagement: Ad Industry Overview and Reconceptualization," is also serving as a launching point for the creation of a new IAB Research Council working group, which will be formed in 2013 to define a forward-looking ad engagement paradigm.

"We look forward to taking the insights … to the next level, establishing practical definitions for practical knowledge about how digital advertising engages users and why that matters," Mane said.

Websites Vary Prices, Deals Based on Users' Information

It was the same Swingline stapler, on the same Staples.com SPLS -1.87%website. But for Kim Wamble, the price was $15.79, while the price on Trude Frizzell's screen, just a few miles away, was $14.29.

Digits

- ## How the Journal Tested Prices and Deals Online

A key difference: where Staples seemed to think they were located.

A Wall Street Journal investigation found that the Staples Inc. website displays different prices to people after estimating their locations. More than that, Staples appeared to consider the person's distance from a rival brick-and-mortar store, either OfficeMax Inc. OMX -1.92%or Office Depot Inc. ODP +2.66%If rival stores were within 20 miles or so, Staples.com usually showed a discounted price.

"How can they get away with that?" said Ms. Frizzell, who works in Bergheim, Texas.

In what appears to be an unintended side effect of Staples' pricing methods—likely a function of retail competition with its rivals—the Journal's testing also showed that areas that tended to see the discounted prices had a higher average income than areas that tended to see higher prices.

Presented with the Journal's findings, Staples acknowledged that it varies its online and in-store prices by geography because of "a variety of factors" including "costs of doing business."

For years, the Internet, with its promise of quick comparison shopping, has granted people a certain power over retailers. At the click of a button, shoppers could find a better deal elsewhere, no travel required.

But the idea of an unbiased, impersonal Internet is fast giving way to an online world that, in reality, is increasingly tailored and targeted. Websites are adopting techniques to glean information about visitors to their sites, in real time, and then deliver different versions of the Web to different people. Prices change, products get swapped out, wording is modified, and there is little way for the typical website user to spot it when it happens.

The Journal identified several companies, including Staples, Discover Financial Services, DFS +0.23%Rosetta Stone Inc. RST +0.65%and Home Depot Inc., HD -1.05%that were consistently adjusting prices and displaying different product offers based on a range of characteristics that could be discovered about the user. Office Depot, for example, told the Journal that it uses "customers' browsing history and geolocation" to vary the offers and products it displays to a visitor to its site.

Offering different prices to different people is legal, with a few exceptions for race-based discrimination and other sensitive situations. Several companies pointed out that their online price-tweaking simply mirrors the real world. Regular shops routinely adjust their prices to account for local demand, competition, store location and so on. Nobody is surprised if, say, a gallon of gas is cheaper at the same chain, one town over.

But price-changing online isn't popular among shoppers. Some 76% of American adults have said it would bother them to find out that other people paid a lower price for the same product, according to the Annenberg Public Policy Center at the University of Pennsylvania.

"I think it's very discriminatory," said Ms. Wamble, an insurance account manager in Boerne, Texas, who priced the Swingline stapler for the Journal this month. She was just 10 miles or so down the road from Ms. Frizzell, but she saw higher prices on the Staples website than Ms. Frizzell did for all five products tested. Items tested included a pack of Bic pens, a case of orange masking tape, a set of crimped-end mailing tubes and a big safe.

A Tale of Two Prices

View Interactive

It remains unclear precisely what formula Staples used to set online prices. Staples declined to answer detailed questions about the findings. It told the Journal that "in-store and online prices do vary by geography due to a variety of factors, including rent, labor, distribution and other costs of doing business."

It is possible that Staples' online-pricing formula uses other factors that the Journal didn't identify. The Journal tested to see whether price was tied to different characteristics including population, local income, proximity to a Staples store, race and other demographic factors. Statistically speaking, by far the strongest correlation involved the distance to a rival's store from the center of a ZIP Code. That single factor appeared to explain upward of 90% of the pricing pattern.

What economists call price discrimination—when companies offer different prices to different people based on their perceived willingness to pay—is commonplace and can be beneficial. Movie theaters give senior-citizen discounts. One traveler's willingness to pay top dollar for an airplane seat might mean other people will pay less.

In other cases, though, shoppers can be the loser. That same airline might easily just pocket the big spender's extra money and leave other prices unchanged.

Of course, not all price differences are instances of price discrimination. Prices driven down by competition wouldn't generally be considered discriminatory, for example.

Three Years of Privacy Insights

The Wall Street Journal is conducting a long-running investigation into the profound transformation of personal privacy in America.

Basing online prices on geography can make sense for various reasons, from shipping costs to local popularity of a particular item. Some retailers might naturally cluster in specific areas as well—a prosperous suburb, say—boosting the competitive pressure to discount.

But using geography as a pricing tool can also reinforce patterns that e-commerce had promised to erase: prices that are higher in areas with less competition, including rural or poor areas. It diminishes the Internet's role as an equalizer.

In the Journal's examination of Staples' online pricing, the weighted average income among ZIP Codes that mostly received discount prices was roughly $59,900, based on Internal Revenue Service data. ZIP Codes that saw generally high prices had a lower weighted average income, $48,700.

Staples didn't comment on the income split beyond saying that the company offers a low-price guarantee.

Online businesses have experimented with tailored offers since the dawn of the Internet era. In 1997, a startup called Personify sold software that tried to personalize Web pages for shoppers. For example, people taking a certain path through a site could be tagged as price-conscious and be shown low-end items, said Eileen Gittins, Personify's former chief executive.

"The idea was more advanced than the technology could support at the time," said Ms. Gittins. Today she runs an online company, Blurb, that lets people make books using their own photos.

In 2000, Amazon.com Inc. AMZN -1.75%infuriated many customers when it sold DVDs to different people for different prices. Amazon called it merely a test and ultimately refunded the price difference to people who paid more.

In 2010, the Journal reported that Capital One Financial Corp. COF -0.44%was using personalization technology to decide which credit cards to show first-time visitors to its website. Recent Journal follow-up testing indicated that Capital One was showing different users different cards first—either those for "excellent credit" or "average credit."

Capital One says it gathers data about visitors while they are on its website and uses this information to suggest different products to them. "We do not use any of this data in credit decisioning or underwriting," a Capital One spokeswoman said. "We're making an educated guess about what we think consumers will like."

This year, researchers in Spain studied more than 200 online retailers and found a handful of examples of price differences—including at Staples within Massachusetts—that appeared to be based on location and other factors. Those findings suggest that Staples' price adjustments have been present at least since this summer.

It is difficult for online shoppers to know why, or even if, they are being offered different deals from other people. Many sites switch prices at lightning speed in response to competitors' offerings and other factors, a practice known as "dynamic pricing." Other sites test different prices but do so without regard to the buyer's characteristics.

To find differences that weren't purely the result of dynamic pricing or randomized tests, the Journal conducted preliminary scans by simulating visits from different computers to a variety of e-commerce sites. If a website showed different prices or offers, the Journal then analyzed the site's computer code and conducted follow-up testing.

The Journal's tests, which were conducted in phases between August and December, indicated that some big-name retailers are experimenting with offering different prices and products to different users.

Some sites, for example, gave discounts based on whether or not a person was using a mobile device. A person searching for hotels from the Web browser of an iPhone or Android phone on travel sites Orbitz and CheapTickets would see discounts of as much as 50% off the list price, Orbitz said.

Both sites are run by Orbitz Worldwide Inc., OWW 0.00%which in fact markets the differences as "mobile steals." Orbitz says the deals are also available on the iPad if a person installs the Orbitz app.

"Many hotels have proven willing to provide discounts for mobile sites," said Chris Chiames, Orbitz's vice president of corporate affairs. Hotels on Orbitz mobile sites also offer discounts "that might target shoppers in a specific geographic region," as determined by the physical location of the user, as well as "other factors."

Often, sites tailored results by geography. In the tests, Discover, for instance, showed a prominent offer for the company's new "it" card to computers connecting from cities including Denver, Kansas City, Mo., and Dallas, Texas. Computers connecting from Scranton, Penn., Kingsport, Tenn., and Los Angeles didn't see the same offer.

A Discover spokeswoman said that the company was testing the card, but that for competitive reasons, it wouldn't comment further on its "acquisition strategy" for new customers.

At home-improvement site Lowe's Cos., LOW -0.96%prices depend on location. For example, a refrigerator in the Journal's tests cost $449 in Chicago, Los Angeles and Ashburn, Va., but $499 in seven other test cities. Lowe's said online shoppers receive the lower of the online store price or the price at their local Lowe's store as indicated by their ZIP Code.

Home Depot's website offered price variations that appeared to be based on the nearest brick-and-mortar store as well. A 250-foot spool of electrical wiring fell into six pricing groups, including $70.80 in Ashtabula, Ohio; $72.45 in Erie, Pa.; $75.98 in Olean, N.Y and $77.87 in Monticello, N.Y.

The company said it uses "IP address," a number assigned to devices that connect to the Internet, to try to match users to the closest store and align online prices accordingly.

Location also seemed to be important for some international companies. The Journal saw Rosetta Stone, which sells software for learning languages, offering discounts of as much as 20% for people who bought multiple levels of its German lessons from certain locations in the U.S. or Canada, but not others from the U.K. or Argentina.

Rosetta Stone said it sometimes tests and offers different product "bundles" in different places. It also personalizes its suggestions based on how the visitor gets to the site, Rosetta Stone said—whether from a search engine, a social-media link, a mobile device or a PC. "We are increasingly focused on segmentation and targeting," a spokesman said. "Every customer is different."

The differences found on the Staples website presented a complex pricing scheme. The Journal simulated visits to Staples.com from all of the more than 42,000 U.S. ZIP Codes, testing the price of a Swingline stapler 20 times in each. In addition, the Journal tested more than 1,000 different products in 10 selected ZIP Codes, 10 times in each location.

Staples.com appears to tweak prices based on a person's proximity to rival stores. In Texas, Trude Frizzell, left, saw a discount on a Swingline stapler compared with Kim Wamble, right, just a few miles away.

The Journal saw as many as three different prices for individual items. How frequently a simulated visitor saw low and high prices appeared to be tied to the person's ZIP Code. Testing suggested that Staples tries to deduce people's ZIP Codes by looking at their computer's IP address. This can be accurate, but isn't foolproof.

In the Journal's tests, ZIP Codes whose center was farther than 20 miles from a Staples competitor saw higher prices 67% of the time. By contrast, ZIP Codes within 20 miles of a rival saw the high price least often, only 12% of the time.

Staples.com showed higher prices most often—86% of the time—when the ZIP Code actually had a brick-and-mortar Staples store in it, but was also far from a competitor's store. In calculating these percentages, the Journal excluded New York City and used the more than 29,000 "standard" ZIP Codes in the 50 states and District of Columbia. This meant things like ZIP Codes with only post-office boxes weren't counted.

Prices varied for about a third of the more than 1,000 randomly selected Staples.com products tested. The discounted and higher prices differed by about 8% on average.

There were a few areas of the U.S. and its territories that offer exceptions. The Journal found that Puerto Rico was generally shown the higher prices no matter how close the ZIP Code was to local OfficeMax or Office Depot outlets. For Guam, on the other hand, tests of Staples.com almost always returned the lower prices, even though the nearest U.S. OfficeMax or Office Depot is listed online as being in Hawaii, nearly 4,000 miles away.

New York City, too, appeared to be a special case. Tests of Staples.com using ZIP Codes in the boroughs of the Bronx, Manhattan and Staten Island consistently saw higher prices, while Brooklyn and Queens saw almost only the discounted prices. This despite the fact that all parts of New York City look to be within 20 miles of a Staples competitor, according to the websites.

As a final test, the Journal ordered two separate Swingline staplers from Staples.com, from two nearby ZIP Codes—one costing $14.29 and the other one $15.79. The staplers arrived the same day. They appear to be indistinguishable from one another and do an equally thorough job of stapling.

Write to Jennifer Valentino-DeVries at Jennifer.Valentino-DeVries@wsj.com

In Online Advertising, Brands Shouldn't Equate Frequency and Blind Repetition

Proper Context and Timing Matter

By: Ted McConnell Published: September 19, 2011

Ted McConnell

Back in Rust Belt HQ, there's a simple, tested paradigm about how frequency functions in the media equation for brands: Repetition reinforces learning, ergo memory.

You never know when a consumer might go to the store, so in your window to talk to them, you need a shot of persuasion that's memorable. "Hypodermic marketing," as guru Jerry Zaltman called it, aims to inject a story that will endure -- at least until the next shopping trip. Great creative, properly absorbed, can last a lifetime.

Cognitive science suggests that a story is more memorable than a simple fact because it is easier for the brain to assimilate. If you want your brand to be top of mind when shopping time comes, engage people's emotions with a good story. If you want to be sure, tell it again. That's frequency in a nutshell. Repetition works -- ask any schoolteacher. And, because memories decay, if you tell the story closer in time to the moment the brain is supposed to remember it (such as during a shopping trip), it has more impact. If you want to be top of the class, tell it on the day they go shopping!

When the store is just a click away, the consumer doesn't need to remember much at all. For brand advertising, however, time and making a memorable impression are still big factors. All these neat concepts start to smell like dogma, however, when you look at what's possible with the internet. Consider the following research.

A recent, thorough study by the Ehrenberg-Bass Institute stated: "Different streams of research present consistent implications for media planning: The media schedule should minimize the gap in time between a category purchase and the last advertising exposure." The authors call the concept "Continuous-Reach Advertising." I call it smart frequency planning. "Always on" has big implications for how to use online frequency strategically in brand advertising because of how it relates to emotion and storytelling.

In today's world, many planners treat online frequency as they have done for years: The object is repetition. The Ehrenberg-Bass study implies we should use frequency to cause recency. To do this, we need to use our extra (frequency) impressions to cover more time, as opposed to bludgeoning the message home with repetition. The trick is belling the cat, as usual, so how might we do it? The answer is modern ad-serving technology. These days a well-managed campaign with "give back," or Real Time Bidding, and world-class automation can yield pancake-flat delivery, per consumer, across time and across publishers. An actual reach per consumer of "1" is almost perfectly attainable. Instead of giving your target 20 ads on Tuesday and two ads every other day (not a stretch), give them one a day for as long as you can afford.

For this to work, conceptually, we have to believe the consumer actually saw each ad we served. On the internet, however, this is not a particularly good assumption for reasons we are all familiar with. However, the odds there can be managed with good placement, great creative or, in the near future, eye-tracking tags embedded in ads. In addition, we can compensate for unseen ads by allocating more frequency per consumer.

The next consideration is: Should our frequency be delivered per week, per day or per campaign? How about this? Forget about all that. Spread impressions evenly across the purchase cycle. Think: Always on. That strategy would maximize the chance that a consumer would get an impression at an optimal time. This assumes you can't know when shopping is, so each day is equally probable. That's always-on reach, it makes a lot of sense, has research to back it up, and now, some tools to make it happen.

In this model, frequency is used as a substitute for individual knowledge about shopping behavior, and as a substitute for the memorability of an emotional story -- which is difficult to tell with a banner ad. It's hard to imagine that we can impact the Goliaths of brand marketing, storytelling and shopping behavior, by combining banner ads and frequency. But, for fast purchase-cycle items, from gas to groceries, this may be exactly what's needed, and what's possible.

By using frequency strategically online, and not for blind repetition, brands might be able to reduce the requirement for memorability. Relevance means more than the right topic or context. It also means the right time

Online advertising is interactive
The thinking went like this: People like to interact with the web, therefore they'll want to interact with advertising on the web.

This has turned out to be a massively toxic delusion. No one, and I mean *no one*, wants to interact with web ads. Banner ads have a click-through rate under one in a thousand. And if the average web user is like me, that one click is the exasperating result of faulty eye-cursor coordination.

But this hasn't stopped advertisers from pouring money into display advertising. This year in the US, advertisers are poised to spend about 9 billion on banner ads.

What Does the Future Hold for Display Advertising?

Display advertising is a marketer's dream. I mean, it is one ATL activity wherein a brand manager can put his hands up and say – "I will give you an estimate on the number of impressions your ad copy will get, the CTR on it, but I can't give you an estimate on the number of leads this activity will generate for your brand". As a person looking to invest in display advertising, you often wonder, where is my ROI?

Social media platforms might just answer your ROI question. This is how display advertising works presently. Let's take an example of rich media ads you see on Yahoo. You can buy ad space on the website for a day and show your ads to people visiting, say, the Yahoo homepage or show them ads when they sign in, right in their inboxes. Platforms like Yahoo do try their level best to extract some social data from platforms like Facebook and Twitter by asking you to connect your profile to social platforms. Some people also fill up data on their Yahoo profiles – The only basic information that Yahoo asks for is gender and date of birth. But how many of us fill in our date of birth correctly? Let's assume most of us do. So, the only ad targeting data that Yahoo has with it is gender and date of birth. If they get lucky, they have some interest based data thanks largely to social integration.

Marketers buy ad space on the website and their ads start getting served to people visiting the website on that particular day/period. Pretty cool if you are a large brand and your objective is just branding – I saw Microsoft do this a lot, right before and even after launching Windows 8. But you still don't know, what is the return on this investment? Of course there are ways like asking consumers where they heard about your product at the point of sale or conducting a survey on your Facebook/Twitter/LinkedIn community. However, with so much paid media being fed to the digital consumer across different platforms, he might not even remember where/when he first heard about your product!

This is where the **BIG** data that social networks have with them can aid marketing managers. Imagine this, I see an ad on Facebook or LinkedIn and click on it or just see it and take no action. I see the same ad multiple times – take an action or I just see it. At the end of two weeks, I go to an offline store and buy the product. At the point of sale, I am asked for my name, contact number and email id. All that social platforms need to do is get a hold of the data of all purchases in a given period and track it back to the ads served to individuals during that period and give a report to the marketing manager. This way, the marketing manager will be able to know the number of sales made as a result of his advertising efforts. This should put the ROI measurability factor to rest.

However, this needs to be a cautious approach ensuring that user privacy is not violated. The marketing managers can only be allowed to see the final figure – no. of people who bought a product & also saw the ad. The system also needs to be engineered in such a way that no reverse engineering is possible - using "hashed identifiers" maybe.

The reason I believe that only social media platforms are capable of coming up with this kind of a technology is that ads on social platforms are primarily shown to users when they are on the platform and logged onto it – LinkedIn does show its ads on partner websites and even Facebook is in talks to do just that but Google still controls (read:owns) the display network.

For Google to follow this kind of a model would be really difficult because most users are not signed into their Gmail accounts while browsing the internet. And Google is so concerned about user privacy that they don't give you search keyword data for searches made when an individual is logged into his Gmail account! Google+ is the answer perhaps. For someone like Yahoo, they show all their ads on their site but they just don't have enough data! I mean, my profile name on the website is Rohit – just imagine the number of Rohits in India - I can tell you there are millions in my city! One of my colleagues has an id that is "GirlyPink" – Surely she is not giving that Id out at the point of sale :)

In my opinion, this seems the way forward for display advertising – being social. The winners will be platforms with authentic data and the ones which can strike a balance between user privacy and brand integration

A commonly asked question in **pay-per-click (PPC)** advertising is "what is a good click-through rate (CTR)?" There is no easy answer and it can vary greatly depending on channel, targeting, keywords, and more.

First, the basics of the CTR:

Defined: The number of clicks received divided by the number of impressions generated. For example, an ad that is displayed 1,000 times and receives 10 clicks has a click-through rate of 1 percent.

Channel differentials: Search and display channel results are very different. We tend to see higher CTRs in search because the searcher is looking for specific information, and is therefore more likely to click when they find it. With display ads, the viewer is passive – doing something else when the ad is served to them.

Why do people care so much about CTRs? The CTR can be an indicator of how relevant an ad is to the searcher or to the audience targeted. It can demonstrate interest in a product message or show what "resonates" with searchers. I also have a theory that there can be an ego factor with CTRs. The bigger the better, right?

Several factors can impact CTR on an ad, which is why there is no definitive answer to the question. A few of the factors to consider include:

- Audiences and targeting
- B2B or B2C
- Brand or non-branded
- A keyword's place in the search funnel
- Ad copy's creative messaging – CTA
- Type of offer
- Display URL
- Images/design
- Industry competitiveness

There are some observed trends in the industry based on PPC managers' experience and the channel's own data.

Search: In a healthy account you will see CTRs vary depending on the type of campaign. For example, branding campaigns typically earn a much higher CTR than non-brand. Advertisers may see 1 percent to 7 percent for non-brand with brand ads being 3 percent and up. Consider the differences in each campaign, but focus on optimizing ads with a CTR less than 1 percent.

Display: Typically advertisers could see 0.05 percent and above, with retargeting campaigns' CTR as much as double the percentage of site targeting campaigns. Try to optimize any ads with CTRs lower than about 0.03 percent, if clicks are a consideration. **Most of the time, display ads are used for branding so impressions are a more important metric.**

Facebook: Facebook offers two different types of CTR. One is ad CTR, which is the percentage of times the ad or sponsored story is clicked on. The other CTR is the social CTR. This number represents clicks on ads shown with the names of the viewer's friend. Facebook reps have said that CTR is not important and have not shared an average or goal CTR. This seems to be counterintuitive since part of Facebook's algorithm is based on an ad's CTR. Many advertisers will see 0.020 percent to 0.040 percent on average, but I regularly see several CTRs of 0.063 percent and up to 0.5 percent. Focus on optimizing or pausing any ads with less than 0.02 percent.

