Online Advertising

E-Commercee (winter 2012)
Marek Maurizio

Università Ca’ Foscari - Venezia

Overview

Media

- Advertising is everywhere
- Partecipation is in decline in every media
    - tv, newspapers, etc
- The only growing media is the Internet

Online Marketing

- Online marketing can be simply defined as promotional activity on the Internet, including email
- Many forms
    - search engine marketing
    - email marketing
    - social media
    - online advertising
    - affiliate marketing
    - ...

Why is Online Marketing so important?

- The four Ps
    - Product, Price, Place, Promotion
- Key ingredient missing: People!
- People will decide il they like the product or not, its value, where they spend their money, if give promotions a second thought
- The perception that “the Web is just for geeks” is from an era long gone

Technical, Fast, Complex

- Some technical aspects of online marketing to be aware of:
    - how google reads and indexes a web site
    - new, unusual, ways to view the internet
    - the implications of Microsoft launching a new internet explorer
    - what is (was?) iAd
    - many more

Beyond Web Geeks

- Big misconcpection about online marketing:
    - it’s not (only) technical
    - also involves marketing skills:
        - identifying customer needs
        - creating a product
        - attarct customers
        - converting visits into sales

Web Marketing Opportunities

- Online marketing can deliver a number of great opportinuties that are missing in the traditional marketing:
  - Results are istantaneous
  - New levels of customer interaction
  - Team play
  - Instant global market
  - Opportunities are everywhere

21st Century Public Relations and Media

- The marketing landscape has changed dramatically in the recent years

- To understand new rules we must first take a look at the past

- Public Relations (PR): the practice of handling the public image of a company, organization, or person

- PR consists of managing the flow of information and news between a person, company, or organization and the public

Press Releases

- An official statement sent to media outlets provding detailed information about an event
    - New product launch
    - Investor relations
- Exists since 1900s
- Companies still send press releases
    - effective way to spread the word about the company
    - communicate directly with your customers

IBM

Press Release

Information Department
IBM United Kingdom Limited
PO Box 41
North Harbour (Baltic House)
Portsmouth PO6 3AU

Date	For further information please contact	Telephone
20 MAY 1983	ALAN GILLINGS	(0705) 694941 EXT 5278

AIRLINE ADVERTISING FOR IBM'S AUDIO DISTRIBUTION SYSTEM

On all long haul flights of British Airways and British Caledonian throughout the world during July and August, the cabin headphones Business and Travel channel will carry an interview about IBM's voice mail system - the IBM Audio Distribution System. The interview particularly reviews the benefits of voice mail across world time zones in aiding international telephone communications.

The seven minute interview with Bob Holness of London's LBC radio station includes demonstrations of how an Audio Distribution System, or ADS, lets users collect, create and distribute one or several voice messages from any telephone in the world. Messages can be transmitted to one or more people.

Some 25,000 IBM staff in Europe and North America already use ADS. European staff

Online newswires

- Online newswires are the newest and most effective way to have your press release read by interested journalists, publishers, bloggers, customers

- Both free and pay

- Also use your site news page!

Case Of Study
Use Blogs to Spread the Word

“There's a plane in the Hudson. I'm on the ferry going to pick up the people. Crazy.”

Posted on January 15, 2009
by jkrums

Lesson Learned

- There are private blogs with readership as large as some major metropolitan newspaper

- You don’t have to witness a plane crash to attract traffic to a site

Advertising Concepts

Non-traditional Marketing

- Sometimes called guerrilla marketing
- all kinds of unconventional marketing strategies
- usually spreaded through word of mounth
- viral marketing: the exponential spreding of a marketing message

Creative advertising

- Users learn how to ignore advertising
- Companies tries to get creative, get the users involved
- Something unique and maybe useful

“Eat Mor Chikin” campaign

Environmental Marketing

Seamless Advertising

- Insert products into the story
- Blend the advertisment in the page/game/movie

Hush Puppies®

1-866-699-7365 | Customer Service | Signup / Login

Free Shipping With No Minimum Order!

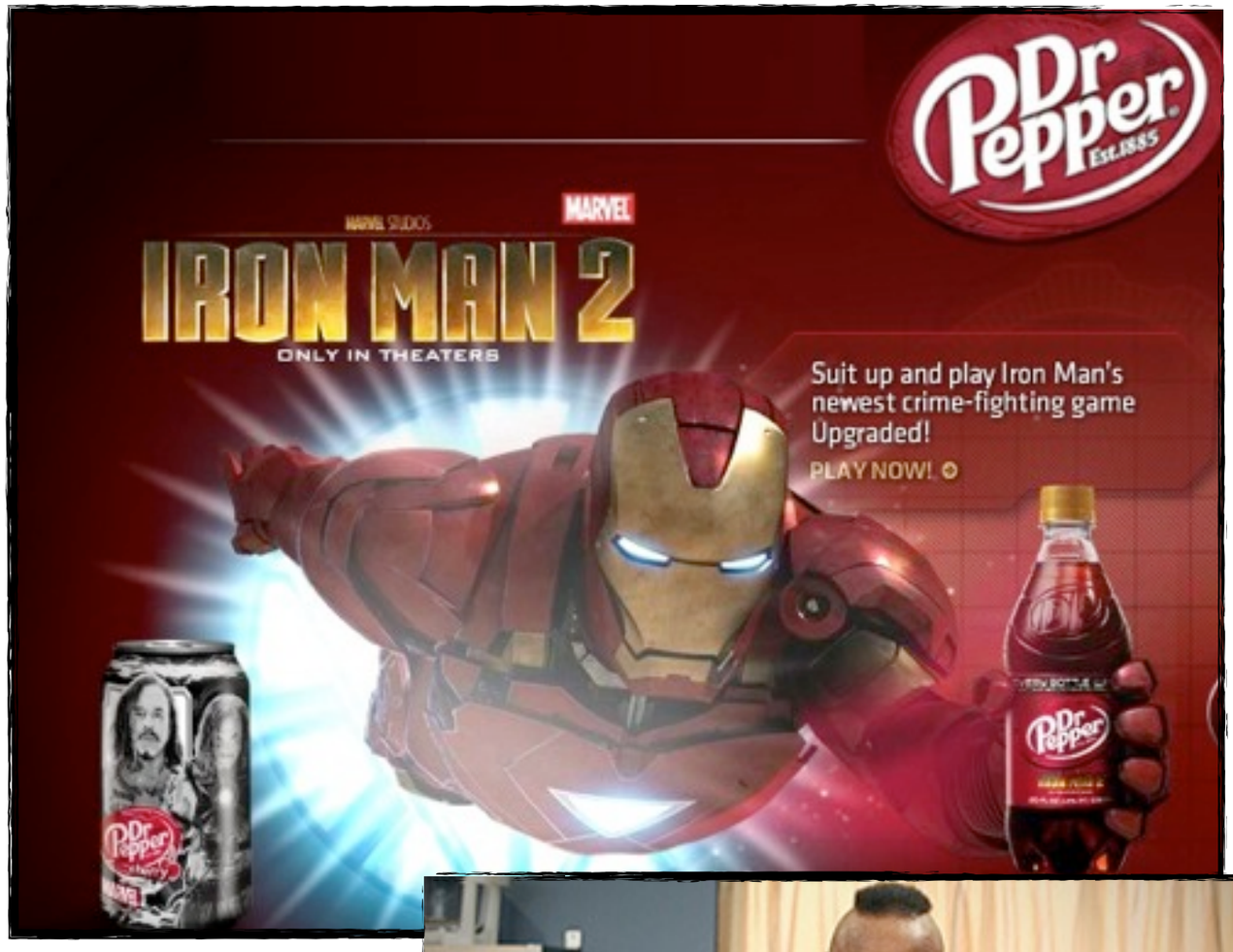
enter search

0 items
Total: $0.00

New Arrivals | Women's | Men's | Kid's | Sale

Hush Puppies shoes

Endorsements



Using a celebrity to endorse a brand

Endorsements

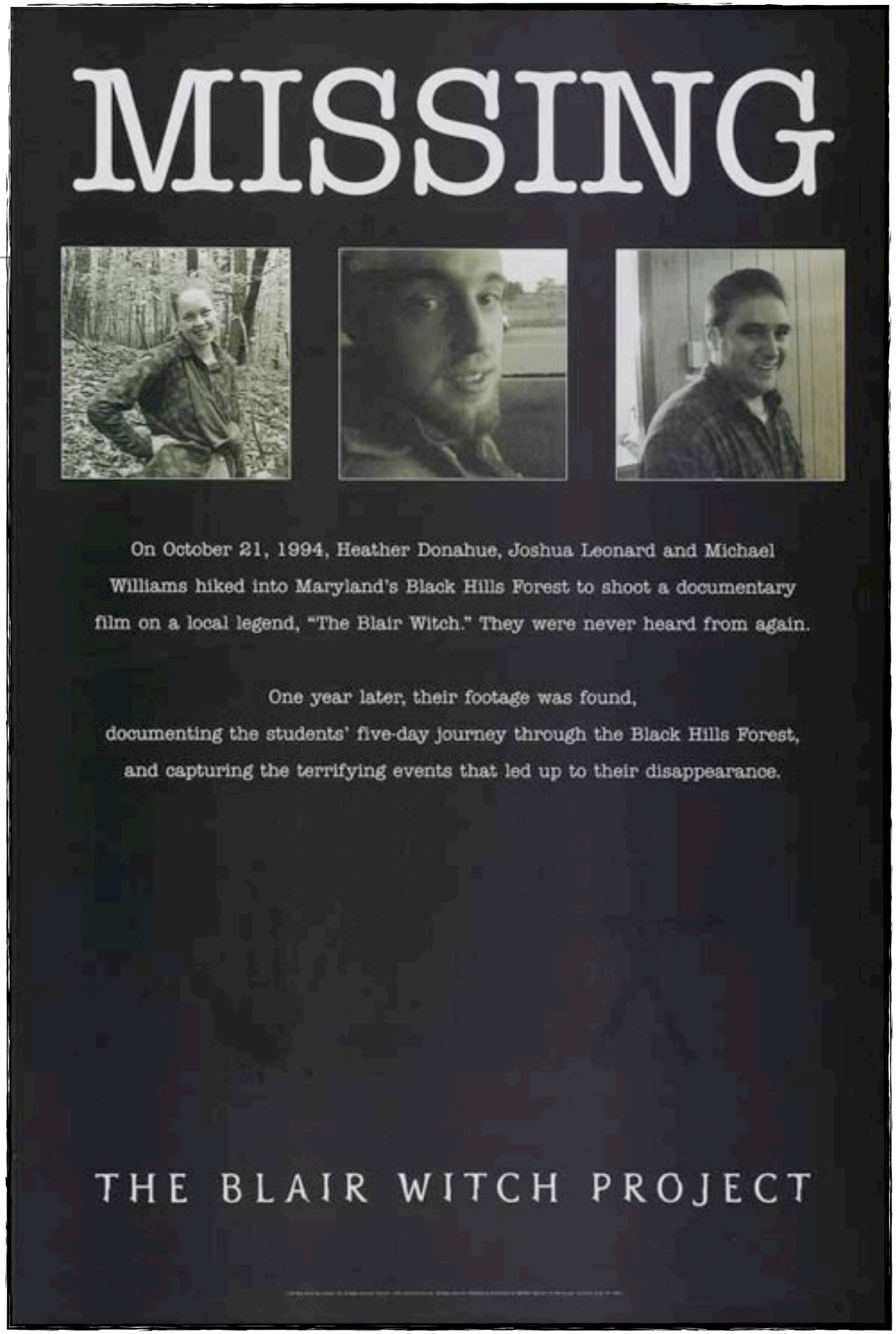
Do Celebrity Endorsements Work?

- The basic idea of the endorsement is pretty simple. People like celebrities. If those celebrities say that they like a product, people will like that product, too.
    - As we all learned in grade school, that's the transitive property
- Given how much money is spent based on celebrity endorsements (celebrities appear in roughly one-fifth of ads, according to market researchers, and a single company like Nike might spend around half a billion dollars a year on endorsements), there's been very little academic research on the effect of these ads on sales.
- Recent study: with a celebrity endorsement, sales for products endorsed by athletes go up by an average of 4%. What's more, these sales boosts can be recharged by a career triumph -- a Grand Slam for Roger Federer, an Olympic Gold Medal for Michael Phelps
- For all the upside of endorsements, we've seen its downside in cases like Tiger Woods's fall from grace

http://www.smartmoney.com/spending/budgeting/do-celebrity-endorsements-work-1300481444531/

Other unconventional marketing types

- Shock Marketing
- undercover Marketing
- Urban Legend



Urban Legend / Viral

The Blair Witch Project Trailer

http://www.youtube.com/watch?v=D51QgOHrCj0

True Blood (TV serie) commercial

Urban Legend Marketing
http://www.flickr.com/photos/codispodi/2841071585/

True Blood, Extreme Viral Marketing

http://www.marketingshift.com/2008/9/trueblood-hbo-vampire-series-virus.cfm

trueblood**ride**.com

FEEL THE WIND IN YOUR FANGS

THE TRUEBLOOD MINI CONVERTIBLE. EXCLUSIVELY FOR VAMPIRES.