LinkedIn: According to a LinkedIn rep, the average CTR for ads on LinkedIn is about 0.025 percent. I see that percentage on the low end and then up to 0.06 percent. Focus on optimizing or pausing anything under 0.018 percent.

Determining a good CTR is also common-sense marketing. Sometimes to increase awareness or achieve a goal, advertisers have to bid on less relevant or complementary keywords or audience targets. This can result in a lower than expected CTR. This happens. It's OK. The bottom line is if campaigns are achieving their goals in conversions, traffic, or branding, the CTR is only one piece of the data pie

So what does the data tell us? Nielsen reviewed 28 CPG campaigns using the above methodology (disclosure: I work for The Nielsen Company). Surprise: **there is virtually no relationship between CTR's and volume growth** (correlation < .10). What is clear is that campaign reach had a significant impact on likelihood for success: higher reach campaigns were more likely to drive business growth than lower reach campaigns. (Ehrenberg?)

Click Through Rates - Not Predictive of Sales

Learnings for Marketers

CTR is not a good metric in predicting business growth for web advertising. Additionally, it's clear that Marketers should put more emphasis on developing and running campaigns with ***broad reach,*** as campaigns with higher reach tended to deliver higher ROI's. And while the data says nothing about the creative itself, you have to believe that the primary driver of business results is the quality of the value proposition and creative– is it special, different and better ?

Display Advertising Is Broken

by David Zinman, Yesterday, 8:00 AM

Apparently, the only thing that people agree on in this divided country is that they won't click on ads. Click-through rates for standard banner advertisements are appallingly low, reaching only .08%. That means for every thousand ads served, we should expect LESS than one click. Adding rich media -- once considered the savior for display -- increases response slightly, to .14%. Considering that this is the format on which we have essentially built our industry, one fact has become glaringly obvious: display advertising is broken.

Since 2007, industry media and experts like Jakob Nielsen have been waving a flag, warning us about *Banner Blindness*. For more than 5 years, we've known there were cracks in the foundation of the house we were building, and yet we continued to build. In 2010, it was reported that 43% of consumers ignore online display ads. Sure, we're in the process of adopting new standards, but while those may help improve the performance of online display ads, we're still working upon that same foundation -- a foundation we know is crumbling.

Why would consumers ignore the ads that we have worked so hard to create and place? "The fault, dear Brutus, is not in our stars, but in ourselves." We in the industry -- publishers, marketers, advertisers and media buyers alike -- are the ones to blame, for:

1. Creating an endless tonnage of ad space, one Web site at a time, but adding up to thousands of ad impressions a month for each viewer
2. Delivering only a small amount of relevant advertising, and leaving the vast bulk of the tonnage to irrelevant offers, sold at rock-bottom prices
3. Consigning online ads to a predictable size and placement, thereby educating users thousands of times a month where they should avert their gaze to avoid wasting their time looking at useless advertising

Essentially, we have let this happen. As marketers, we have been laser-focused on our ROI; as custodians of the company's marketing budget, we have watched every penny we've spent. We made it a point to buy as many impressions as possible at the lowest possible CPM, hoping to drive the most conversions. We focused on quantity, rather than quality -- a classic and tragic mistake.

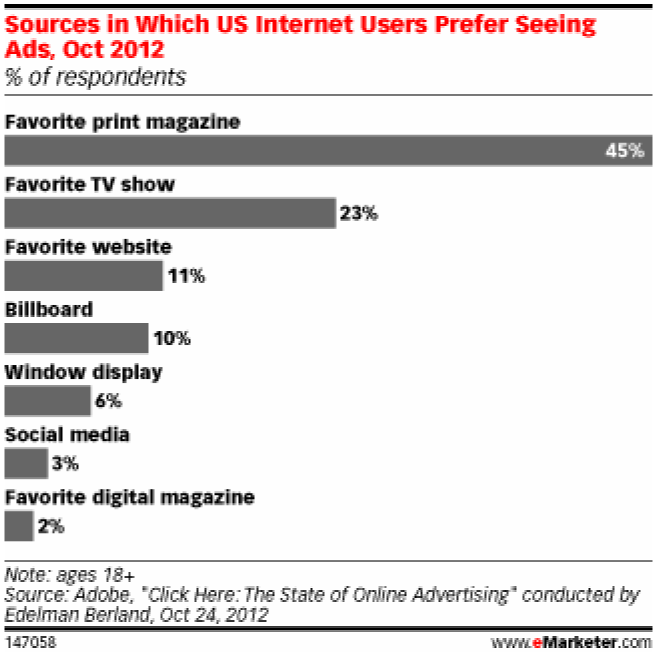
Yes, we have spent time and creative energy crafting our ads, writing compelling calls to action -- but in the end, we didn't ask enough questions. When we purchased media, did we ever ask where on the pages the ads were appearing? Did we even check? Did we attempt to deliver our messages to people when relevant to the context in which they appeared? Did we ever consider other types of ads -- or even consider that there were possibilities beyond standard display placements? We've been so busy watching the numbers, our noses buried in the campaign reports, that quality and relevance have fallen from our view. We haven't been thinking outside the banner.

So how can we fix our caving tower? Now that our industry is truly on the brink of thriving, with more big brand marketers allocating budget to the online channel, how can we repair what seems to be fundamentally broken? Three simple recommendations:

1. Ask publishers to create unique placements for ads to break the banner blindness cycle
2. Focus on targeting user intent at that moment, based on what their interest is now -- not what they were interested in yesterday, last week or last month
3. Insist that your ads be shown only when the match between the offer and the intent is high

These steps will ensure that our ads served are noticed, relevant and valuable to both consumers and us.

the value of small banners is over estimated because of errant clicks.



Take a Lesson from Print Media: Clean Up Web Layouts

Amid the Clutter, With Too Many Entry Points, Viewers Can't Focus on the the Content

By: Matt Sanchez Published: March 27, 2012

5,000. That's the average number of ads and marketing messages Americans are exposed to each day, and if you're online reading this, I'd skew that number higher. *That's because too many media sites are beginning to resemble the houses of compulsive hoarders: a jumbled mess of headlines and stories piled on each other with links, icons and ads thrown on top.* ***Put another way: Clutter is killing digital media.***

Greg Stuart White Paper: When I was CEO of the IAB, I saw firsthand what went wrong. The Internet was -- and to an extent remains -- difficult to buy. ***On the average major publisher sites, 40% of ads measured as an impression never appeared in a viewable area of the screen***. For some networks, a staggering 94% of ads measured as an impression never appeared in a viewable area of the screen.

Far too many Internet-based ads are simply not seen. These ads had zero impact, but marketers still paid

Executive Summary of Key vCE Charter Study Findings
The vCE Charter Study includes a variety of detailed findings that shed light on the current state of online ad delivery and its implications for different participants in the online advertising market. Key findings include:

In-View Rates are Eye-Opening. *The study showed that 31% of ads were not in-view, meaning they never had an opportunity to be seen*. There was also great variation across sites where the campaigns ran, with in-view rates ranging from 7% to 100% on a given site. This variance illustrates that even for major advertisers making premium buys there is a lot of room for improvement

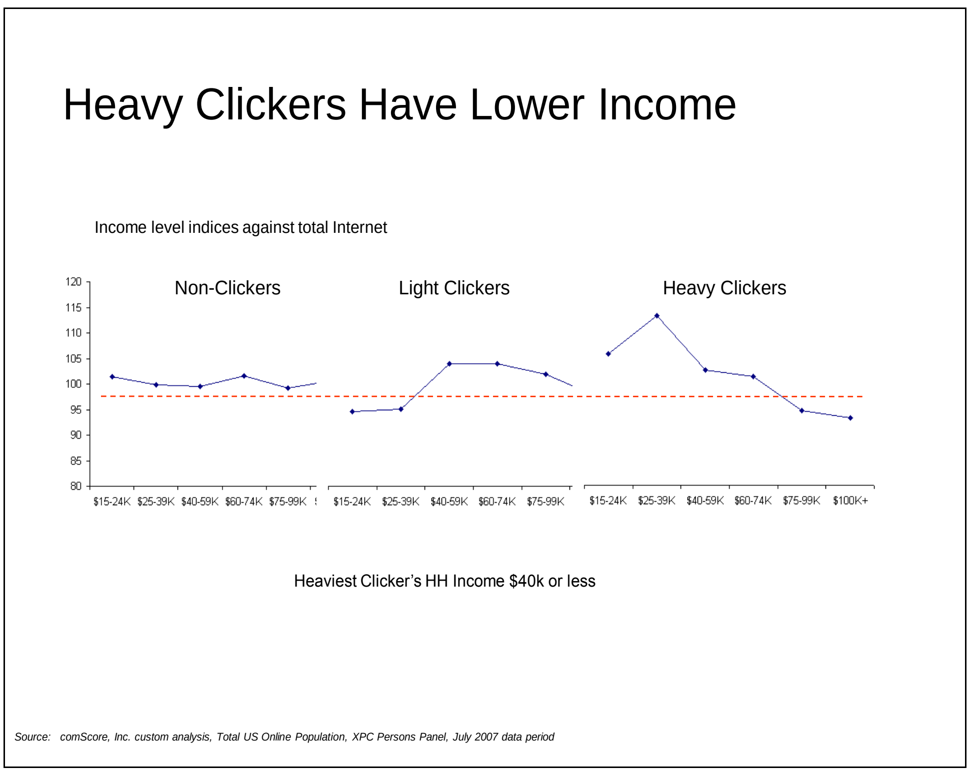
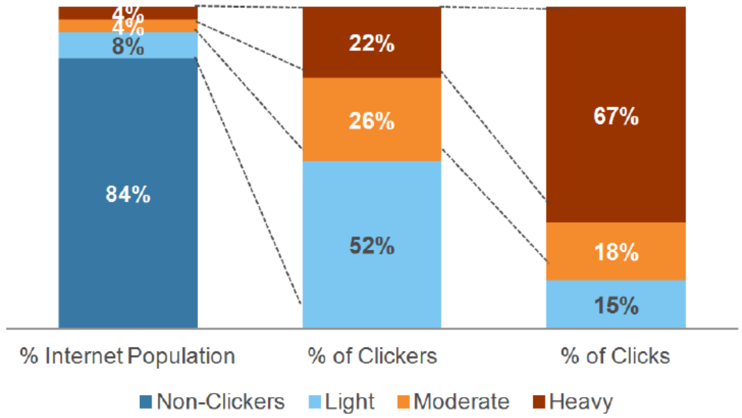


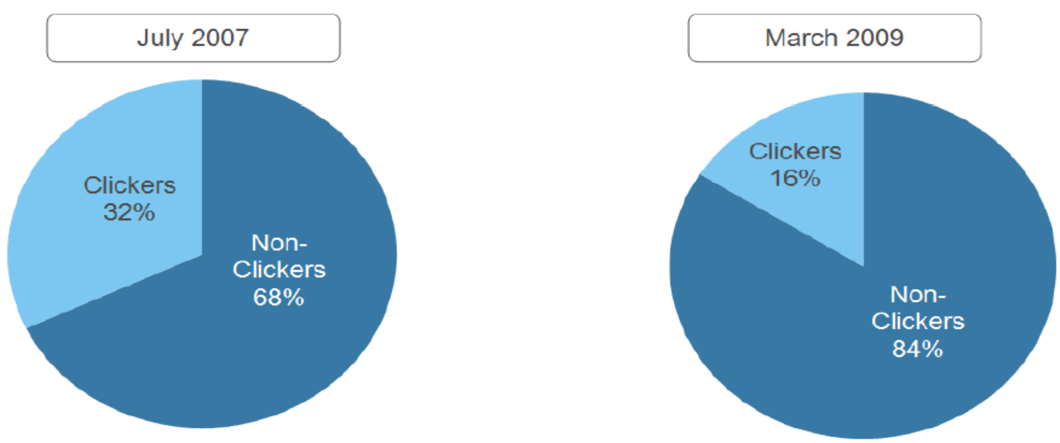
Chart 2: Heavy/Moderate/Light Segmentation of Total Internet User, Clickers and Non-Clickers



Source: comScore Natural Born Clickers Study, Part II
Total U.S Online Population, March 2009

There are several reasons why CTRs are not the appropriate measure of display advertising's effectiveness. Perhaps most notably is the fact that the majority of Internet users do not click on display ads, and the percentage of users who do is continuing to decrease over time. In March 2009, for example, only 16% of U.S. Internet users clicked on an ad, down 50% from July 2007 (See Figure 1).

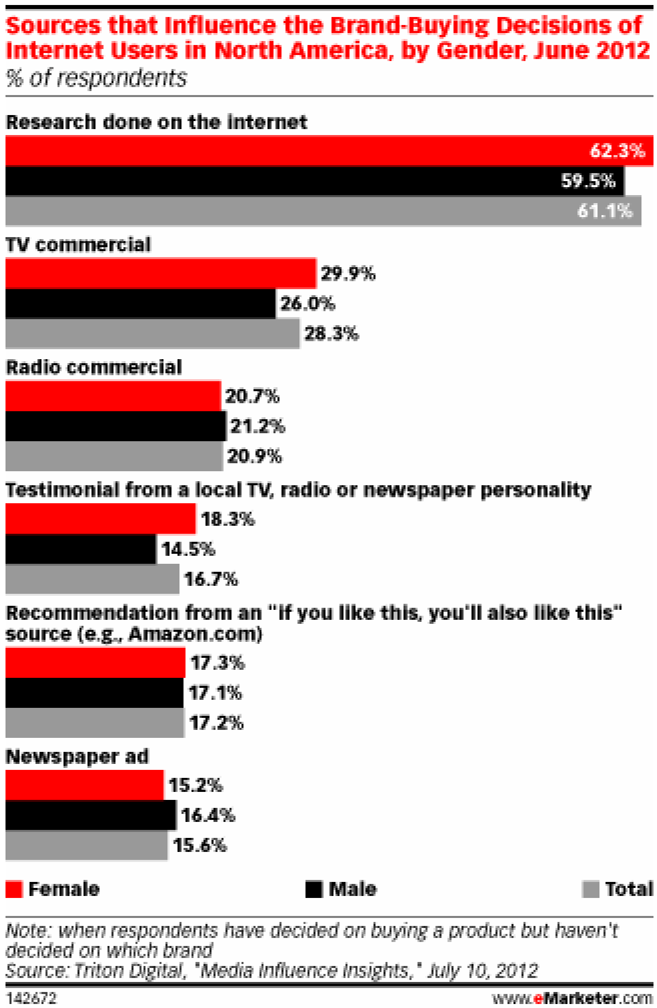
Figure 1: Percent Clickers and Non-Clickers in July 2007 vs. March 2009



Source: comScore Natural Born Clickers Study, Part I & II
Total U.S. Online Population, July 2007 and March 2009

AOL's CEO Tim Armstrong has said that the typical page online is only 18% content.

Despite the fact that 15 years of display advertising have failed to produce *a single major consumer-facing brand*, and TV advertising has produced *thousands of them*, you can still find spurious data to prove that display advertising is more effective than TV.



QR codes are dense grids of black-and-white boxes, a more sophisticated cousin to the bar code that can hold 100 times more information

The Content in Which An Ad Runs Can Create Problems for Any Brand. *Of the campaigns analyzed, 72% had at least some impressions that were delivered adjacent to objectionable content—chiefly adult-oriented or "hate sites" (e.g., white supremacist content).*

comScore validated Campaign Essentials : vCE Study conclusions

Marketers are not necessarily getting what they expect when they buy online advertisements. From advertisements delivered next to objectionable content to advertisements that never had the opportunity to be seen, there are countless examples where the digital medium is simply not delivering on its promise.

The manner in which online advertising is delivered varies significantly by site, placement and even creative. Across all dimensions of advertising delivery, the vCE Charter Study demonstrated clear examples of situations where advertising impressions were largely wasted. These findings suggest that measuring all dimensions of advertising delivery for every placement in a holistic fashion is critically important.

When it comes to news consumption, mobile devices are expanding reach, rather than cannibalizing other media, according to a new study by the Pew Research Center's Project for Excellence in Journalism. The proliferation of devices is creating a new kind of "multiplatform" news consumer embracing new technologies without necessarily abandoning older formats

Clicks are counted as a surrogate for attention, and still used as our most important currency (i.e. cost-per-click).

A whitepaper published today by comScore highlights the unintended consequences that even premium brands suffer as their ads proliferate online and attempts to make the case for why viewable impressions will be the new currency of digital marketing. The research firm worked with 12 brands including Ford, GM, Kellog's and Sprint to measure 18 different campaigns with 2 billion impressions served collectively. It found that 31 percent of those measured impressions were not in view, meaning they did meet a visibility standard requiring at least half of an ad to be visible for one second or longer.

- One industry veteran calls display "*...a ghetto for bad direct-response.*"

Despite the heavier spot loads, users viewed 91 percent of the ads slotted within full-length episodic programming, a classification that includes 22-minute sitcoms and scripted dramas. Not only does that mark an improvement from 81 percent in the second quarter of 2011, but the 9 percent avoidance rate is superior to that of broadcast. Per Nielsen C3 ratings data, viewers of the Big Four nets skipped 13.5 percent of ads served during the 2011-12 season.

Cookie deletion, when its rate is high, makes a single respondent appear as two, three or 14 different individuals

Consumers Distrust Advertising: Trad Media Fares Better Than Digital

by Wayne Friedman,

Consumers don't generally "trust" advertising -- but in certain advertising platforms combinations those trust numbers get better.

The worst results, Nielsen says, are from "text ads on mobile phones," which have a 71% "Don't Trust Much/At All" score. Online banner ads hit a 64% number, which is also the same untrustworthy number for "ads on search engine results."

By way of comparison, some traditional media does a bit better: "Ads on TV" score a 53% untrustworthy mark; with product placements on TV at a distrusting 60%. Ads in magazines are at 53%, while ads on radio score 58%.

Bot Traffic Remains Drain In Ad Industry's Pocket

by Laurie Sullivan, Sep 28, 2012, 5:30 PM

Some 10% of all online traffic is generated by bots that potentially cost the industry $1.5 billion, based on eMarketer's 2012 global ad spend estimate of $15.3 billion, according to findings released Friday

Eyetracking studies show that over 30% of all in screen impressions are never seen. Click through rates are rapidly decreasing and have never been a suitable metric to evaluate branding campaigns

Native ads are the buzzword of the moment in digital advertising, as many content publishers see them as the answer to the disappointments of standard display ads. Their champions say ads that are disguised as content have higher click-through and engagement rates than intrusive banners because they're contextual and have quality content.

But a new survey due out today by Harris Interactive for MediaBrix, a social and mobile ad firm, says otherwise. Harris asked online adults what they thought about three native ad formats—Twitter's promoted tweets, "Sponsored Stories" on Facebook, and video ads that appear to be content. According to the survey, a majority found the ads negatively impacted or had no impact on their perception of the brand being advertised

The survey further found that 45 percent found promoted tweets misleading, while 57 percent and 86 percent said the same about sponsored stories and video ads, respectively.

In a report comparing the performance for rich media and static banner ads on mobile devices, GoldSpot Media found that the former resulted in fewer accidental clicks.

The Fat Finger Report found that rich media banner ads had a 4 percent click-through rate compared to 2 percent for static banners. However, in a post-click engagement comparison, 38 percent of the clicks on static banner ads were accidental while only 13 percent were accidental on rich media banner ads.

"Static banners are best suited for CPA campaigns," Mr. Dharmaji said. "Advertisers yield maximum ROI on static banners only if they pay based on cost per action-lead, call and install.

Advertisers will be throwing away a majority of their budgets if they buy static banner campaigns based on CPM or CPC model," he said. "The best way to derive maximum mileage out of mobile is to buy rich media banners based on CPM model, and static banners based on CPA model."

The ad industry is in denial about the fundamental underlying problem, that the web is an interactive medium, not a passive consumption medium. That is why search advertising has been so successful, because it works with the flow of users wanting to decide where they want to go and what they want to do. The display ad industry is still dominated by one-way communication.

Anytime something new is tried it has a temporary effect of enhanced clicks and enhanced user retention. But banner blindness is inherently a psychological effect called selective attention

---

XX

The old adage "***When you only have a hammer, everything looks like a nail***" could certainly apply to web advertising. Like a hammer, click thru rate (CTR) has been the core metric used by many Marketers to measure web ad effectiveness since the early days of the web.

Does Click Through Rate Predict Sales Lift?

But with growing evidence that CTR is not the "hammer" of web effectiveness it was once deemed, marketers are learning that no metric may be more meaningful than a poor one.

What Marketers Should Be Measuring

Marketers should be measuring brand building and business outcomes. Growing brand equity and consumer engagement, along with volume and share, should be at the top of the priority list for every CMO. Ultimately, these need to be translated into a return on Marketing investment (ROMI) measure, just like any other investment.