ALWAYS OPEN.

MINI

CREATIVITY

"Ads for Vampires" that feels like standard promotional placement, featuring all the brands and why they're supportive of the undead community

When you sleep in a coffin,
it's easy to think outside the box.
Jobs available for motivated vampires.
TRUEBLOOD Vamp-hire Program
trueblood jobs.com
monster.com
Your calling is calling.

Innovative ad campaign to mark the upcoming season launch of HBO's True Blood in New Zealand.

True Blood Marketing

Case of Study

http://www.youtube.com/watch?v=svssdpU4JQM

HBO Marketing Apology

Meta-Viral Marketing...

Undercover Marketing

Undercover Marketing

- Undercover marketing (also known as buzz marketing, stealth marketing, or by its detractors roach baiting) is a subset of guerrilla marketing where consumers do not realize they are being marketed to. For example, a marketing company might pay an actor or socially adept person to use a certain product visibly and convincingly in locations where target consumers congregate [wikipedia]

- Sony Ericsson used stealth marketing in 2002 when they hired 60 actors in 10 major cities, and had them "accost strangers and ask them: Would you mind taking my picture?" The actor then handed the stranger a brand new picture phone while talking about how cool the new device was. "And thus an act of civility was converted into a branding event." (Taken from Walker, Rob. The Hidden (In Plain Sight) Persuaders. New York Times Magazine; Dec 5, 2004; New York Times pg. 68)

Line outside an Apple Store

Undercover Marketing?

Undercover Marketing - II

- Wikipedia has become a tool for undercover marketing.[2] The creation of Wikiscanner, for example, has revealed attempts at manipulating Wikipedia's content by a large number of business, government, and special interest groups.

Mondiali di calcio 2010

Ambush Marketing

http://www.guardian.co.uk/football/2010/jun/15/holland-ambush-marketing-fifa-dresses

Non-traditional Marketing Online

- Non-traditional marketing is about
  - telling a story
  - delivering a message
- It might be
  - funny, shocking, amazing
  - video, blog, tweet

Humor

- Using humor is a great way to attract people
- Will it Blend?
- The 3g blend video has been seen 6 millions of times
- +40% sales in 2006!

Can you plan it?

- Will it Blend? videos were a viral phenomenon inadvertently
- common misconception
    - you can plan for a campaign to go viral
    - it’s pure chance
- Advertising agencies specialize in creating viral marketing
    - does it work? only sometimes

The Bomb Squad: Ultimate Bad Press

- In 2007, guerrilla marketing agency, Interference, Inc. placed small, magnetic, electronic lights all around several metropolitan cities. The devices were intended to promote Aqua Teen Hunger Force,25 an animated television show by Adult Swim and Cartoon Network. The signs caused a bomb scare in Boston, where bridges and roads were closed while bomb squads were brought in to investigate. One of the devices was even destroyed by explosive as a precaution.

- The publicity stunt resulted in extremely bad publicity for Cartoon Network and Adult Swim, and several people who distributed the signs were arrested. The potential danger of affixing electronic devices underneath bridges should have been obvious! You can read about this failed campaign in a story at CNN [http://edition.cnn.com/2007/US/01/31/boston.bombscare/index.html]

The Bomb Squad: Ultimate Bad Press

Tracking the media

- Google Alerts
- Social media monitoring systems (trackur.com, search.twitter.com)
- Backtype (for comments)