But because it has been so hard to measure these things, even on the web, Marketers have often settled for what they thought was the next best thing—in this case, CTR. And what made CTR particularly appealing was that it measured a *consumer action*. What could be better than that ?

The ***Real*** Impact of Web Advertising

Improvements in measuring and monitoring consumers web activities, coupled with off-line purchase panel data, now gives us insight into what really works.

How can web advertising ROI really be measured ?

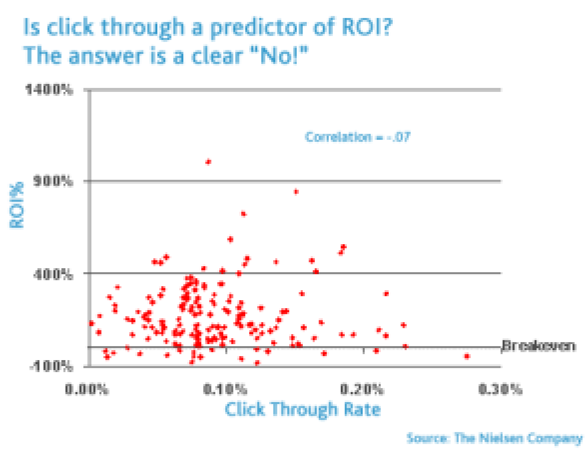
- **Web Behavior** – Consumers are provided software which, when downloaded, monitors and provides a comprehensive view of their web behavior (consumers opt-in and understand this when they agree to use the software).

- **Off-Line Purchase Behavior** – These consumers also participate in an off-line purchase panel. They shop as they normally would shop. Once home, they scan their purchases into a purchase panel database using a handheld wand.

- **Fused Data** – The web behavior and off-line purchase panel data sets are then fused together so that the they can be analyzed to determine cause and effect relationships.

- **Test vs. Control Analysis** – Ancova (analysis of co-variance) analysis is then performed on the test (those consumers seeing an ad) vs. control (those not seeing one) to determine the single variable impact of the advertising.

So what does the data tell us? Nielsen reviewed 28 CPG campaigns using the above methodology (disclosure: I work for The Nielsen Company). Surprise: **there is virtually no relationship between CTR's and volume growth** (correlation < .10). What is clear is that campaign reach had a significant impact on likelihood for success: higher reach campaigns were more likely to drive business growth than lower reach campaigns. (Ehrenberg?)



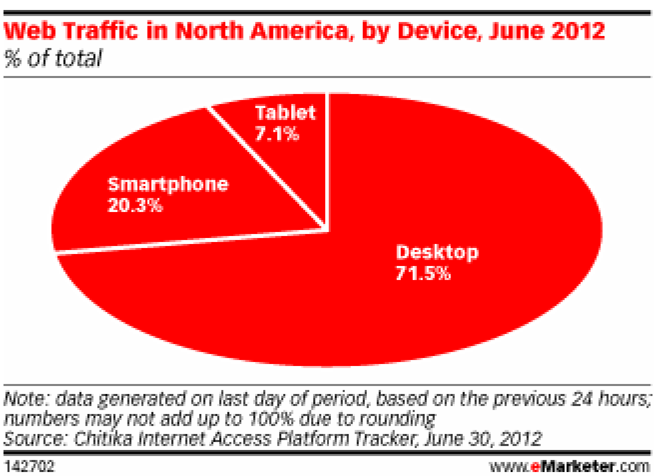
Click Through Rates - Not Predictive of Sales

Learnings for Marketers

CTR is not a good metric in predicting business growth for web advertising. Additionally, it's clear that Marketers should put more emphasis on developing and running campaigns with ***broad reach,*** as campaigns with higher reach tended to deliver higher ROI's. And while the data says nothing about the creative itself, you have to believe that the primary driver of business results is the quality of the value proposition and creative– is it special, different and better ?

There's another important learning here though. In the quest for bringing greater accountability to the Marketing function—a laudable goal—Marketers also need to be careful not to adopt metrics for the sake of having metrics. As the data above shows, even consumer behavior based metrics may not be meaningful.

Which brings us back to the original point. The CMO's job is to build the brand and the business, and not just to hammer a bunch of nails.



Can advertising dollars ensure engagement?

November 27, 2012

Sebastian Tonkin is director of advertising products and strategy at Cloud Nine Media

By Sebastian Tonkin

It is a well-known fact that a lot of advertising misses its mark. On television, this is part of the model – advertisers expect that a good chunk of a TV show's audience is going to be wrong for them.

At the same time, what do you do when 999 out 1,000 of the banner ad impressions you buy result in no measurable action on the part of users?

You could try your hand at some complex view-through tracking, or maybe look at your branded search terms to see if your banner ads are having an effect.

If you have got an analyst or agency at your disposal, you can send them off to do the job. Or, maybe, you just cross your fingers and pray that sales go up.

Making an impression
Enter cost-per-engagement advertising, a relative newcomer among ad pricing models that takes the emphasis off of impressions, and puts it on engagement.

Take a model such as CPM, defined as the cost per 1,000 impressions displayed.

CPM is a convenient and reliable way to meter the number of advertising units delivered, certainly. It is a straightforward basis for calculating revenue based on total units shown, sure.

But is CPM a good pricing model for promoting delivery of effective, attention-getting advertising? A reliable way to gauge the real effect of an advertising campaign? It is here where the model begins to fall short.

Cost-per-engagement (CPE) advertising addresses these issues of accountability and effectiveness. It assures advertisers that their money is being well spent by charging based on actual engagement with ads.

Engagement may refer to viewing a 15-30 second video, answering a survey question or typing in a short answer based on the content of an ad shown.

It is a delivery method that guarantees attention for every dollar spent, thereby taking some of the risk out of display buying provided, of course, that you do not overpay.

With CPE you now have a publisher lined up who is going to guarantee you engagement. This means you can stop worrying about ad slots, or having to resort to aggressive, flashing creatives or other attention-getting tactics.

Instead, your strategy needs to go into how you are going to use the attention you just bought to make a meaningful impact on your target audience.

Study in contrast
For the sake of comparison, think back to your days in the classroom.

Remember that teacher who talked at you straight from a textbook? Boring, right?

Now think about the teacher who got you thinking by initiating conversation, the one who was able to draw a response out of you and get you to synthesize the information you were given into an answer. You probably learned more from the second one.

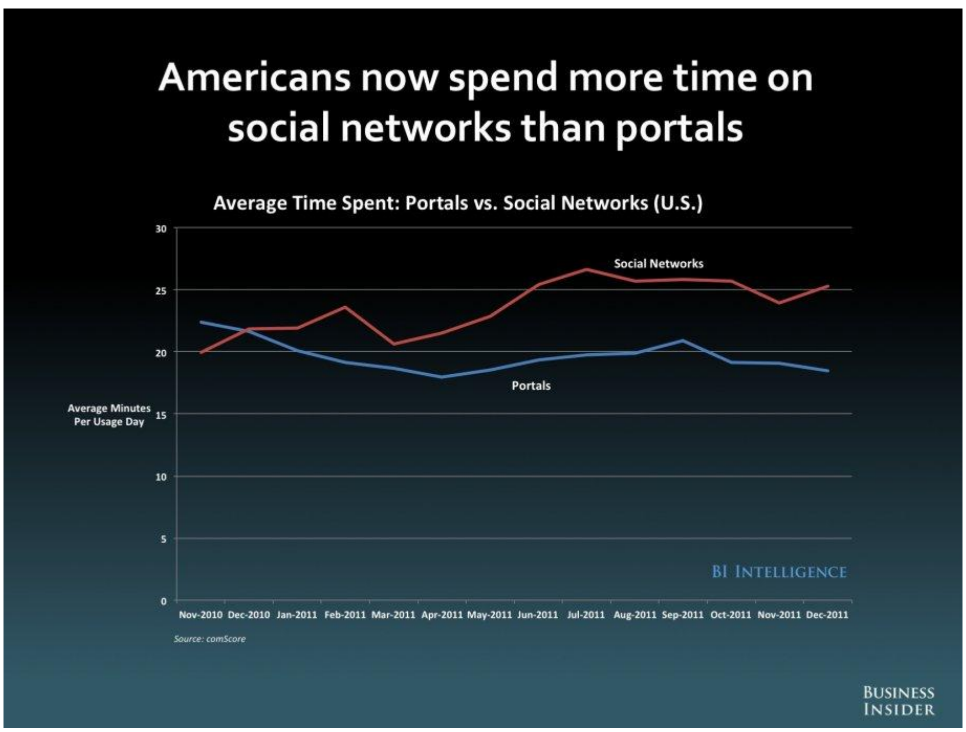
Many of the ad formats that are built for CPE are designed specifically for this kind of two-way interaction. They require users to actually submit an input, click through a multi-page experience, or otherwise demonstrate active engagement before a billable event occurs.

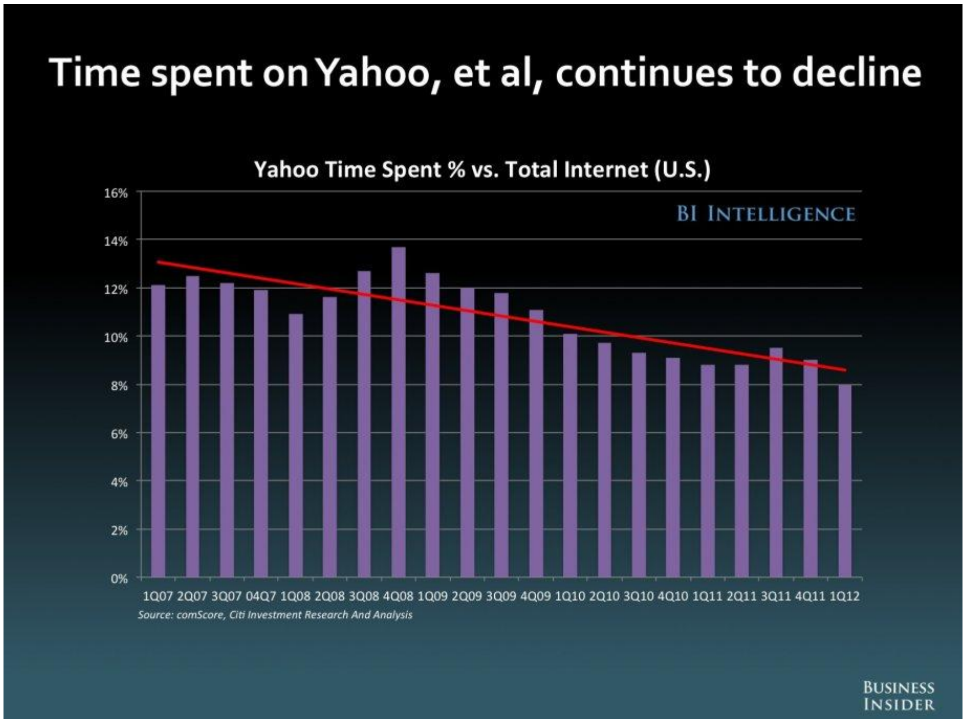
Recall and register are improved immensely by engagement, by forcing some degree of processing of information, whether it be in terms of performance on a test or – returning to the context of online advertising – in terms of creating a positive, lasting association between the experience and the brand that will ideally return the next time the viewer comes into contact with that product or service.

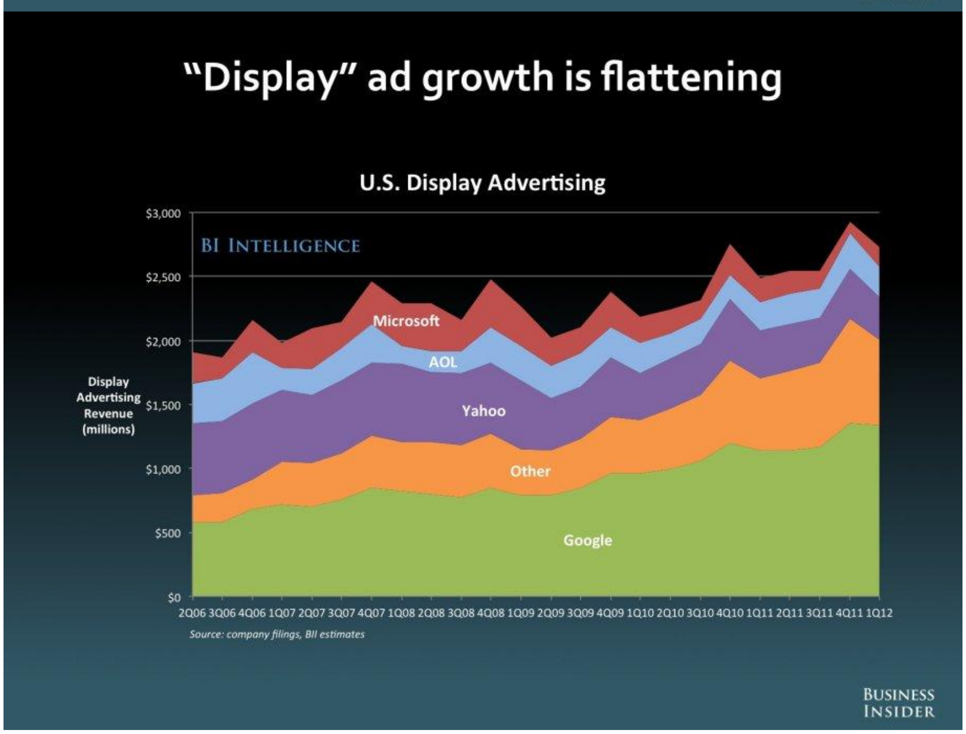
THE CPE MODEL offers an advertiser the certainty that its audience has seen and registered the content of the ad, and the satisfaction that it only incurs cost when a user engages accordingly.

CPE's performance is backed up by advertising effectiveness studies on brand advertising, which show significant lifts across metrics such as awareness, recall and purchase intent.


By the way, "old media" isn't the only media being disrupted…
BUSINESS INSIDER

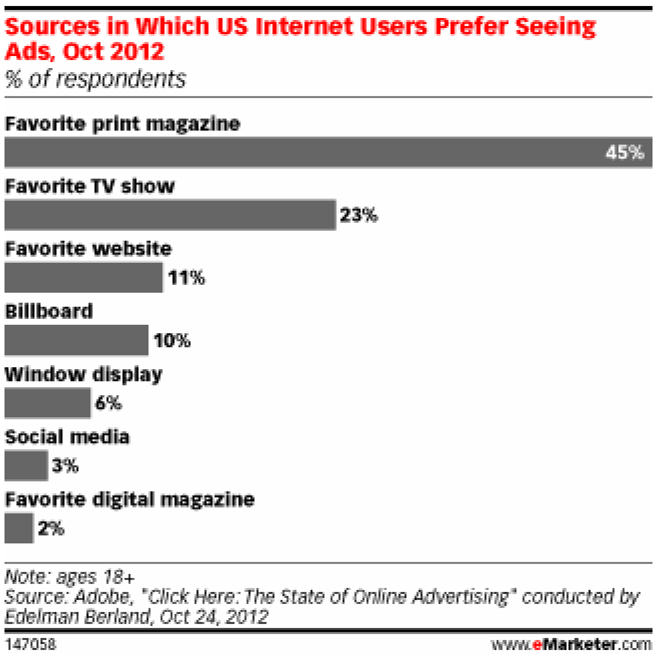

Americans now spend more time on social networks than portals
Average Time Spent: Portals vs. Social Networks (U.S.)
Social Networks
Portals
Average Minutes Per Usage Day
30
25
20
15
10
5
0
Nov-2010 Dec-2010 Jan-2011 Feb-2011 Mar-2011 Apr-2011 May-2011 Jun-2011 Jul-2011 Aug-2011 Sep-2011 Oct-2011 Nov-2011 Dec-2011
BI INTELLIGENCE
Source: comScore
BUSINESS INSIDER





I In an October Adobe survey of marketers and consumers, US marketers even rated online ads better than TV ads—though just barely, with 51% saying that they were more effective. But consumers appeared stuck in the past, with about two-thirds claiming TV commercials were more effective.

Consumers also appear to like seeing ads in traditional media better than on newer digital devices. Asked about their preferred venue for ads, 45% said they liked seeing them in their favorite print magazine and 23% on their favorite TV show, compared to just 11% who chose favorite websites, 3% who chose social media and 2% who liked to see ads in digital magazines.



Marketers and the consumers they are trying to reach disagreed on the effectiveness of a wide variety of ad types, according to the survey. Though both groups thought the best ads were those created by professional marketers, nearly half of marketers said this, compared with just 36% of internet users. There was large disagreement about the effectiveness of paid search ads (touted by marketers, played down by web users) and outdoor advertising (the reverse). Internet users were also much more likely to say there were no good or effective ads—positions which marketers were extremely unlikely to hold, for obvious reasons.

’ll focus on some highlights relevant to broadcasters:

- Facebook users: 147 million, up 4%
- Twitter users: 36 million, up 14%
- Smartphone users: 138 million, up 19%

- Mobile Internet users: 144 million, up 18%
- Mobile video viewers: 23% of the population, up 20%
- Smartphone video viewers: 22% of the population (and more than half of smartphone users): up 22%
- Online movie viewers: 27% of the population, up 16%
- Online TV viewers: 35% of the population, up 13%
- Tablet users: 31% of the population, up 42%

So the quick answer to the question of "what's in store" is…more.

And in the cases of mobile and mobile video and tablets, the answer is…a LOT more.

At the very least this should drive home this point:

A digital strategy is not optional, and a half-baked digital strategy is worse than none at all.

Value of small banner ads is over-estimated

By Chantal Tode

November 21, 2012

Full-screen mobile ads offer some benefits

In these early days of mobile advertising, marketers face several issues, such as accurately tracking results and dealing with high accidental click rates. Increasingly, advertisers are also faced with picking the best ad unit as viable choices grow.

Banners have traditionally been the go-to ad unit in mobile advertising, offering advertisers abundant inventory and relatively low rates. While full-screen interstitial ads can provide a better user experience in some cases, available inventory has been low.

In a conversation with Mobile Marketer, Greystripe senior director Dane Holewinski discusses why the time may be now for advertisers to take another look at full-screen mobile ads and why he thinks the value of mobile banner ads is over estimated.

What are some of the challenges that brands are facing in mobile and getting their message across to users?
When most advertisers think about mobile advertising, they think about the small banner ad. That has limited real estate and limited ability to communicate a message. Also, with small banners, it is estimated that maybe up to 50 percent of clicks are errant clicks.

Some of the other challenges are related to data and tracking in mobile. Cookie tracking is not the same in mobile applications as it is on the Web. This is something that the industry in general needs to address.

What are the benefits of full-screen mobile ads?
The banner ad unit is very small and it doesn't provide advertisers much real estate to communicate a message to the users. There is also a huge supply and demand imbalance in the marketplace. There is a lot of available inventory for banner ads but the current fill rate is estimated at less than 20 percent.

Full screen interstitial ads and the larger ad units in mobile allow an advertiser to overcome some of the short falls of the smaller banner. First, it is a larger ad unit, so it allows an advertiser to communicate a full message to their user, clear call to actions, and with rich media, to really engage the user in the ad unit itself.

We've also seen that there are less errant clicks with full-screen ads.

How do these factors translate to results and cost?
Full-screen ads generate a lot more value for advertisers. We have found that the conversion rates on the back-end tend to be somewhere between 50 percent and 100 percent greater on full screen ads. And in terms of brand awareness, we consistently see lifts in brand awareness metrics of 50 to 100 percent.

We have done some research on our network and we find that our interstitial ads tend to deliver about five times the eCPM of smaller banner ads.

If full-screen ads are so great, why are more advertisers not using them?
Historically, scale was one of the limiting factors for these full screen interstitials. As the market has grown and the available inventory for has grown it is now a very scalable solution.

Also, a lot of the rest of the industry is focused on small banner ads – that is what they are selling, so some times it is challenging for advertisers to step back and compare the value of the two ad units especially when a majority of the vendors in the market are almost exclusively pitching that small banner.

This is complicated by tracking issues in mobile. While we have some really good data about conversion and the value of a click from a interstitial ad, advertisers aren't always that sophisticated. They don't have the tracking mechanisms in place and a lot of the measurement of the value of mobile advertising is based on click through rate.

We don’t think that is a very good measure especially given the number of errant clicks for small banner ads.

Because we are still using relatively rudimentary measurement, such as click through rate, the value of small banners is over estimated because of errant clicks.

As we continue to evolve and have better tracking mechanisms in place and are able to better communicate the true value of a click from an interstitial ad versus a click from a small banner ad, the industry will continue to come around to valuing these full screen interstitial ads much more highly.

Static banners generate more accidental clicks than rich media banners: report

By Chantal Tode

October 29, 2012

In a report comparing the performance for rich media and static banner ads on mobile devices, GoldSpot Media found that the former resulted in fewer accidental clicks.

The Fat Finger Report found that rich media banner ads had a 4 percent click-through rate compared to 2 percent for static banners. However, in a post-click engagement comparison, 38 percent of the clicks on static banner ads were accidental while only 13 percent were accidental on rich media banner ads.

“Mobile rich media banners that engage the user before a tap with 3D. Motion, video and animation result in minimal accidental clicks as they are harder to ignore on the limited smartphone real estate,” said Srini Dharmaji, CEO of GoldSpot Media, Sunnyvale, CA. “The CTR and post-click engagement rates are also very high justifying a CPM ad buy.

“The highest number of accidental clicks are observed on intrusive overlay placements - e.g. IAB Adhesion Mobile Rising Stars Ad Unit,” he said. “Ad placement has a huge impact on the fat finger clicks count.

CPM vs. CPA
Static banners are more prone to accidental clicks because they often appear to be part of the content on the screen and may be tapped by a user unintentionally as a result.

With rich media banner ads that use 3D, motion, video and animation running in the banner space, it is harder for the user not to notice the ad and to click on it accidentally.

When GoldSpot excluded accidental clicks, the click-through rate for static banner ads dropped to 1.06 percent while the click-through rate for rich media banner ads dropped to 3.08 percent.

The results suggest CPM campaigns – where the brand pays by the number of impressions – may be better suited to rich media ads while cost per acquisition strategies may work better for static banners.

GoldSpot defined an accidental click as any where the user engagement lasted less than two seconds. In other words, the user closed an ad, app or site within two seconds of clicking on a banner.

Rushed commuters
GoldSpot took a look at millions of banner impressions from automotive, CPG, travel, entertainment and finance campaigns delivered to mobile users in the third quarter of this year.

The rich media ad units reviewed in the report include 3D rotator, scroller and full banner video.

The report also investigates the times of day when accidental clicks are mostly like to occur and found that in the morning, or around morning commute time, is when accidental clicks are most likely to happen for any type of banner add This suggests that accidental clicks increase when users are hurried and consuming content on a phone at a rapid pace.

Accidental clicks drop to their lowest level later in the morning and then increase slightly in the evening as consumers engaging in more multi-tasking behavior.

"Static banners are best suited for CPA campaigns," Mr. Dharmaji said. "Advertisers yield maximum ROI on static banners only if they pay based on cost per action-lead, call and install.

Advertisers will be throwing away a majority of their budgets if they buy static banner campaigns based on CPM or CPC model," he said. "The best way to derive maximum mileage out of mobile is to buy rich media banners based on CPM model, and static banners based on CPA model."

THIS WEEK'S DIGITAL TRANSLATIONS	
Legacy (Offline) media calls it ---	**Digital (online) media calls it ---**
Impression – In Radio we define this as "every time an ad is *seen or heard* it is an impression"	**Impression**: Digital defines impressions differently as -- the *opportunity* to show an ad to an individual – not necessarily seen or heard. Digital separates impressions into "Served impressions" and "viewable impressions" (not "viewed" but "viewable" – note the difference). However, actual Viewed impressions … which is similar to what Radio and TV call an impression .. is taking on increasing importance in the digital world where even a millisecond of someone's attention is at a premium.
Cost efficiency (CPM, CPP, etc.). This is the basic ratio between the price and the advertising impact of a campaign.	CPMs are also used in digital and are defined based on served impressions (see above) as a rule … although some request CPMs on viewed or viewable impressions. Note that the term " ROI" – Return on Investment -- is used more in the digital world as a better metric to define the relationship between the price and the advertising impact. While the term ROI is sometimes is used in radio as well, there is no measurement standard. In the digital world, campaign analytics done at the back end can better measure the impact of a campaign on consumers and, as a result, they can get a better fix on ROI.

Native ads are the buzzword of the moment in digital advertising, as many content publishers see them as the answer to the disappointments of standard display ads. Their champions say ads that are disguised as content have higher click-through and engagement rates than intrusive banners because they're contextual and have quality content.

But a new survey due out today by Harris Interactive for MediaBrix, a social and mobile ad firm, says otherwise. Harris asked online adults what they thought about three native ad formats—Twitter's promoted tweets, "Sponsored Stories" on Facebook, and video ads that appear to be content. According to the survey, a majority found the ads negatively impacted or had no impact on their perception of the brand being advertised.

People had the strongest reaction to sponsored video ads, with 85 percent saying they negatively impacted or had no impact on their perception of the brand. Sixty-two percent said the same of promoted tweets and 72 percent of sponsored stories.

The survey further found that 45 percent found promoted tweets misleading, while 57 percent and 86 percent said the same about sponsored stories and video ads, respectively.

There's no way to compare the results to people's views on standard banners, because Harris didn't ask respondents about that format. It did, however, ask the same questions about infomercials and print advertorials, with similar results.

Ari Brandt, the founder of MediaBrix, said he commissioned the survey to confirm his negative suspicions about native advertising. He said, however, that MediaBrix focuses on social gaming advertising (it offered native ad formats early on), so he has nothing to gain from discrediting native advertising.

"I wanted to have a counterpart to what's going on in the space," he said. "Ultimately, building brands is about trust and transparency. We're not saying native doesn't have a place in a marketing mix. We're saying, that's not the most effective way to build a brand."

Of course, there are issues with self-reported surveys, especially one that requires participants to be honest about their views about something as divisive as advertising.

Sean Bruich, head of measurement platforms and standards for Facebook, said apart from the methodology issues, the results also conflict with joint research by Nielsen and Facebook that found that overall, social ads—those served to Facebook users whose Facebook friends are fans of, or interacted with, the advertised brand—generated a 55 percent lift in recall over non-social ads.

"Engagement rates with sponsored stories are substantially higher than other ads on the site, and typically, [people] engage with things they find relevant and interesting," Bruich said. "We do not see any evidence that they negatively impact people's experience on the site."

It's also worth noting that Harris showed respondents generic examples of sponsored stories, not examples of actual sponsored stories people are served on their own Facebook news feeds, where the ads are aligned with their personal experiences and preferences.

Adweek asked Twitter for comment, too; a spokesperson said the company doesn't comment on outside research.

Paine, a social media and public relations research firm, harvested a year's worth of posts, tweets and comments on three highly charged areas of health policy debate: genetically modified foods, high-fructose corn syrup and vaccinations. Researchers analyzed 301,497 items, both coding them for positive/negative sentiment and tracing them back to their source. The hypothesis was twofold: that the majority of posts would come from those who do not comment often, but that a minority of commenters would nonetheless have a disproportionate impact on overall sentiment.

The assumptions were borne out, and then some. Not only did Paine find that only 10% of the commenters generated more than a third of the commentary, but a mere 1% of the commenter universe generated 15% of the noise.

I say noise because the 1% are not individuals motivated by concern about issues. They are robots, pay-per-click sites, and content farms and make social media accounts.

Does that mean 15% of social sentiment is irrelevant?

No, it's worse than that. Because 73% of the dubious posts were coded as "negative," that means the 15% skews sentiment data downward. Furthermore, because the experiment was run in the subject areas of GMO, corn syrup and vaccinations -- where emotions (if not necessary intellectual rigor) run high -- it is reasonable to assume that there was a higher percentage of genuine, organic commentary in this sample than you'd see for less fraught subjects…such as brands.

In other words, the study's designers arguably stacked the deck against their own hypothesis. In other words, in social media as a whole, the robot factor is probably significantly worse. And therefore, if you are careless in knowing what you are looking at, you can be misled. You can be misled into thinking you are hated more than you are actually hated. And you can be misled into thinking you are more beloved than you are actually beloved.

For instance, here is a tweet that caught my eye:

THIS WEEK'S DIGITAL DEFINITIONS

Definition
A trading desk is a centralized buying center that overlays multiple technologies to create a managed, bidding-based media buying center. Both agencies and advertisers have trading desks. For more info, here is a link to an ANA white paper on trading desks: http://www.adexchanger.com/Agency_Trading_White_Paper.pdf
An Ad Network combines inventory from numerous publishers (i.e., websites) to sell advertising on as a single entity, at a single rate, utilizing a central ad serving technology. **An Ad Exchange** is an automated platform for buying and selling ad *impressions* (as opposed to advertising) that usually has multiple ad networks within it. Ad exchanges offer a variety of methods of purchasing, consumer targeting and back end analytics (i.e., ratings). **The Difference:** An Ad Network is a full service offering with buyer/seller relationships and manually managed campaigns selling advertising while most Ad Exchanges are automated, self-service technology platforms that automatically conduct transactions selling ad *impressions*. The major difference is in the level of automation within the buying/selling process.
A Demand Side Platform (DSP) is an online advertising technology that enables internet advertisers and agencies to manage their interaction with multiple ad exchanges through one interface. Real Time Bidding (see below) for online ads takes place within the ad exchanges and, using a DSP enables advertisers to manage their online advertising bids as well as their multi-layered targeting (remember we recently sent you definitions of the multi-layered targeting that's available in digital, like behavioral or contextual in addition to demographic). **A Supply Side Platform (SSP)** is an online advertising technology that allows the suppliers of the online ads (e.g., publishers of websites) to place their inventory into an ad exchange to automate its sale. **The difference** between them is that an SSP enables websites to 'plug into' an ad exchange to make their inventory available for sale while a DSP works on the advertiser/agency side purchasing and placing ads.
A Bidding platform is an online environment that allows users to bid for advertising. Online technology allows for Real Time Bidding (RTB) where websites auction off their inventory by impressions and in 'real time' and media buyers can target based on a variety of factors beyond demographics. How this works is: once a consumer visits a participating website that has advertising, an electronic request is made to the DSP (defined above) to determine which advertiser gets to serve its ads to that consumer, who has been tagged with a set of attributes (demographics, previous website visits, etc.) and the DSP determines if that consumer has the required attributes. Then, based on the value this user has to the advertiser, based on their pre-set targeting goals, a bid is placed; the highest bidder gets to serve its advertising. **This entire process takes place in milliseconds**. Have you ever wondered why, if you visit a car company's website, you start to see ads for cars on every website you subsequently visit? This is because you now have the attributes of a car shopper based of your previous behavior and RTB is taking place behind the scenes so car ads can be served to you.
THIS WEEK'S DIGITAL DEFINITIONS – the 4 basic types of digital media

Digital media type	Definition
PAID Media	**In the digital world, the term 'media' splits into several parts**. **"Paid" Media is what we think of as "media" – traditional paid advertising** through display ads, search ads, streaming audio or video, etc. This form of media is self-explanatory while the others you're probably not familiar with.
OWNED Media	**Owned Media is content that the brand itself controls**: its own website, newsletters or social media pages. In a digital world, it's easy for those we think of as advertisers and clients to become part of the media … through their own websites. **EXAMPLE: A Radio station's website.**
EARNED Media	**Earned media is actually "free" media** – the name is somewhat counterintuitive. Basically this is the result of a brand's public relations and media relations efforts to gain coverage in publications online and offline. It includes online and offline reviews, consumer buzz and word-of-mouth. Basically it's your 'earned reputation'. **EXAMPLE: A written review of a Radio station's concert.**
SHARED Media	**Shared Media is social web participation** and direct interaction with consumers on sites like Facebook, Twitter and YouTube. It's the result of a "Shared interaction" with a consumer and is sometimes thought of as part of "Earned" media since it's essentially consumer connections that are not paid for. **EXAMPLE: A DJ's Facebook page.**

Interview: Jakob Nielsen on why banner blindness means display ads still aren't fit for the web

TheMediaBriefing Experts' Blog - 20 hours, 32 minutes ago

0 CommentsShare this article:

- Share on Facebook
- Tweet this article

Bookmark article

Are advertisers still in a state of denial about display advertising? In 1997 Jakob Nielsen used eye tracking to identify a characteristic of web use – people simply don't look at ads. Fifteen years later and what Nielsen called banner blindness is still an everyday hurdle for advertisers. We had a chat with Nielsen about why display still aren't fit for the web – and what advertisers and publishers can do to make audiences pay more attention.

TheMediaBriefing: Has the online ad industry moved on since you first wrote about banner blindness?

The ad industry is in denial about the fundamental underlying problem, that the web is an interactive medium, not a passive consumption medium. That is why search advertising has been so successful, because it works with the flow of users wanting to decide where they want to go and what they want to do. The display ad industry is still dominated by one-way communication.

Even if they make interactive ads, let's say a little game, that creates pseudo interest, is still all about how to spread brand message. It's not that people aren't willing to buy on the internet. It is that people don't want to be talked down to, to be led by the nose.

So why is display advertising still such a big growth market, with the likes of Google Loading...companiesgoogle putting a lot of effort into it?

It is a paradox. Google see these marketing managers partying like it is 1955 throwing money away and Google think they might as well throw that money at us. But I doubt deep down they believe they are delivering value for the money.

What do you make of new ad formats that are emerging, that seem to be more effective?

Anytime something new is tried it has a temporary effect of enhanced clicks and enhanced user retention. But banner blindness is inherently a psychological effect called selective attention. There is so much stimulus in the environment that for humans to survive they can only pay attention to the important things. If you get a new stimulus it takes a while before that system builds up again to automatically filter it out.

That is why when a new format comes out you always see these initial press releases saying it has something like five times the click-through rate of normal banners. But you never see releases two years later saying the click-through rate has declined to the same level as other formats.

What difference does good creative make?

High quality creative makes a big difference, but at the same time, there is a tendency for it to be so creative you can't tell what it actually is. We see a lot of user behaviour looking at part of an ad, perhaps because there is an unusual graphic, and then looking away. They need to be more utilitarian than they are used to.

Video ads in certain genres can be made highly entertaining. So for instance people might want to watch a movie trailer – which is inherently visually appealing, good-looking actors, explosions and action etc. You see a lot of that on YouTubeLoading...companiesyoutube with pre-roll commercials. But even then you have the ability to skip the ads and many people will do so to see what they are looking for. It is still fighting against your own customers, which is not a long-term prescription for success.

Even very impressive ads work less well in pure display (banner ads and MPUs etc), because even if you target well, banner blindness means people aren't looking at it at all - it doesn't really matter whether it is interesting or not. We see this with site features which people were looking for but didn't see because they looked like an ad. They see its general shape and they ignore it.

What about more interactive formats such as buttons (like those developed by ad company Response)?

Buttons attract attention, and they work with the basic mechanism of the web - people are scanning the pages looking for what they can do. People are always on the lookout for the buy button, the add to cart button, the search button. But the second challenge will be to offer some sort of interaction that makes sense. They need to be more action oriented and relevant.

What about mobile?

We are still at a phase where it is relatively new for people to do a lot on mobile phones, so banner blindness isn't as strong yet. And because the screen is smaller you are more likely to see all that's displayed. But we are starting to see people don't actually look all over the screen. Banner blindness comes from something more deep and will therefore play out in any format. But it takes a while to evolve.

What can publishers do to make ads work better?

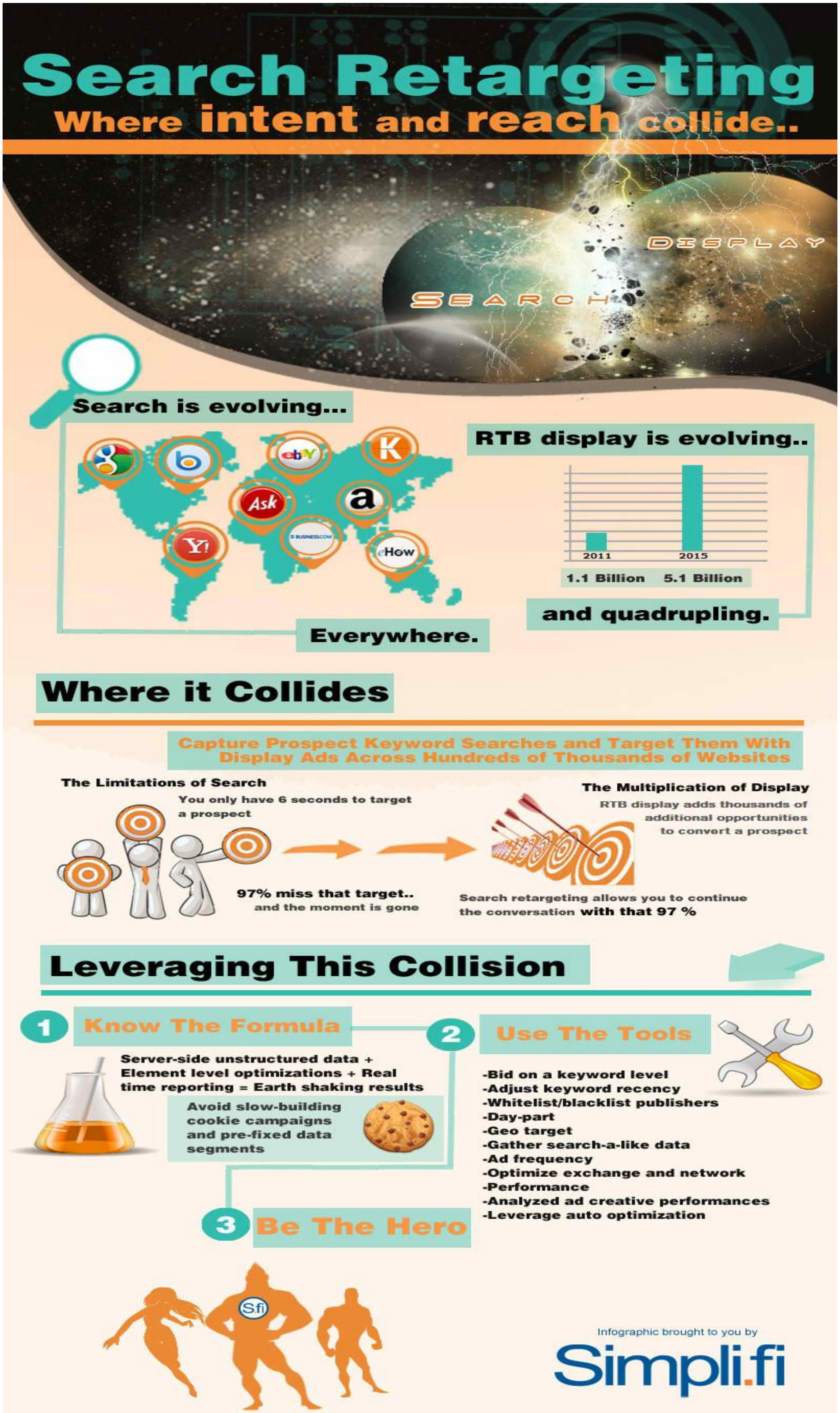
They could look at content in new ways. If you can integrate the advertisement well with the content, it becomes almost more like a customer service than advertising in a traditional sense. They should screen out advertisers who are not credible, which means not just taking any advertiser with money, but credible advertisers that have passed some level of screening.

An example would be news aggregators for certain industries. They have what they call sponsored postings. The people who pay for that promotion tend to be people of interest to that audience. It might not be at the most relevant, but it could be bumped up for a fee.

But there are some brands and content that don't work that way. There is little chance of designing a Coca-Cola ad to feel like a natural part of an article about starvation in Africa.

Are there some brands that don't have a place in display advertising?

There are a lot of product categories that are very generic. They have very big ad budgets, but they are trying to create an artificial distinction between the product by the way they advertise. That type of advertising is not very well suited for the internet.