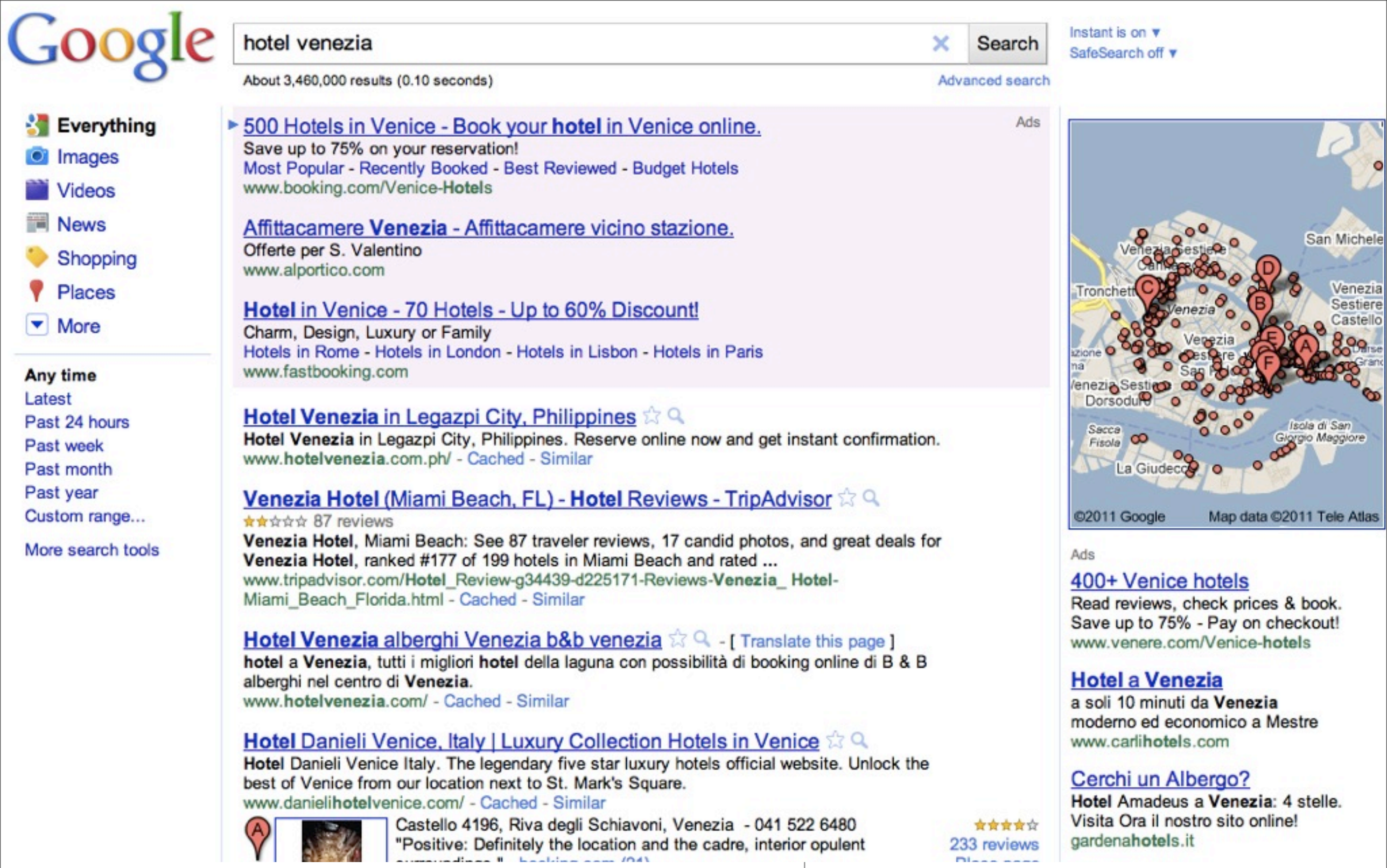
Quick overview of SEO/SEM

Search Engine Optimization (SEO)

- Search Engine Marketing is any kind of activity that's intented to bring traffic from a search engine to another web site

- Search Engine Optimization (SEO): improving the web site position in the results of a search engine for a set of keywords

- Search Engine Advertising: advertisments are displayed to search engine visitors when a defined set of search terms is requested



SEO vs SEA

Hotel Venezia

Understanding Search Engins

- A search engine is the main starting point for most people attempting to find products, services or information on the Web
- Played one of the biggest roles in the growth of the Internet
- Marketing objective is to increase a site's ranking on the Search Engine Page Results (SERPs) for keywords that are important to the business
  - preferably making it to the first page
  - ideally nailing the top spot

Click-through Rates

- A study at Microsoft on click-through rates

- *“Clickthrough rate or CTR is a way of measuring the success of an online advertising campaign. A CTR is obtained by dividing the "number of users who clicked on an ad" on a web page by the "number of times the ad was delivered" (impressions). For example, if a banner ad was delivered 100 times (impressions delivered) and 1 person clicked on it (clicks recorded), then the resulting CTR would be 1 percent.”* [Wikipedia]

Front Page Position	Click Through Percentage
1st	89%
2nd	33%
4th	17%
5th	17%
7th	6%

How search engines collect information

- Search engines build and maintain a massive database by sending out millions of small applications into the deep, dark depths of the Internet
    - spiders
- If a spider has a problem viewing, interpreting, or navigating your site, you perform poorly in the engine results

How a search engine determine ranks

- We don’t know
- One of the most closely guarded secrets of the web industry
- In the early days, companies like Google would openly discuss the algorithm they used
  - now it’s private
  - a competitor may replicate the algorithm
  - weaknesses could be exploited