Search Retargeting
Where intent and reach collide..
DISPLAY
SEARCH
Search is evolving...
Ask
eHow
Everywhere.
RTB display is evolving..
2011
2015
1.1 Billion
5.1 Billion
and quadrupling.
Where it Collides
Capture Prospect Keyword Searches and Target Them With Display Ads Across Hundreds of Thousands of Websites
The Limitations of Search
You only have 6 seconds to target a prospect
97% miss that target..
and the moment is gone
The Multiplication of Display
RTB display adds thousands of additional opportunities to convert a prospect
Search retargeting allows you to continue the conversation with that 97 %
Leveraging This Collision
1 Know The Formula
Server-side unstructured data + Element level optimizations + Real time reporting = Earth shaking results
Avoid slow-building cookie campaigns and pre-fixed data segments
2 Use The Tools
-Bid on a keyword level
-Adjust keyword recency
-Whitelist/blacklist publishers
-Day-part
-Geo target
-Gather search-a-like data
-Ad frequency
-Optimize exchange and network
-Performance
-Analyzed ad creative performances
-Leverage auto optimization
3 Be The Hero
Sfi
Infographic brought to you by
Simpli.fi

Time spent communicating electronically is rising

While face-to-face conversations are declining

Time spent communicating in past week (mean hours)

Talking on phone

5.8 | 5.4

Texting

4.6 | 5

Using Twitter

6.1 | 6.8

Conversing in person

14.1 | 13.6

Connecting on Facebook

4.9 | 4.7

Participated in the following digital activities in past 30 days on computer, smartphone or tablet (%)

Texting

69 | 72

Playing games

55 | 60

Listening to music

48 | 53

Using apps

38 | 53

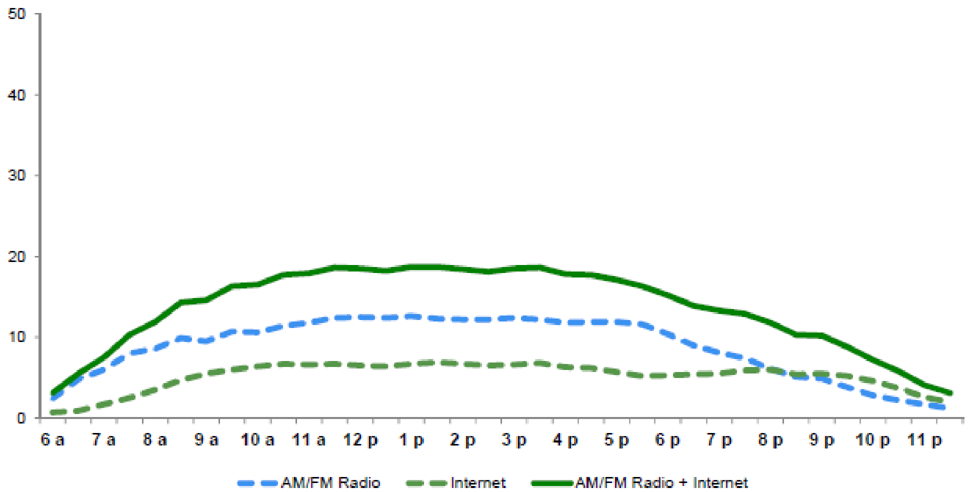
Social networking

48 | 51

Growth in time spent online is driven by increases in time playing games, using apps, listening to music

AM/FM Radio Increases Reach When Used Together with the Internet

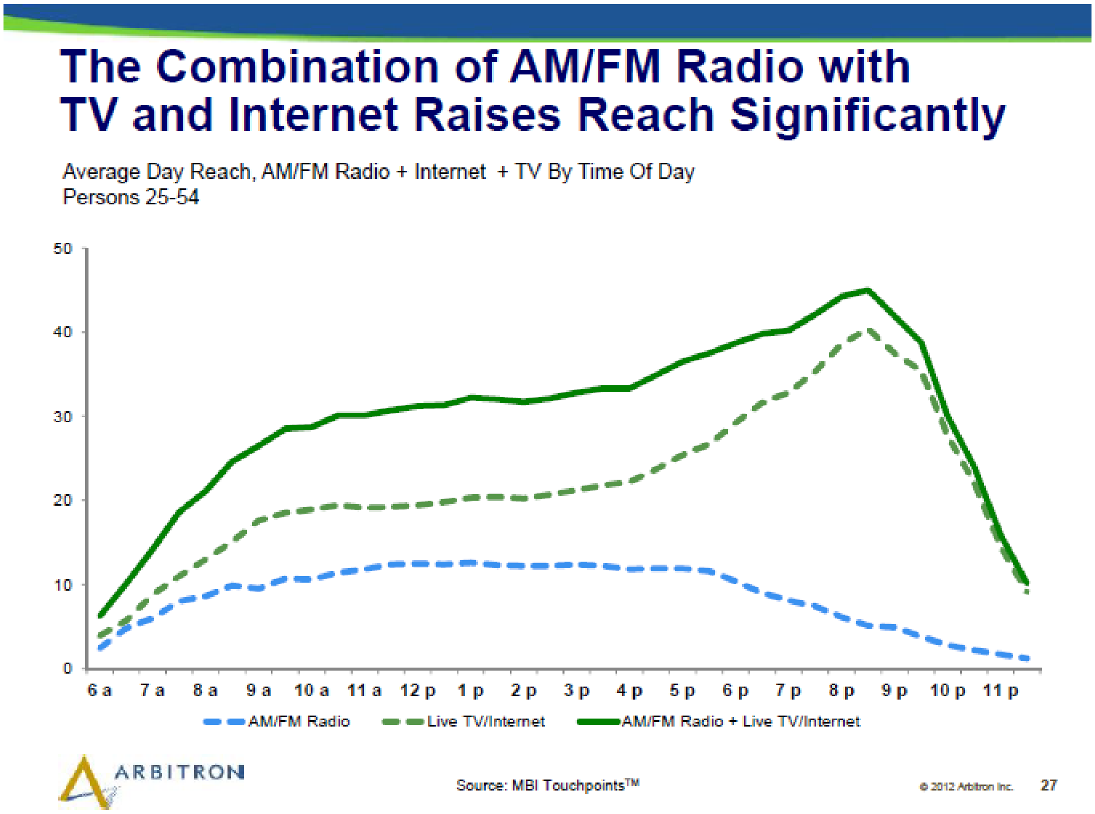
Average Day Reach, AM/FM Radio + Internet By Time Of Day
Persons 25-54



ARBITRON

Source: MBI Touchpoints™

 26



Report Finds Data On Online Ad 'Viewability' Is, Ironically, Less Viewable

by Joe Mandese, 93 minutes ago

At a time when the ad industry is lobbying publishers to disclose the "viewability" of their ads, publishers seem to be going in the opposite direction and making the process more opaque and less transparent, according to the findings of a comprehensive report tracking the supply and demand of ads bought through exchanges in the real-time bidding (RTB) marketplace. The report, independent agency trading desk Accordant's "Q3 Market Pulse," found that only 29% of the biddable inventory made available during the third quarter disclosed whether the ads were viewable, down from 32% in the second quarter, and down from about 40% in prior quarters.

The finding, which comes as major ad agencies, advertisers and trade groups are pushing to make "viewability" – meaning advertisers would only pay for ads that users can actually see -- the industry standard for online advertising, indicates that at least for the short run, some publishers are actually making that harder to discern by not making data about the viewability of their ads available when they are bought.

“Publishers can opt to set that setting and disclose that position, but some publishers have actually tightened back the reins,” explains says Craig Schinn, vice president-analytics at Accordant. Schinn said while it’s not entirely clear why publishers are making their viewability data more opaque, he speculated that at least some of them see it as a short-term means of “protecting their CPMs,” or the cost-per-thousand advertisers pay for their ads, by “hiding the junk and not telling you it’s below-the-fold” and therefore not viewable.

Schinn estimated that historically only about 60% of that data was “hidden” in the past, and now it’s risen to 71.”

Bot Traffic Remains Drain In Ad Industry's Pocket

by Laurie Sullivan, Sep 28, 2012, 5:30 PM

Some 10% of all online traffic is generated by bots that potentially cost the industry $1.5 billion, based on eMarketer's 2012 global ad spend estimate of $15.3 billion, according to findings released Friday.

Solve Media, the company that build ads into a CAPTCHA-based advertising, released a study citing a 400% rise in abnormal traffic across registration, voting, commenting and contact services on the Web, since 2011. The company, with 100 million identity authentications to collect the data, also points to comScore estimates that suggest between 4% and 11% of ad impressions in the U.S. were delivered to bot traffic.

Bots that automate tasks, such as clicking on Web pages and ads, cause advertisers to pay for impressions never seen by humans. They can steal content, post inappropriate comments and create fake user accounts used to launch other bot attacks.

Advertisers and publishers risk their reputation when bots are active on Web sites. They negatively impact sites through wasted time and money spent marketing to automated nuisances that never become customers

---

–

When it comes to news consumption, mobile devices are expanding reach, rather than cannibalizing other media, according to a new study by the Pew Research Center’s Project for Excellence in Journalism. The proliferation of devices is creating a new kind of “multiplatform” news consumer embracing new technologies without necessarily abandoning older formats

Online operates more within people's immediate social network, allowing them to stay in touch with friends and highly defined communities of literest (My World). Radio connects people with their wider network e.g. their local community or broader community of interest (My Wider World).

Radio and internet are complementary media
The combination of radio and the internet satisfies the rational and emotional needs of consumers. The internet is a huge resource for information allowing people to find what they want, when they want it. Radio is a personal and emotional medium providing entertainment and companionship throughout the day. Both media connect the user with social communities

Part of the reason display has fallen out of favor is that it's been hard to prove that the ads work. Skeptics point to low click-through rates -- a fraction of a percent, at best -- and scientists have coined the term "banner blindness" to refer to the way Web surfers ignore display ads

"On the Web specifically, advertising has moved into more demand fulfillment as opposed to demand creation," said Jim Spanfeller, CEO of Forbes.com. "That's not really advertising. There's nothing wrong with it. Doing search marketing and point-of purchase displays all works, but it's not advertising. It's not about creating demand and improving brand metrics." Note the key portion of the quotation: According to the opinions of the 119 senior marketers in the Forbes survey, the Web is great at fulfilling demand but not great at creating it. Introducing consumers to something worth wanting is fundamentally different from giving it to them after they're already shopping for it. While we would be foolish to imagine that the Web is incapable of this power, it's clear that this group of marketers doesn't see it there today.

TV Prompts Searches For Some Multi-Screen Users

August 30, 2012 by MarketingCharts staff

TV is a significant catalyst for search on both smartphones and computers (PCs and laptops), according to [pdf] August 2012 research conducted by Sterling Brands and Ipsos on behalf of Google. Among the study's multi-screen participants (such as those who use a smartphone while watching TV), 22% of smartphone searches were prompted as a result of watching TV. 17% were the result of seeing a TV commercial, and 7% from seeing a TV program (crossover between the two resulted in a total less than 24%).

10% of search occasions on PCs and laptops were the result of watching TV, reveals data from "The New Multi-screen World: Understanding Cross-Platform Consumer Behavior." 6% were the result of seeing a TV commercial, and 6% from seeing a TV program.

78% of Simultaneous Usage is Multitasking

While some element of multi-screen use is to enhance TV viewing (such as interacting with friends about a program on Twitter or Facebook), 78% of simultaneous usage was found to be unrelated multi-tasking – conducting another different activity at the same time, answering emails or shopping online while watching a TV program.

Even so, consumers still pay attention to TV while engaged in other activities, per results from a May 2012 study by the IAB. According to that report, while simultaneously engaging in TV-related activities on their devices, smartphone and tablet users both give an average of 63% of their attention to TV. The average attention level drops when these multi-taskers engage in unrelated activities, but still remains above 50%, at 55% for smartphone users and 61% for tablet users.

The Google study indicates that 92% of multi-taskers have used a PC while watching TV; 90% a smartphone and TV; and 89% a tablet and TV.

Smartphones A Common Second Screen

The Google report also finds that when participants used a smartphone as a primary device, they also reported using a secondary device 57% of the time (PCs and laptops, 28%; TVs, 29%). When using TV as a primary device, respondents reported using a secondary device 77% of the time, with smartphones representing 49% and PCs or laptops 34%. When using PCs as a primary device, 45% reported also using a smartphone. When using a tablet as the primary device, though, TV (44% of the time) was the most common companion, ahead of smartphones (35% of the time).

About The Data: The research was conducted in two phases, involving 1,611 over 7,955 hours of activity. The qualitative phase consisted of mobile text diaries, online bulletin boards and in-home interviews in LA, Boston and Austin. In the quantitative phase, participants logged each of their traditional and digital media interactions in a mobile diary over a 24 hour period. A survey probing further into observed behavior was deployed the day following diary participation. Participants were given an online survey to understand attitudes and behaviors associated with various digital activities, specifically when using multiple screens. The study observed 15,738 media interactions.

Consumers Distrust Advertising: Trad Media Fares Better Than Digital

by Wayne Friedman,

Consumers don't generally "trust" advertising -- but in certain advertising platforms combinations those trust numbers get better.

The worst results, Nielsen says, are from "text ads on mobile phones," which have a 71% "Don't Trust Much/At All" score. Online banner ads hit a 64% number, which is also the same untrustworthy number for "ads on search engine results."

By way of comparison, some traditional media does a bit better: "Ads on TV" score a 53% untrustworthy mark; with product placements on TV at a distrusting 60%. Ads in magazines are at 53%, while ads on radio score 58%.

The best trusting results are drawn from general consumers' opinions and recommendations from "people I know" information -- where they hit a 70% and a 92% score, respectively, when it comes to "trust completely/somewhat."

Nielsen says there is a remedy to some of the negative feelings about advertising when marketers combine social and paid advertising. Looking at ads with and without a social layer, it discovered that purchase intent is much higher when adding a social component.

The report says: "Knowing that the advertised brand is liked by our friends builds trust." One example shows that social ads hit 55% better results in ad recall than non-social advertising results.

Looking at branded company sites -- owned media -- Nielsen says that in one example a brand's Web site, along with paid digital advertising, drove sales lift three times higher then of paid digital ads alone.

Nielsen recommends that marketers look at other combinations for positive results.

Attribute This

by Yaakov Kimelfeld, Tuesday, Sept. 18, 2012

To paraphrase the tagline used in commercials by Ally Bank: "Even children know it takes more than a single ad to convert a prospect."

When optimizing online campaigns, the overwhelming majority of advertisers still credit only the **last ad event** that occurred prior to the conversion. That last event is typically in the form of exposure to a display banner or a click on a paid search link. This is usually referred to as the 'last ad' model. Some advertisers will only attribute credit to an ad if it was clicked – the 'last click' model.

It's no wonder, then, that every third post on this blog seems to be about "attribution." For those who have spent the last several years living under a rock, when media practitioners say "attribution" or "multi-touch attribution" they are usually **apportioning credit** for each conversion measured across all advertising a consumer was exposed to prior to converting. That seems like the obvious way things should be done, but it is a giant leap forward from the traditional approach still commonly used today.

Indeed, in recent years we have seen a sharp increase in usage of attribution management as advertisers look to extract maximum value from their digital budget. Multiple players and methodologies compete for the best way to attribute conversion to the ad/media that drove it. The field is data and method heavy with companies usually boasting about the superiority of their statistical techniques or the visual allure of their dashboards as key service differentiators. In some instances, advertisers conduct their own analysis with campaign data available from third party servers such as Atlas and Doubleclick.

There is, however, a major challenge to the explanatory value of attribution analyses as currently performed. And it is not in using logistic regression instead of Bayesian networks. Most attribution management solutions today can only credit the ad events and touchpoints that were tagged before the campaign even started. Obviously, what you don't tag you won't see - and very often you simply cannot put a tag on the proverbial elephant in the room.

As a result, attribution platforms tend to over-credit Paid digital media - which is usually properly tagged - while ignoring other digital touchpoints, e.g., earned media and competitive marketing. The latter, in theory, should be given negative credit if it takes consumers away from conversion on your site - not doing so masks the positive impact of native advertising in balancing/neutralizing the competitive messages (an ad seems to be ineffective in driving the conversions, but things would be much worse without it). Not all of the factors out there that affect ad performance can be influenced by an advertiser - yet they have to be accounted for as they have the potential to skew the results of the campaign.

Another problem is dependence on cookies. A proper attribution analysis can only be done on the respondent level, across that unique person's purchase life cycle. Cookie deletion, when its rate is high, makes a single respondent appear as two, three or 14 different individuals, inevitably eroding the model. Moreover, the access from multiple devices (work and home PCs, tablets and smartphones) by the same users brings additional noise into the system.

The most crucial omission of the current solutions, however, is their limited ability to answer the "why" questions. Why was that ad so influential? Why was that particular path to purchase so popular? Is that because of ad message, ad placement or the effects of targeting that served the ad to the right demographic/behavioral segment? What was the state of target audience before the exposure to the campaign? The crucial demographic and behavioral variables are rarely available - the only variables to explain the performance of sites and ads remain, well, the sites and the ads.

In order to overcome this, attribution solutions should go hybrid, combining tagging/cookie pool data with the data from online behavioral panels. The former will ensure that the entire span of the paid media campaign is captured by the analysis; the latter will correct for cookie deletion while enriching the data sets with a wealth of competitive information as well as explanatory insights on campaign audience - the demographic, psychographic and behavioral variables that cannot be gleaned from cookies and tags. The panel data can also be used to account for the impact of the Earned media touchpoints that cannot be tagged - and assign due credit to them as well.

Onward to Attribution 2.0!

Digital media now has its own geographic trading areas. Radio has Arbitron metros, TV relies on Designated Marketing Areas (DMAs). But for the $18.7 billion-a-year local digital ad market, a trading zone standard has yet to emerge. Borrell Associates hopes to crack the code with the introduction of its Digital Marketing Regions (DMRs). The new geographies identify 513 U.S. markets where local businesses concentrate their digital advertising expenditures. “Digital media has been around for 20 years without its own unique market geography, so this is overdue,” Borrell EVP Kip Cassino says. The firm says local digital advertising will jump by 21% this year before climbing another 30% in 2013 to $24.4 billion, giving it the greatest share of local ad budgets for the first time in history. Digital media will control 25% of the $96 billion local ad marketplace next year. The new DMR regions were selected by a formula that identifies a core county where digital marketing expenditures to reach local consumers are high, then spans out to draw geographic boundaries where expenditures taper off or “hit a wall” from another market’s expenditures. They range in size from Los Angeles, with an estimated $813 million being spent by local businesses this year, to Carlock, South Dakota, with $310,000. The average DMR includes six counties and has $36 million in locally spent digital advertising. Most are far smaller than television DMAs and many are bounded by a river or a mountain range. DMRs get larger in sparsely populated areas because shoppers in rural areas must travel farther to shop than their urban counterparts. “The distance consumers are willing to drive to make certain purchases — to visit a shopping mall or buy a car, for example — is pivotal to the physical size of DMRs," Cassino says. "These geographies become larger as the ratio of local online ad spending in the 'core' county to any surrounding county grows." See the breakout

YouTube Rolls Out Mobile-Video Ads You Can Skip

Says 65% of Pre-Roll Ads on YouTube Are Now Skippable

By: Jason Del ReyPublished: August 22, 2012
inShare54
share
email print rss

YouTube is bringing its skippable video ads to mobile phones and tablets, hoping to build on the success the company says the ads have found with PCs.

YouTube is bringing its skippable video ads to mobile devices.

Viewers using desktop and laptop computers can skip YouTube's video ads, dubbed "TrueView," after five seconds. Advertisers only pay if a viewer watches it for 30 seconds or completion, whichever comes first. The operating theory for YouTube is that advertisers will pay more to reach a viewer who has chosen to watch an ad.

Skippable ads are obviously popular among consumers, but publishers that don't have the massive video inventory of YouTube have hesitated to introduce similar formats for fear of squashing large chunks of their video ad revenue in the short-term.

YouTube says that 65% of pre-roll ads on YouTube now allow viewers to skip them. That penetration coupled with the explosion of content consumption on mobile devices made the ads' extension a no-brainer, the company said.

Advertisers, meanwhile, are getting better at making the most of mobile, according to Jason Spero, head of global mobile sales and strategy at Google. Where most advertisers previously used mobile ads to extend their desktop campaigns, they are increasingly using different calls to action even when the creative remains the same, he explained. "Finally, we're starting to see people think of it as a complementary set of channels," he said.

Mr. Spero declined to say how much mobile revenue YouTube has brought in but cited an earnings call last fall during which Google CEO Larry Page said Google was on pace to generate more than $2.5 billion of mobile revenue across its different businesses.

```
A study by MarketingSherpa reveals different average CTRs for different
banner sizes:

160 x 600: 0.14 percent
 300 x 250: 0.37 percent
 120 x 600: 0.18 percent
 728 x 90: 0.27 percent
 468 x 60: 0.10 percent
 Overall average: 0.21 percent
```

According to **The Creative Group's** survey of 500 U.S. advertising and marketing execs, only an incredibly small percent of agencies are on Pinterest.

The results find:

- **7 percent** already use it for business
- **10 percent** plan to *start* using Pinterest in the near-ish future
- **44 percent** have zero interest in using Pinterest for business purposes

According to the survey, a staggering 18 percent of marketers have **never even heard** of Pinterest. Considering the social media site's meteoric rise, you'd have to assume their shops are based out of remote, Wi-Fi-free caves.

Consumers, on the other hand, are loving the social media darling, which grew from from approximately 1 million to 20 million users between July 2011 and July 2012.

Kantar Media Company's Compete conducted an online shopper intelligence survey suggesting that one in four consumers spend less time on other social media sites like Facebook and Twitter in favor of Pinterest, and 15 percent claim that they don't use any social media sites except for Pinterest.

Considering that the sharing site is photo-based, brands have produced some visually compelling work on Pinterest. (Uniqlo found a really cool way to create a scroll animation on the site).

Donna Farrugla, executive director of The Creative Group, explained the small agency turnout as follows: "Pinterest has attracted a huge following quickly, but companies may be waiting to see if its popularity will last and what the potential business uses are in order to determine if a presence there makes sense."

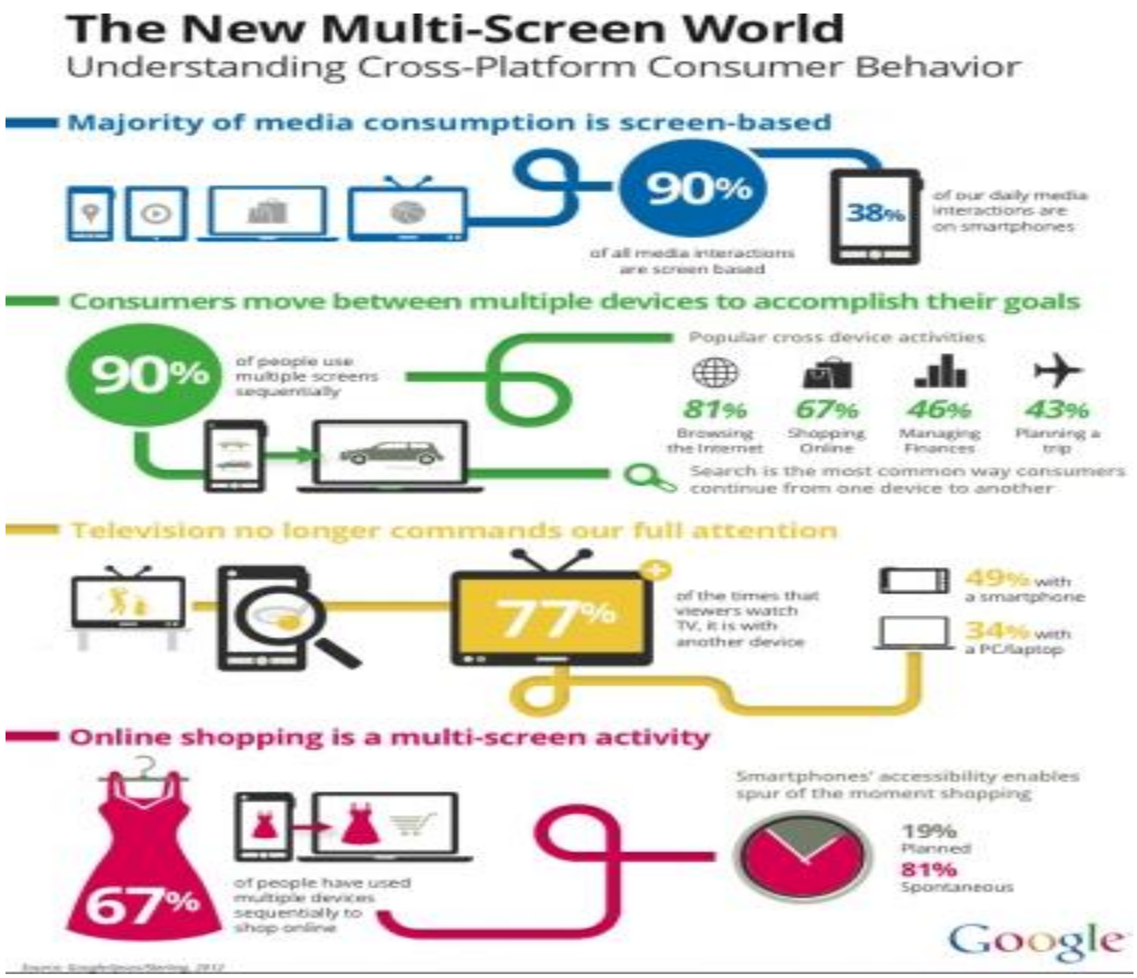
Agencies, what do you think? Do the stats seem right? Why do or don't you use Pinterest? Explain in comments or email LStampler@businessinsider.com

The online ad industry's Making Measurement Make Sense (3MS) initiative calls for a new viewability metric that would only measure when 50 percent of an ad is in view for at least one second. The problem is, fewer than half of online ads meet that standard, according to a forthcoming study due out Tuesday.

The study by AdSafe Media, which offers products that promise to safeguard brands' ads online, shows that 49.9 percent of ads sold directly hit the proposed requirement. The number shrinks to 41.2 percent in the case of ads sold through ad networks and 40.3 percent of ads sold through ad exchanges.

And that's only for a second-long peek. When extending the in-view window to 15 seconds, the stats dwindle to 21.1 percent for ads. The findings are based on impressions examined during the first half of 2012.

AdSafe also looked at cases of ad collision, or instances when multiple ads from one advertiser's campaign pop up on the same page. That unintentionally happens with 6 percent to 7 percent of the ads that get served. While doubling up an advertiser's presence on the page could juice the likelihood of the brand's paid media being seen, said AdSafe svp of product management David Hahn, it "represents a pretty significant loss of value" because the likelihood of a user converting drops for both.



Friday, Aug. 31, 2012

Pinterest Interest

A new survey by The Creative Group shows few organizations are ready to promote in Pinterest despite the virtual pinboard's increasing popularity. 61% of advertising and marketing executives interviewed are hesitant or not interested in using Pinterest for business purposes. Only 7% reported they're already using it.

Advertising and marketing executives were asked, "Which of the following statements best describes your agency's/firm's attitude toward Pinterest?"

Marketing Intentions in Pinterest (% of Respondents)	
Intention	***% of Respondents***
We love it and already use it for business purposes	7%

It's caught our eye, and we plan to start using it for business purposes	10%
It's caught our eye, but we're still hesitant about using it for business purposes	17%
We have no interest in using it for business purposes	44%
Not aware/never heard of Pinterest	18%
Don't know/no answer	4%
Source: CreativeGroup, August 2012	

Advertising executives at large agencies were more active on Pinterest than those at smaller agencies and their corporate marketing counterparts. 24% of advertising executives at agencies with more than 100 employees reported they are already using Pinterest as part of the marketing mix, and another 6% said they plan to create an account.

Donna Farrugia, executive director of The Creative Group, "...marketers must invest resources... that best match their demographics and brand personality... companies may be waiting to see if (Pinterest) popularity will last and what the potential business uses are... "

The report offers some tips for using Pinterest to display:

- Make it easy and intuitive for viewers to find what they're looking for, and create a clear, concise title for each board
- Make certain viewers understand the context of pins by labeling personal portfolio samples
- When repinning, comment on the compelling nature of the image
- The best way to attract more eyes to your Pinterest page is to engage with other pinners to attract more eyes

Search helps build strong brands by bettering brand-health metrics. But creating long-term relationships is usually foremost for brands, and, according to eMarketer, in a new report, "Search for Branding: Tools for Better Campaigns," "even though a majority of business-to-consumer (B2C) marketers now believe that search affects brand-building, digital executives sometimes still find it tough to prove that search is a critical ingredient in branding."

Search is not just for direct-response marketing anymore, and its use for branding tends to be far more subtle than when used simply to drive a sale.

Search, as eMarketer defines it, includes not just paid ads on search engines but also search engine optimization (SEO) to boost organic rankings; mining data from search ads or SEO to discover more about a brand's customers or prospects; and using general search data—not necessarily from a brand's own efforts—to get a sense of the target audience and the brand's competition.

Despite being bombarded by an unprecedented fusillade of advertising, consumers of digital video content continue to display a high tolerance for sponsor messaging.

According to a new report from the video monetization firm FreeWheel, the online video environment is increasingly mimicking the experience of the age-old television ad model, as the standard pre-roll spot is giving way to a far more comprehensive break structure.

Upon serving up 10.1 billion video ads in the second quarter of 2012, FreeWheel concluded that long-form content is the most desirable environment for advertisers. Not only are spot loads on

the rise—in the three-month period that ended June 30, long-form video content was studded through with eight ads on average, up 167 percent from three in the year-ago period—but viewers are also remarkably tolerant of the interruption.

Despite the heavier spot loads, users viewed 91 percent of the ads slotted within full-length episodic programming, a classification that includes 22-minute sitcoms and scripted dramas. Not only does that mark an improvement from 81 percent in the second quarter of 2011, but the 9 percent avoidance rate is superior to that of broadcast. Per Nielsen C3 ratings data, viewers of the Big Four nets skipped 13.5 percent of ads served during the 2011-12 season.

Total ad views in short-, medium- and long-form content were up 68 percent year over year. And while viewers of short video clips (sports highlights, music videos, etc.) once again demonstrated the least tolerance for ads, the Q2 acceptance rate of 69 percent eclipsed the year-ago 59 percent.

So long as consumers continue to accept the inherent tradeoff of ad-supported content—after all, a few sponsor messages are worth the price of admission for what would otherwise be offered as premium content—content providers are more than happy to simulate standard TV loads in the digital realm. And while pre-roll remains the dominant paradigm, mid-roll is on the rise. Not only did FreeWheel serve up 159 percent more secondary pods in Q2 than it did a year ago, but mid-roll spots now account for about a third of all available online video ads.

While the online space evolves to take on the characteristics of the dominant TV model, there of course is an event horizon beyond which it is impossible to add any more ad content without exasperating the consumer.

"It's all about striking the right balance, and our customers continue to play with all the levers in order to be sure they offer the ideal spot load," said JoAnna Foyle Abel, vice president of marketing at FreeWheel. "The trick is to monetize your content without disastrously eroding the viewer experience."

Of course, that's a trick that TV still hasn't wholly worked out to anyone's satisfaction, 70-year head start to the contrary. (Anyone who subscribes to basic cable can attest to the skull-clutching tedium of the Saturday afternoon movie—there's nothing quite like investing two-and-a-half hours in a comedy with a 90-minute run time.)

Along with videos streamed on PC platforms, FreeWheel also monitors usage patterns on mobile devices (tablets, smartphones, et al.). Video views on handheld/non-PC devices doubled in Q2, accounting for 8.2 percent of all such consumption. (Thanks to the Olympics, Q3 deliveries are expected to soar even higher; through Monday, the NBCOlympics.com mobile site had been accessed by 6.8 million unique users.)

Viewing on a PC or laptop increases throughout the day, peaking at 2 p.m. before gradually declining throughout the evening. Mobile and tablet views peak at around 10:30 p.m.

The FreeWheel report aggregates usage data for its clients, a roster of content providers that includes NBCUniversal, CBS, Fox, Turner Entertainment, Discovery Communications, A+E Networks and Univision Interactive Media.

ComScore Pushes Viewability Metric for Scarcity's Sake

Matt Kapko | August 16, 2012

-

ComScore is working with brands, publishers and agencies to coalesce around new ad metrics that put a greater emphasis on ads that are actually viewed. Many agree there is waste in digital advertising, but rarely do advertisers realize just how much money and opportunity are wasted throughout the course of their campaigns.

A whitepaper published today by comScore highlights the unintended consequences that even premium brands suffer as their ads proliferate online and attempts to make the case for why viewable impressions will be the new currency of digital marketing. The research firm worked with 12 brands including Ford, GM, Kellog's and Sprint to measure 18 different campaigns with 2 billion impressions served collectively. It found that 31 percent of those measured impressions were not in view, meaning they did meet a visibility standard requiring at least half of an ad to be visible for one second or longer.

"That statistic was pretty shocking to a lot of these advertisers and if you began to look at it by campaign or particular publisher or ad network, there was a lot of differentiation," said Linda Abraham, CMO and EVP at comScore. "That was really eye opening," she said, adding that viewable rates ranged from as low as 7 percent on some sites to a much 100 percent on others.

Indeed, momentum for viewable impressions appears to be growing at large. The online ad industry is uniting for the effort, and last week comScore and VivaKi announced a partnership that brings viewability metrics into the equation for several advertisers.

All of comScore's clients are involved and interested in adopting the viewable impressions metric, said Abraham. "We are in conversations with several other agencies that plan to make very similar announcements soon."

Another major problem that comScore is taking on with its push for validated viewable impressions is the notion of scarcity in online media. Unlike television and print, which have clearly defined and understandably limited space for advertising, the Internet is widely viewed as an infinite galaxy for content and advertising - particularly display ads.

"You have the economics of infinite supply at play," but it's not really infinite, said Abraham. "There's only so many great news sites out there and only so many hours in the day....This allows buyers and sellers to differentiate that inventory that matters."

By surfacing scarcity, greater use of viewability metrics could result in an adjustment in the value of online advertising as perceived by media buyers. Through its research, the firm concluded there is "an enormous gap between served impressions and validated impressions, helping to illuminate how the validation lens adds both transparency and scarcity in the online ad equation."

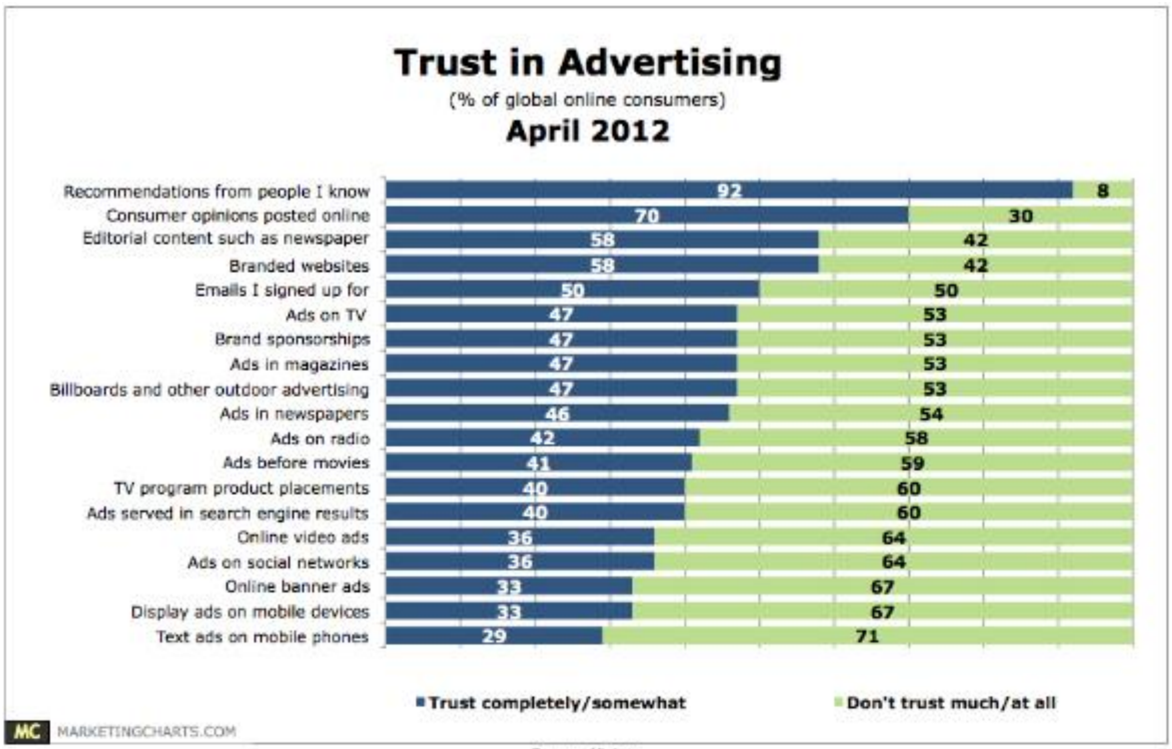
ComScore believes its new measurement technology will enable publishers and advertisers to better discriminate between high- and low-quality inventory, and create greater demand for premium ads. "This is measurement that allows us to follow the consumer and let consumers and audiences drive the value dynamics behind the inventory," said Abraham. "I think it's going to render some of the historical ways of measuring things obsolete."

The study, which originally focused in the U.S. market and is now expanding to Europe, Asia and Latin America, also found that 72 percent of the campaigns evaluated had ads that were delivered adjacent to inappropriate content. At least 92,000 people were exposed to premium brand content near adult content or hateful views.

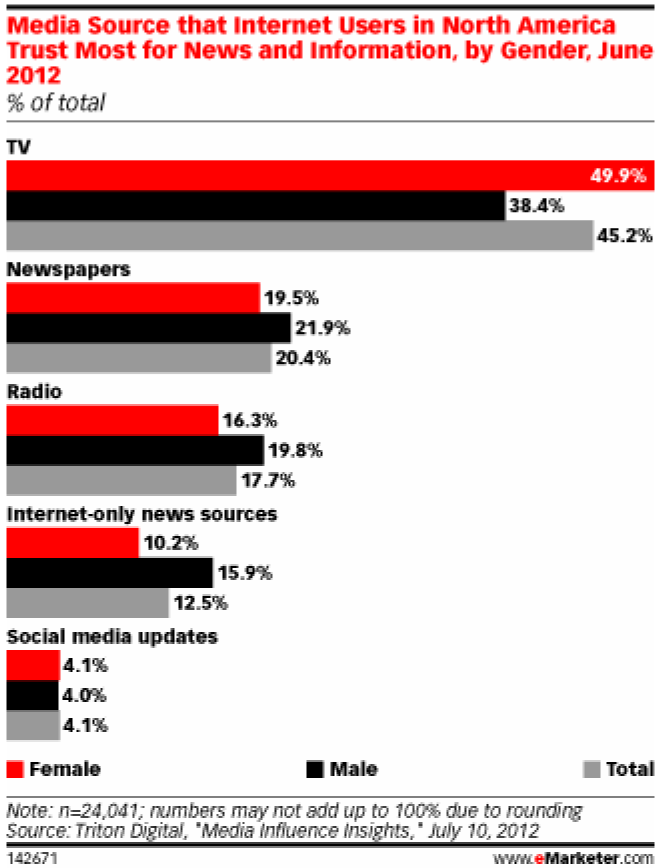
Even "blue chip brands" can't escape these safety issues, said Abraham. "Sometimes ads for these brands end up in places that nobody ever imagined." Although it may be a relatively small number of impressions, all it takes is one misguided ad to negatively impact a brand's reputation.

"We think this is something that is really important on a global scale because these dynamics are at play everywhere," Abraham said. "Some publishers are basically saying we want to be evaluated on this from now on."

8/12 Search helps build strong brands by bettering brand-health metrics. But creating long-term relationships is usually foremost for brands, and, according to eMarketer, in a new report, "Search for Branding: Tools for Better Campaigns," "even though a majority of business-to-consumer (B2C) marketers now believe that search affects brand-building, digital executives sometimes still find it tough to prove that search is a critical ingredient in branding."



Source: Nielsen



How Zynga, Groupon, Pandora and Facebook Have Cost Investors $39 Billion — And Counting

Published: Thursday, 26 Jul 2012 | 3:25 PM ET
Text Size
By: Maxwell Meyers
Senior Producer

$39 billion.

That's how much investors have collectively lost on Groupon [GRPN 7.59 0.98 (+14.83%)], Pandora [P 10.03 0.67 (+7.16%)], Zynga [ZNGA 3.085 -0.09 (-2.83%)] and Facebook [FB 23.705 -3.14 (-11.7%)] since those companies went public. It's the kind of performance that can almost make you nostalgic for the good old dot-com days, when the fleecing of mom and pop investors was left to the Pets.com and iVillages of the world.

Just consider some sorry stats.

Since their IPOs, Pandora, Groupon and Zynga have lost a respective 41%, 66%, 68%. Even Facebook, the most anticipated IPO since Google [GOOG 634.96 21.60 (+3.52%)], is off some 26% since its May debut. The combined earnings of those companies over the past twelve months reported? $226 million.

NOT A PRETTY PICTURE

	IPO Date	IPO Price	Last	% Change	Current Mkt Cap	Change Mkt Cap	Income Last 12 months
FB	5/17/12	38	27.80	-26.84%	66.1 billion	(24.2 billion)	974.0 million
GRPN	11/3/11	20	6.79	-66.05%	4.3 billion	(8.5 billion)	-187.5 million
ZNGA	12/15/11	10	3.18	-68.21%	2.3 billion	(5.02 billion)	-530.6 million
P	6/14/11	16	9.36	-41.50%	1.5 billion	(1.1 billion)	-22.9 million
					74.4 billion	(38.9 billion)	226.3 million

Source: CRT Capital

So what gives?

Weren't we supposed to have learned our lesson from the late 90s? Wasn't a company like Zynga, whose business model is predicated on people spending real money to buy fake money for fake products on a fake farm, supposed to raise just a couple red flags? And yet, of the 24 firms that cover the Zynga, only two have a "sell" rating, and nine have "buys," and that includes today's downgrades from JPMorgan and Goldman. (Thanks for the early heads up).

"It's like Déjà vu all over again," said Jacob Zamansky, a leading securities attorney who's involved in a lawsuit against the Nasdaq on behalf of Facebook investors. "The analyst are pushing the stock without disclosing the risks, and rest assured, there will be lawsuits."

Display's Dismal Dysfunction

For years here at *Ad Contrarian* global headquarters, we have been questioning the marketing industry's delusional enthusiasm for online display advertising. Despite consumers' ongoing indifference, and the pitiful performance of this form of advertising, marketers continue to pour billions of dollars into this black hole.*

There are naive clients who insist on throwing their money away on display ads despite the admonitions of responsible agencies. And there are agencies who continue to hustle these ads to clients with a combination of digital jive talk and misleading data.

Finally, there are some in the industry who are getting fed up with the deceptive "metrics" and hype, and are starting to see that the emperor has no clicks. An article from *Reuters* recently laid out the case for the dysfunctional state of the display advertising industry.

- Display ad prices have dropped about 50% since the dot-com boom.
- Last week, *Microsoft* had to write down essentially all of its $6.3 billion investment in display ad network *aQuantive*. Reuters says: *"Microsoft's spectacular capitulation is the latest admission of failure on display advertising."*
- Facebook is desperately attempting to justify its IPO price by flooding the market with display ad inventory, further deflating prices.
- *ValueClick* has lost half its value since 2007.
- In 1998, *Yahoo* was getting a CPM of $25 for banner ads. By the end of 2011, that had dropped to $11.50. Yahoo, too, is worth about half what it was worth in 2007.

- Despite the promise of pinpoint targeting, it looks like display is becoming the province of the exact opposite type of advertiser -- the tonnage direct marketer who used to buy the 2 am TV inventory. One industry veteran calls display "*...a ghetto for bad direct-response.*"

- Display advertising has become so devalued that according to one industry insider, Microsoft may be considering *giving away* display ads.

According to Reuters, *"Advertisers now question the performance of display ads more as Internet users train themselves to avoid such marketing."* Duh. How long have we been saying that?

But facts don't bother the display ad apologists. Despite the fact that 15 years of display advertising have failed to produce *a single major consumer-facing brand*, and TV advertising has produced *thousands of them*, you can still find spurious data to prove that display advertising is more effective than TV.

Accordingly, I have written a little poem that you might want to use as the first slide in every agency Powerpoint presentation. Maybe you've met someone like this:

There once was a digital guy
Who was brilliant at pie-in-the-sky
Sooner or later
He'd torture the data
To prove that elephants fly

Tell the truth. Where else do you get ad poetry?

How Blank Display Ads Managed to Tot Up Some Impressive Numbers

And No, Most People Didn't Click on Them by Mistake

By: Ted McConnell Published: July 23, 2012
inShare75
share
email print rss

This is the story of a blank display ad that notched twice the click-through rate of the average branding one.

It all started over lunch with my friend Charlie.


Ted McConnell

"When I want to make quick money on clicks," he said, "I just buy late-night impressions on women's gaming sites. I guess the users are tired. They click like crazy. I make a lot of money."

Maybe, I thought, there's an ambient mistake-click-rate on the web, like cosmic background noise. I wondered if that rate was high enough to create misleading conclusions about ad effectiveness or mess up the algorithms that drive automated buying and selling.

The online-ad ecosystem is constantly adjusting itself to place messages where they will get clicks. This learning loop takes mere minutes in the automated model.

Clicks are counted as a surrogate for attention, and still used as our most important currency (i.e. cost-per-click). They are also the principle signal in a control system that governs a giant machine.

Sure, every control system has a little noise in its signals. Sunspots cause garage doors to open, I suppose.

But in this case, the issue for advertisers would arise when clicks that mean nothing (noise) overwhelm the clicks that indicate, or result from, interest in the advertising message (signal). When the signal gets below some threshold—"you're breaking up!"—even a little noise can render it useless.

If indeed there are a lot of mistakes, those with low click rates are most exposed to the noise. And this is often the case for brands that absent a strong call to action, have click rates in the order of 0.02% to 0.04%.

So what is the mistake rate?

To find out, we built and trafficked an ad. But not just any ad.

The skunk works included an astrophysicist at online-analytics firm Moat, an ad-platform wizard from buying and optimization company Accordant Media, and a measurement maven from the Advertising Research Foundation. We equipped every ad with Moat's tag, and correlated that with traditional server-provided measures. Each ad was wired to reliably measure everything that happened to it, anywhere it ran.

The brief was simple: Create an ad that offered no message. Blank.

Surely, clicks on blank ads would qualify as noise.

We also enabled the ad to ask anyone who clicked: Why did you click? "Mistake" or "Curious"?

We created six blank ads in three IAB standard sizes, and two colors, white and orange. We trafficked the ads via a demand-side platform (DSP) with a low bid. We started with run of exchange, and in another phase trafficked to "named publishers" that would accept unaudited copy.

The average click-through rate across half a million ads served was 0.08%, which would be good for a brand campaign, and so-so for a direct response campaign. We detected no click fraud in the data we counted. Half the clickers told us they were curious, the other half admitted to a mistaken click. To obtain further insights, we tracked hovers, interactions, "mouse downs," heat maps—everything. (Heat maps detect click fraud because bots tend to click on the same spot every time.)

Our data suggest that about four clicks in every 10,000 impressions are unintentional, and there was some variance by site.

This does raise a question. What is a click? Is it just an indication of a person solving a little mystery along the route of his quest? Is it an experiment? Is it a nervous tick? Or all of the above?

Considering that clicks are the core of our digital nervous system, and the key to the online economic system, we know little.

At a minimum, the data suggest that if you think a click-through rate of 0.04% is an indication of anything in particular, you might be stone-cold wrong.

Is this research flawed? Yes, because we trafficked a blank, not an ad. Still, it's indicative that below some threshold, there is a lot of noise to confound our delicate signal.

And now it's over. The team will celebrate. The dinner bill might exceed the cost of the test, which was $480 dollars. That's a pretty good deal for a diagnostic check-up on a $100 billion machine, don't you think?

Ted McConnell is exec VP-digital for the Advertising Research Foundation

June 2012 issue of the Journal of Advertising Research

Article: Validated Campaign Measurement

vCE Study conclusions

Marketers are not necessarily getting what they expect when they buy online advertisements. From advertisements delivered next to objectionable content to advertisements that never had the opportunity to be seen, there are countless examples where the digital medium is simply not delivering on its promise.

The manner in which online advertising is delivered varies significantly by site, placement and even creative. Across all dimensions of advertising delivery, the vCE Charter Study demonstrated clear examples of situations where advertising impressions were largely wasted. These findings suggest that measuring all dimensions of advertising delivery for every placement in a holistic fashion is critically important.

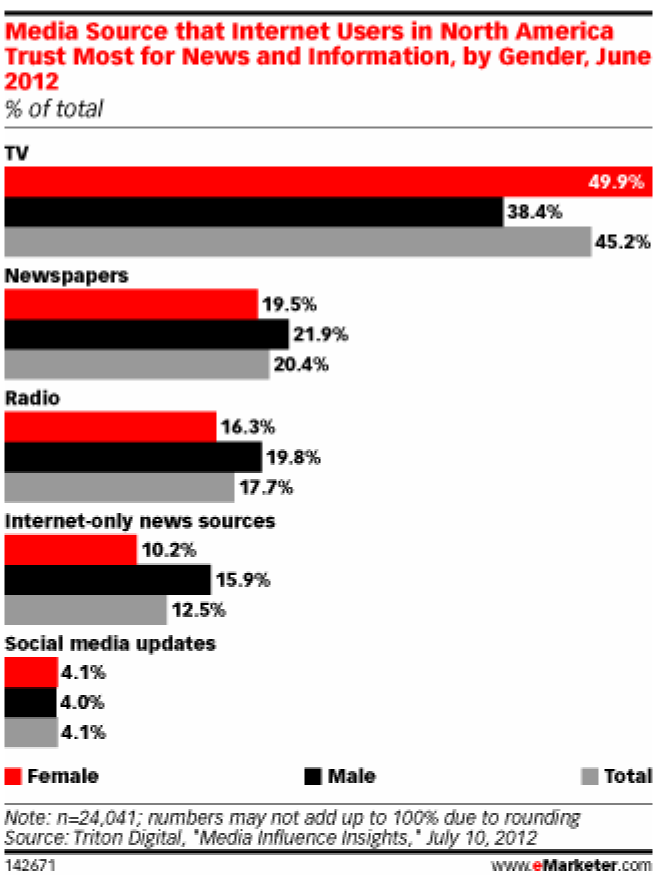
July 12, 2012

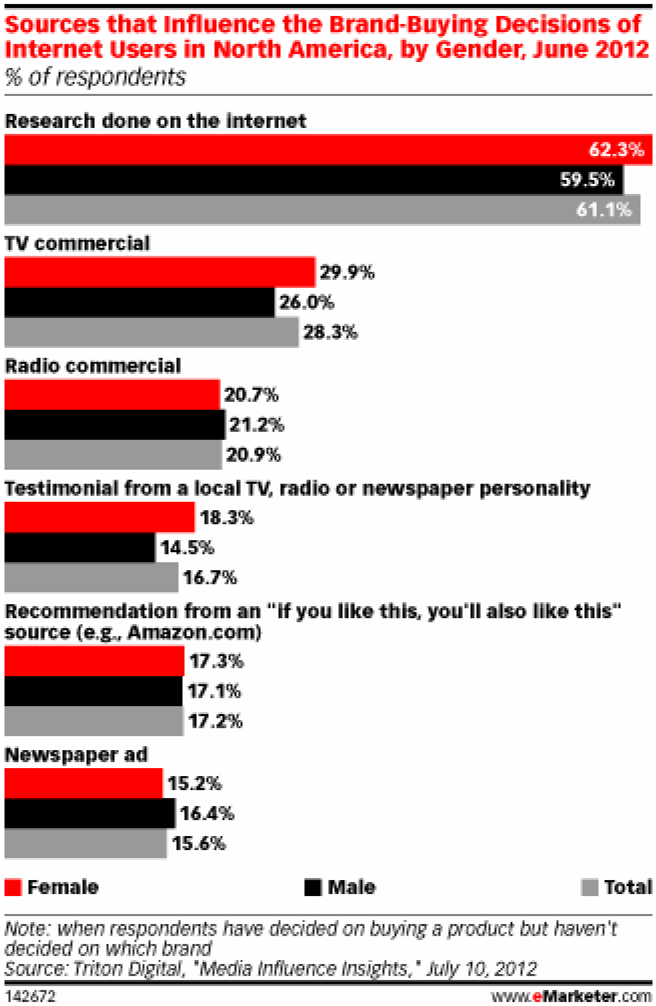
In a new study of 24,000 Americans, **Triton Digital**'s Application & Services division found that consumers trust traditional media more than digital. Specifically, television was rated the most trusted medium by respondents (45 percent, followed by newspapers 20 percent, and radio 18 percent. The Immediate Insights survey found that digital 13 percent and social media four percent were the least trusted media sources.

The study also suggests that this trust may have a direct impact on the success of advertisements in each medium. For example, more than 64 percent of consumers acknowledged that they have made a purchase after seeing it advertised on television, radio or in a newspaper. Conversely, consumers were more apt to trust their own internet research 61 percent over television commercials 28 percent, radio commercials 21 percent, or newspaper ads 16 percent). Recommendation engines also scored low, with 17 percent of respondents noting that they influence buying decisions.

"While digital media continues to explode in popularity and affect traditional media usage, the underlying trust of media consumers toward digital compared to traditional media are not yet equal," said Triton VP of Business Strategy Jim Kerr. "Similarly, traditional media advertising continues to prove effective and more likely to influence purchase decisions than digital ads."

Looking at gender spits from Triton Digital's data on radio, 19.8 percent of males called radio their most trusted source of news and information, with 16.3 percent of females. Additionally, 21.2 percent of male respondents and 20.7 percent of females said radio ads influence their buying.





7/12 When 29-year-old manufacturing worker Michael Hellesen sees a Quick Response code around his hometown of Racine, Wis., he sometimes scans it using an application he downloaded to his Google (GOOG) Android smartphone. More often than not, it takes Hellesen to a brand's website. "About 80 percent of the time, I'm disappointed that I scanned it," Hellesen says. "Mostly it's just curiosity at this point. I'm not actually expecting anything useful."

QR codes are dense grids of black-and-white boxes, a more sophisticated cousin to the bar code that can hold 100 times more information. The tags can be put to many uses—inventory tracking, event ticketing—but no one has embraced them more visibly than advertisers. They pop up at stores, on posters, and in magazines to deliver coupons or direct shoppers to websites with more product details. QR codes convey "the appearance of being tech savvy," says Thaddeus Kromelis, a strategist at WPP's (WPPGY) Blue State

Digital, which has done work for Barack Obama's presidential campaigns. Over the last couple of years they've become much more common; in December 2011 they appeared in 8.4 percent of all magazine ads, up from 3.6 percent at the start of the year, according to marketing firm Nellymoser.

That ad trend may be reversing as more consumers, like Hellesen, realize QR codes aren't always worth the effort it takes to whip out a phone. According to Forrester Research (FORR), only 5 percent of Americans scanned a QR code between May and July of last year, the latest data available. "Advertisers are looking at every way possible that they can connect with consumers," says Patti Freeman Evans, the analyst who edited the report. "Consumers aren't saying, 'Oh, I really want to be able to connect with companies and brands.'"

As a result, advertisers' "initial enthusiasm has tempered," says Chia Chen, a senior vice president at the Publicis Group's Boston-based Digitas. He estimates that 15 percent of his clients still use the codes. At WPP's Possible Worldwide, less than a fifth of clients have shown any interest in the tags this year, says Anders Rosenquist, the agency's director of emerging media. Both numbers are down, the firms say. Last year, Google halted a campaign in which it mailed QR-code stickers to retailers that would lead scanners to listings on the search company's site for local businesses.

QR codes have always had limitations as advertising tools. They can only be used by smartphone owners, who have to download an app and hold their phone steady to capture a clear image. The process doesn't work well with faraway billboards or in low lighting, and it requires cellular service. For some reason, advertisers have put them on posters found in subways and in United Continental's *Hemispheres In-Flight Magazine*, places where travelers usually don't have reception. Such examples have made QR codes the butt of jokes. A blog called WTF QR Code contains photos of poorly placed codes that no one could reasonably be expected to scan, such as on a billboard along the highway or inside a liquor bottle. Another blog called Pictures of People Scanning QR Codes has garnered hundreds of fans. The site contains no posts.

7/12 Twitter is winning over marketers that target users of wireless devices, stepping up pressure in mobile advertising against larger competitors Google (GOOG), Apple (AAPL), and Facebook (FB).

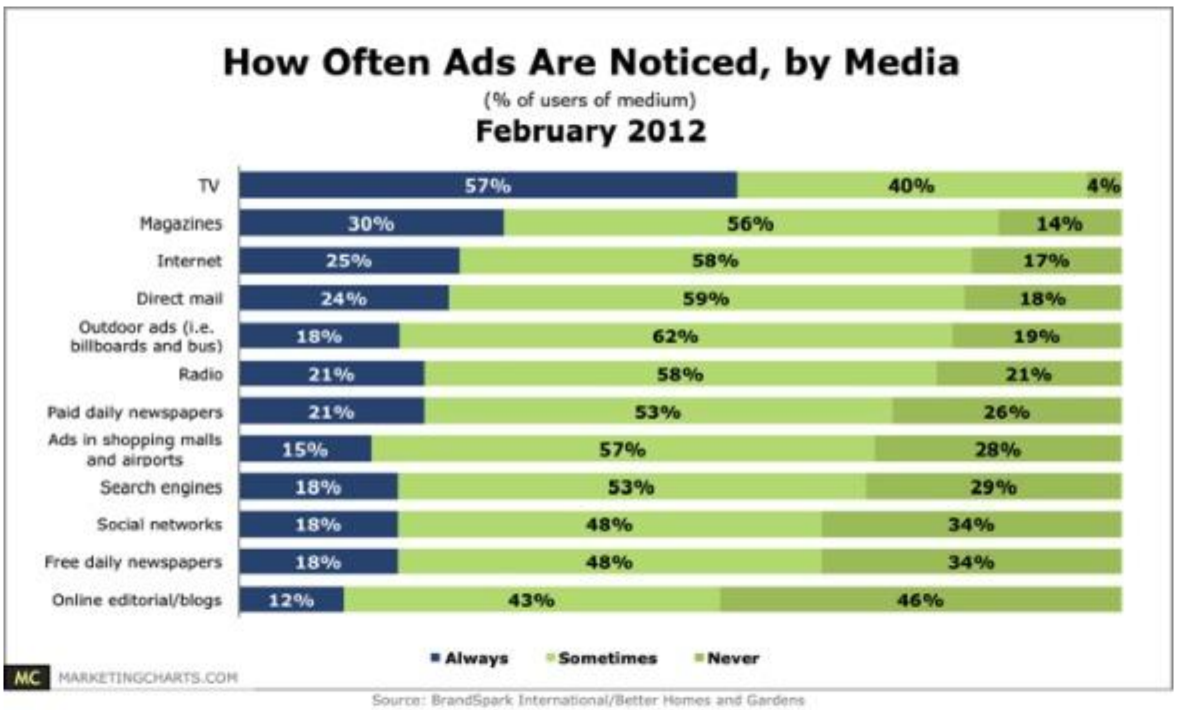
Mobile advertising on most days outpaces revenue from desktop-based marketing spots, says Adam Bain, president in charge of global revenue at San Francisco-based Twitter. Prices for mobile ads, based on an auction system, can be higher than those for desktop counterparts, he said.

Twitter, which a majority of users access through mobile devices, is counting on wireless ads to boost revenue and woo marketing dollars away from Facebook and Google. Rejecting the common banner ad or large graphical elements on Apple's iAds, Twitter has tailored marketing messages to work within regular posts on its service, making them less-distracting and easier to fit on mobile devices' small screens. "We think we've cracked the code on a new form of advertising," Bain says in an interview. ***"They're completely integrated within the experience, not just bolted onto the top or the bottom or the side of the viewing experience, like a traditional display ad is in digital."(COMMENT: TRANSLATION-DISPLAY ADS AT THE TOP, BOTTOM OR TOP OF THE PAGE LIKE GOOGLE AND FACEBOOK ARE NOT TERRIBLY EFFECTIVE***

Traditional Media Outperform Digital Channels

*Americans engaged in a variety of traditional media are also more likely to take note of ads than those engaged in digital media channels. For example, among users of these media, 82% always or sometimes notice ads in direct mail, with outdoor ads (80%), radio (79%), paid daily newspapers (74%) not far behind. By contrast, just 71% of search engine users notice ads on that channel.

About the Data: The BrandSpark study surveyed close to 130,000 shoppers in North America. The sample size for the select questions about ads in various media was 3,057.



See And Be Seen

According to a new study from comScore and Pretarget, ad viewability and hover time are more strongly correlated with conversions (defined as purchases and requests for information) than clicks or total impressions.

Pretarget Founder Keith Pieper opines “Your ad being seen matters more than your ad being clicked... what good is an ad that can’t be seen... It’s intuitive that... someone hovering and engaging with an ad might convert, even absent a click... “

The study analyzed 263 million impressions over nine months across 18 advertisers in numerous verticals. The study used used:

- comScore validated Campaign Essentials™ (vCE) to collect viewability and hover data
- A DSP to collect click and cookie-based conversion data.
- A Pearson correlation analysis of the data, including gross impressions, “views,” time in-view, hover/engagements and total hover/engagement time, clicks and conversions

Traditional display ad impression measurement and reporting simply verifies the number of ads that were sent by an ad server to a user’s browser. This way of counting impressions does not ensure that the ad ever rendered within a browser, says the report. In addition, ads can load below the fold, which means that most users will probably never see the ad unless they scroll down.

The research findings indicate that the traditional way of buying mass impressions and hoping for conversions (aka “spray and pray”) is not the most effective approach. The results showed that:

- Ad hover/interaction (correlation = 0.49) and viewable impressions (correlation = 0.35) had highest correlation with conversion
- Gross impressions (correlation = 0.17) was significantly lower
- Clicks (correlation = 0.01) had the lowest correlation with conversion, far under-performing all other metrics analyzed in the study.

Kirby Winfield, SVP of Corporate Development, comScore, notes that "... (the) study... illuminates several critically important findings for the digital advertising community... demonstrating the perils of relying on click-throughs for measuring the performance of display ad campaigns... it highlights why the viewable impression, measurable through vCE, is significantly more meaningful than the unvalidated impression... (and it) shows why other non-click metrics of engagement, such as interaction or hovering, may be much more important in evaluating campaign performance than the click ever was... "

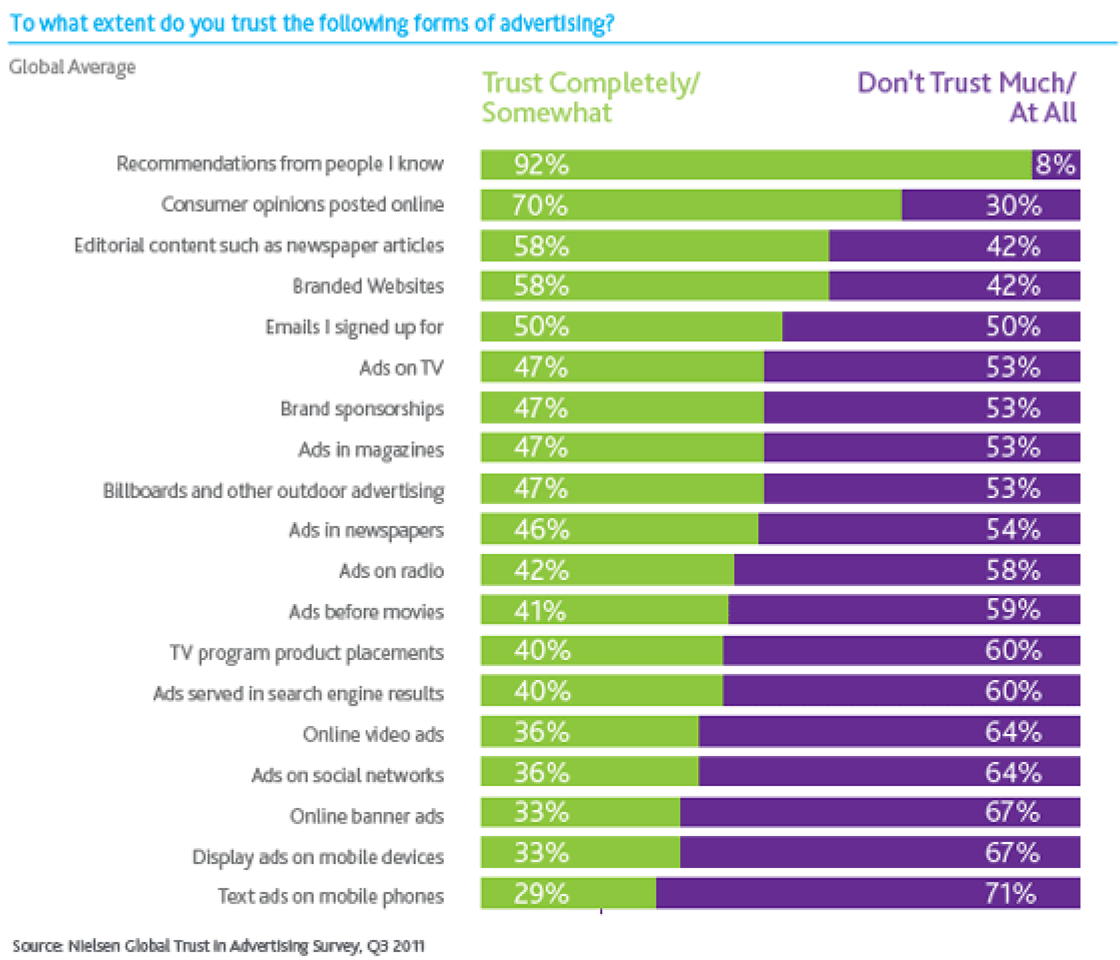
The analysis supports several third party studies with consistent conclusions:

- MediaMind "2009 Benchmark Report" released in July 2010 found that "on average, increasing Dwell [hover] from 5% to 15% increases conversion rate by 45%, from 0.4% to 0.6%."
- Casale Media's 2011 "Ad Visibility Report," found that "ads appearing above the fold were 6.7x more effective at generating conversions than those appearing below the fold."

Pretarget previously found that approximately 89% of display ads on its network load above the fold or appear after a user scrolls down, creating an opportunity for a user to see the banner.

N.B. *The Making Measurement Make Sense defines "in-view" as 50%+ of the pixels of an ad being visible in the browser, and comScore vCE adheres to this definition for its typical definition of "in-view". The Pretarget studies, however, used a more conservative in-view requirement of 75% visibility.*

In a Global Study by Nielsen identifying which medium's advertising is trusted most. Traditional media all score in the 40's while the internet score in the 30's.



4/12

Want to know why many big brand advertisers are still seriously wary of the Internet? Just check out Dumage.com.

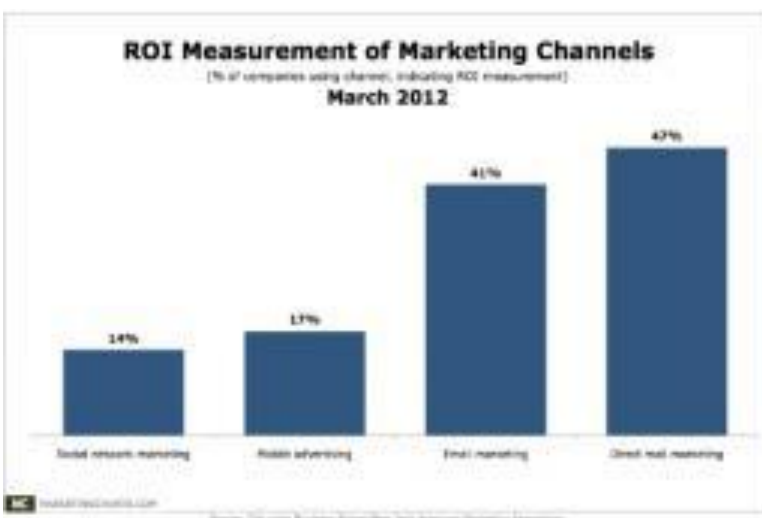
On Friday, a post called “Hot Girls in Demotivational Posters” served as a showcase for nearly everything that plagues online advertising. ***For one, there were between 11 and 13 different ads appearing on the page at once***, mostly for blue-chip brands ranging from Marriott to JetBlue to Progressive to Lacoste.

The ridiculous clutter is one thing. The content is another. Dumage features lots of racy photos with captions such as “Gigantic breasts, God’s Apology to Fat Girls” and “Lesbians. All Girls Have It in Them. For Some It Comes Naturally. Others Need Alcohol.” It’s possible that these brands are fine with this sort of thing (one person's offensive content is another's favorite). Possible, but unlikely.

Other brands spotted on Dumage's Hot Girls post were Verizon and Busch Gardens—running vertical banners directly adjacent to one another. Same for Bing and Budget (it's doubtful these brands paid to be right on top of one another). In the case of the Verizon banner, it carried an AdChoices icon—one of the online ad industry's many PR attempts aimed at proving it takes privacy seriously. Though in this case, the AdChoices icon inadvertently provided some eye-opening insight into this unfortunate placement. The ads were delivered by ValueClick, and their delivery was tracked by none other than DoubleVerify, one of the leaders in the ad verification space. Companies like DoubleVerify exist solely to prevent this sort of thing.

When contacted about Dumage, DoubleVerify CEO Oren Netzer said that some advertisers only use DoubleVerify's technology for reporting, not actually blocking questionable ad placements. Regardless, advertisers need to be diligent about protecting their brands from sites they aren't OK with, despite using technology designed to prohibit undesirable adjacencies.

Senior Marketers Seen Lagging in ROI Analysis of New Digital Tools



Making an Impression? comScore Studies of 12 Leading U.S. Advertisers for Best Practices
Published on March 27, 2012

comScore, Inc. has released full results from its U.S.-based vCE Charter Study involving online advertising campaigns for 12 premium national advertisers, including Allstate, Chrysler, Discover, E-Trade, General Mills and Sprint, among others. comScore announced the Validated Campaign Essentials (vCE) offering in January, and last week signed on Forbes.com as a client.

The comScore study found that, in many cases, a large portion of ad impressions are not delivered according to plan, and that the quality of ad delivery can vary greatly based on a variety of factors, including site, placement, creative and targeting strategy. The study evaluated ad delivery based on a several key dimensions, including whether or not the ads were delivered in-view, to the right audience, in the right geography, in brand safe environments and absent of fraud.

“This is the first study to bring twelve leading marketers together to holistically understand how online advertising is delivered, allowing us to begin to diagnose sources of waste and identify solutions for improving the value that all players in the ecosystem can extract from the digital advertising market,” said Linda Abraham, comScore co-founder and CMO. “Until now, neither side of the industry has had a clear picture of ad delivery, resulting in a lack of confidence in digital’s ability to deliver on its promise as the most measurable advertising medium. The insights from the charter study represent a critical first step to improving the efficiency, efficacy and ultimately the economics of online advertising for all participants.”

Executive Summary of Key vCE Charter Study Findings
The vCE Charter Study includes a variety of detailed findings that shed light on the current state of online ad delivery and its implications for different participants in the online advertising market. Key findings include:

In-View Rates are Eye-Opening. ***The study showed that 31% of ads were not in-view, meaning they never had an opportunity to be seen***. There was also great variation across sites where the campaigns ran, with in-view rates ranging from 7% to 100% on a given site. This variance illustrates that even for major advertisers making premium buys there is a lot of room for improvement.

- **Targeting Audiences Beyond Demographics Can be Powerful.** Generally, campaigns that had very basic demographic targeting objectives performed well with regard to hitting those targets***. For example, those with an objective of reaching people in a particular broad age range did so with 70% of their impressions.*** Predictably, as additional demographic variables were added to the targeting criteria (e.g. income + gender), accuracy rates of the ad delivery declined. However, the results also showed that 37% of all impressions were delivered to audiences with behavioral profiles that were relevant to the brand (i.e. consumers with demonstrated interests in categories, such as food, auto or sports). One campaign had 67% of its impressions viewed by the target behavioral segment.
- **The Content in Which An Ad Runs Can Create Problems for Any Brand.** ***Of the campaigns analyzed, 72% had at least some impressions that were delivered adjacent to objectionable content—chiefly adult-oriented or "hate sites" (e.g., white supremacist content).*** While this did not translate to a large number of impressions on an absolute basis (141,000 impressions across 980 domains), it is important to note that 92,000 people were exposed to these impressions. This demonstrates that brand safety should be of concern to all advertisers.

- **Fraud is the Elephant in the Digital Room.** Fraud is an undeniably large and growing problem in digital advertising. The results showed that an average of 0.16% of impressions across all campaigns was delivered to non-human agents from the IAB spiders & bots list. Although this percentage might appear negligible, there are two important considerations to keep in mind. Only the most basic forms of inappropriate delivery were addressed in this study. When additional, more sophisticated types of fraud are considered, the problem will only get larger. Like brand safety, fraud should be an important concern for all advertisers.

- **Digital Ad Economics: The Good Guys Aren't Necessarily Winning.** The study showed that there was little to no correlation between CPM and value being delivered to the advertiser. For example, ad placements with strong in-view rates are not getting higher CPMs than placements with low in-view rates. Similarly, ads that are doing well at delivering to a primary demographic target are not receiving more value than those that are not. In other words, neither ad visibility nor the quality of the audience reached is currently reflected in the economics of digital advertising.

These findings suggest that measuring all dimensions of ad delivery for every placement in a holistic fashion is critical and that optimizing delivery in-flight is a necessary step in the campaign management process. The findings also support the argument that any digital GRP metric must account for validated, not gross impressions. This validated impression measurement must include 'viewable impressions,' based on the very simple notion that if an ad is not seen, it cannot possibly deliver its intended effect.

"With 31% of vCE Charter Study impressions not being viewable, it is now abundantly clear just how important in-view measurement is to online campaign validation," said Abraham. "In order for any digital GRP metric to be relevant in the online space and to be cross-media comparable, it must include validated 'viewable impressions' in its calculation. While audience and geographic validation are crucial – and should not be ignored – if a digital campaign rating does not also take into account whether or not the ad had the opportunity to be seen, then the metric fails to deliver a true apples-to-apples comparison to all other media."

About the vCE Charter Study

To better understand issues associated with display ad delivery and validation, 12 leading marketers participated in a U.S.-based charter study, called the vCE Charter Study. The goal of the study was to quantify the incidence of sub-optimal ad delivery across these key dimensions for the advertised brands, and in so doing, frame the relative importance of each for the industry. Key validation dimensions included: in-view, audience delivery, geographic delivery, brand safety and fraud.

Select Study Participants: Allstate, Chrysler, Discover, E-Trade, Ford, General Mills, Kellogg's, Kimberly Clark, Kraft, and Sprint

Time Period: December 2011

Total Campaigns: 18

Media Placements: 2,975

Site Domains: 380,898

Ad Impressions: 1.8 billion

Format: All ads were display, delivered via iframes

3/12 Take a Lesson from Print Media: Clean Up Web Layouts

Amid the Clutter, With Too Many Entry Points, Viewers Can't Focus on the the Content

By: Matt Sanchez Published: March 27, 2012

5,000. That's the average number of ads and marketing messages Americans are exposed to each day, and if you're online reading this, I'd skew that number higher. *That's because too many media sites are beginning to resemble the houses of compulsive hoarders: a jumbled mess of headlines and stories piled on each other with links, icons and ads thrown on top.* ***Put another way: Clutter is killing digital media.***

For media businesses to survive in digital, we need to clean up the web. That means pushing against the prevailing trend, where articles are heaped on top of each other in table-format layouts, surrounded by ads. The push for faster speeds, greater access, multiple screens and ever more impressions has resulted in a disregard for the art of editorial design and an advertising experience that respects content. With 4 trillion display ads expected to be served in 2021, according to comScore, you'll see publishers racing to create even more inventory, further cluttering the pages. The industry will suffer for it.

I was reminiscing with a friend the other day about the early days of Wired magazine. The beautifully designed pages blended and flowed with the narrative to help tell the story, to make you feel something. It felt important, culturally relevant. By comparison, today's digital experience is woefully uninspired. We realized, in many ways, that the web has moved us backwards. Social sharing buttons clash with an increasing number of competing ad units, further and further marginalizing the content. ***Structurally, pages are becoming far too complex, with too many points of interaction, forcing readers to make various decisions instead of focusing on the content -- or for that matter, the ads.***

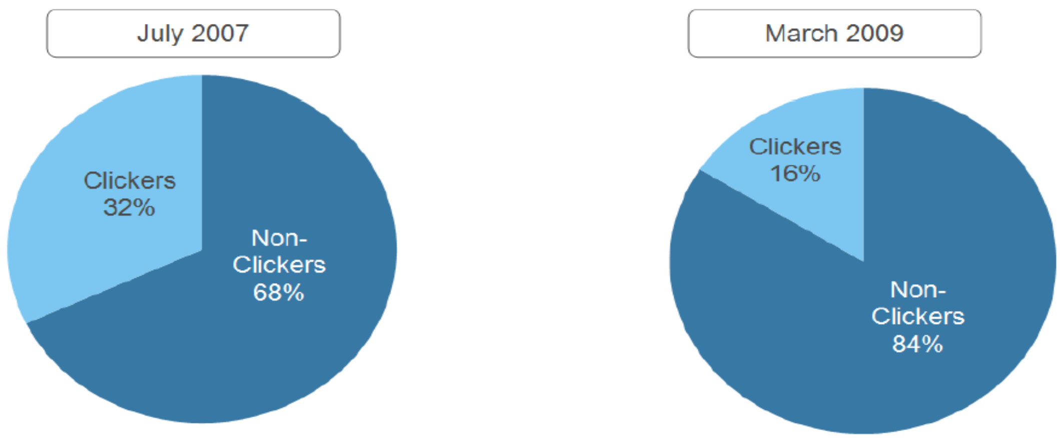
Tom Cunniff, vice president, Interactive for Combe Inc., the men's and women's personal-care products company***, "Agencies are not immune to pushing "digital chrome for somebody's resume***. Part of my job as the client is to say no. We might need paid search but not augmented reality apps. ***Much of digital today is in endless test mode."***

Greg Stuart White Paper: When I was CEO of the IAB, I saw firsthand what went wrong. The Internet was -- and to an extent remains -- difficult to buy. ***On the average major publisher sites, 40% of ads measured as an impression never appeared in a viewable area of the screen***. For some networks, a staggering 94% of ads measured as an impression never appeared in a viewable area of the screen. ***Far too many Internet-based ads are simply not seen. These ads had zero impact, but marketers still paid.***

ComScore Click Thru rates:

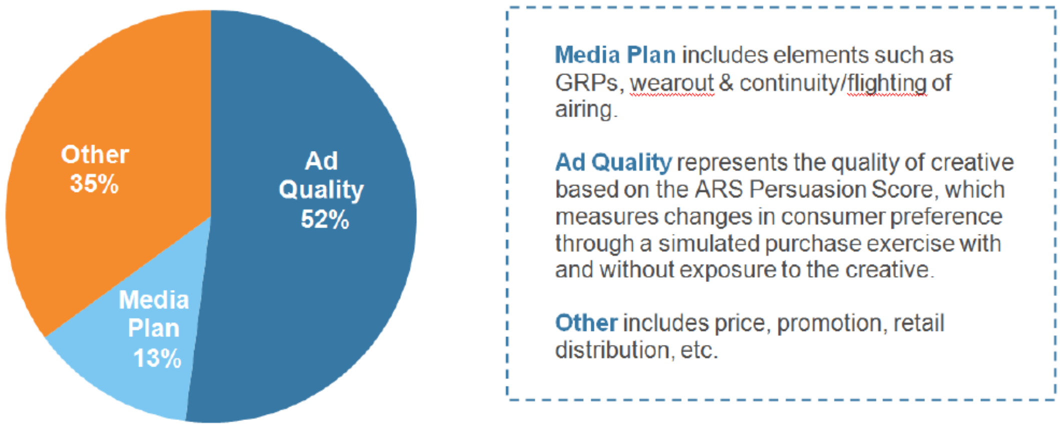
There are several reasons why CTRs are not the appropriate measure of display advertising's effectiveness. Perhaps most notably is the fact that the majority of Internet users do not click on display ads, and the percentage of users who do is continuing to decrease over time. In March 2009, for example, only 16% of U.S. Internet users clicked on an ad, down 50% from July 2007 (See Figure 1).

Figure 1: Percent Clickers and Non-Clickers in July 2007 vs. March 2009



Source: comScore Natural Born Clickers Study, Part I & II
Total U.S. Online Population, July 2007 and March 2009

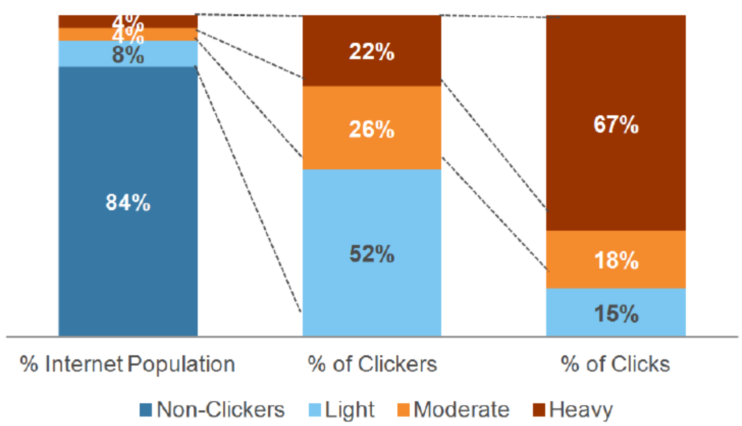
Figure 4: Percent Influence on Shifts in Brand Sales*



Source: comScore ARS Global Validation Summary (n=396)
*Numbers represent the percent of changes in brand sales or market share explained by the corresponding factors.

Key Slide: 4% of clickers account for 67% of all clicks

Chart 2: Heavy/Moderate/Light Segmentation of Total Internet User, Clickers and Non-Clickers



Source: comScore Natural Born Clickers Study, Part II
Total U.S Online Population, March 2009

<u>Some of the bigger issues of online advertising:</u>

-bad creative

-cluttered environments

-sketchy placements

-click fraud- Some estimate as many as 40% of reported online impressions are either worthless or downright fraudulent, meaning the ad loaded off-screen, reached the wrong person or demo, was served outside the country, or was registered as part of a click-farm scam

Opinion: ***It is important to note that the internet is limited in its ability to create desire. In other words its strength is not creating demand but fulfilling demand. The opposite of broadcast radio.***

Not only are radio listening levels strong, so is the attention paid to the commercials. According to a 2010 Adweek/Harris poll, radio advertisements are among the least ignored of all media, while internet is among the most ignored.

Radio ads are one of the LEAST ignored/disregarded advertising among consumers!

ADS PEOPLE IGNORE

"Which one of the following types of ads do you tend to ignore or disregard the most?"

Base: All U.S. adults

	Total	Gender		Age				Education		
		Male	Female	18-34	35-44	45-54	55+	H.S. or less	Some college	College grad +
	%	%	%	%	%	%	%	%	%	%
Internet banner ads	43	42	45	42	47	43	43	40	46	46
Internet search engine ads	20	20	21	21	21	19	20	17	22	23
Television ads	14	15	13	9	13	14	20	17	12	12
Radio ads	7	7	8	11	7	5	6	8	7	7
Newspaper ads	6	6	5	7	4	7	5	6	5	6
None of these	9	10	8	10	8	12	7	11	8	6

Note: Percentages may not add up to 100% due to rounding

Source: Harris Poll/Adweek Media, "Are Advertisers Wasting Their Money?"
Survey of 2,098 U.S. adults surveyed online between October 5 and 7, 2010 by Harris Interactive.

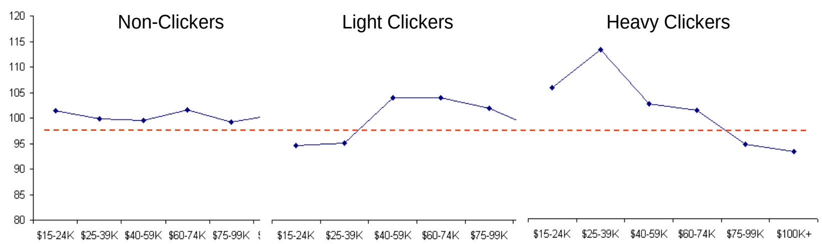
Online clutter is a problem. The radio industry has spent a lot of time assessing its advertising inventory load and responding to clients who've expressed concerned about on-air clutter. But with an average 10-12 minutes per hour, radio's beginning to look like the low-clutter medium.

AOL's CEO Tim Armstrong has said that the typical page online is only 18% content.

Similar to print, online ads share the page with the content people actually went online to view. Will the content or the ad win the battle for their attention? This is not the case for radio where each advertiser owns the platform exclusively for thirty or sixty seconds.

Heavy Clickers Have Lower Income

Income level indices against total Internet



Heaviest Clicker's HH Income $40k or less

Source: comScore, Inc. custom analysis, Total US Online Population, XPC Persons Panel, July 2007 data period