SEO is more an art then a science

The dark art of SEO

The Big Three

- Google dominates the search engine market
- Two main competitors
  - Yahoo
  - Bing
- Smaller search engines
  - not worth your time
  - unless you're a niche

SEO Hats

- Black Hat
  - based on shady techniques and spam
  - fast results, generating cash before the search engine bans the site
  - cloacking: showing different content to the users and to the spiders
  - hidden links: links invisible to the users
  - useless comments on blogs, just to link back your site

SEO Hats

- White Hat
    - Common sense, ethical approach to SEO, fair play
    - creating quality content
    - building legitimate links
    - solid keyword strategy
    - maximizing spider friendliness
    - building page rank over time

SEO Strategy

- A good SEO strategy will encompass three elements:
    - keywords
    - site design
    - content

Keywords

- Single words, several words, or a phrase
- potential customers will enter the keyword into search engines
- applicable to a product or service
- can be very generic or very specific

Page Design

- Use the right design can help SEO tasks
    - use the right HTML elements
    - meta elements
    - flash and javascript

Content

- Useful content
- Use keywords in content
- Syndicated content

- content that are free to reproduce on your site

- *Web syndication is a form of syndication in which website material is made available to multiple other sites. Most commonly, web syndication refers to making web feeds available from a site in order to provide other people with a summary of the website's recently added content (for example, the latest news or forum posts). The term can also be used to describe other kinds of licensing website content so that other websites can use it*

Popularity

- Numer of links to a webpage helps pagerank
    - more if from high-ranked sites
    - said to be less important in late versions of google's pagerank

- Build incoming links

Web Advertising

Web Advertising

- Advertising plays an important role in e-commerce
- attempt to disseminate information in order to affect buyer-seller transactions
- in traditional marketing advertising is impersonal
  - direct marketing exists, but it’s expensive
- online interactive marketing: advertisers can interact directly with customers

Internet Advertising Terminology

- Ad View: an ad view, synonymous with ad impression , is a single ad that appears on a Web page when the page arrives at the viewer's display. Ad views are what most Web sites sell or prefer to sell. A Web page may offer space for a number of ad views. In general, the term impression is more commonly used.

- Click : a click is "when a visitor interacts with an advertisement." This does not apparently mean simply interacting with a rich media ad, but actually clicking on it so that the visitor is headed toward the advertiser's destination.

- CPM : "cost per thousand" ad impressions, an industry standard measure for selling ads on Web sites. This measure is taken from print advertising. The "M" has nothing to do with "mega" or million. It's taken from the Roman numeral for "thousand."

Internet Advertising Terminology

- Click rate : The click rate is the percentage of ad views that resulted in a click. Although there is visibility and branding value in ad views that don't result in a clickthrough, this value is difficult to *measure*. A clickthrough has several values: it's an indication of the ad's *effectiveness* and it results in the viewer getting to the advertiser's Web site where other messages can be provided. A new approach is for a click to result not in a link to another site but to an immediate product order window. What a successful click rate is depends on a number of *factors*, such as: the campaign objectives, how enticing the banner message is, how explicit the message is (a message that is complete within the banner may be less apt to be clicked), audience/message matching, how new the banner is, how often it is displayed to the same user, and so forth. In general, click rates for high-repeat, branding banners vary from 0.15 to 1%. Ads with *provocative, mysterious*, or other compelling content can induce click rates ranging from 1 to 5% and sometimes higher. The click rate for a given ad tends to diminish with repeated exposure.

Internet Advertising Terminology

- Conversion Rate: the percentage of visitors who are actually make a purchase

- Visit : A visit is a Web user with a unique address entering a Web site at some page for the first time that day (or for the first time in a lesser time period). The number of visits is roughly equivalent to the number of different people that visit a site. This term is ambiguous unless the user defines it, since it could mean a user session or it could mean a unique visitor that day.

- Unique visitor : A unique visitor is someone with a unique address who is entering a Web site for the first time that day (or some other specified period). Thus, a visitor that returns within the same day is not counted twice. A unique visitors count tells you how many different people there are in your audience during the time period, but not how much they used the site during the period.

http://whatis.techtarget.com/definition/0,,sid9_gci211535,00.html

Why Internet Advertising?

- Television viewers are migrating to the Internet
- Advertisers are limited in the amount of information they can gather about the television and print ads
- Other reasons why Web advertising is growing rapidly:
  - Cost
  - Richness of format
  - Personalization
  - Timeliness
  - Location-basis

Advertising Networks

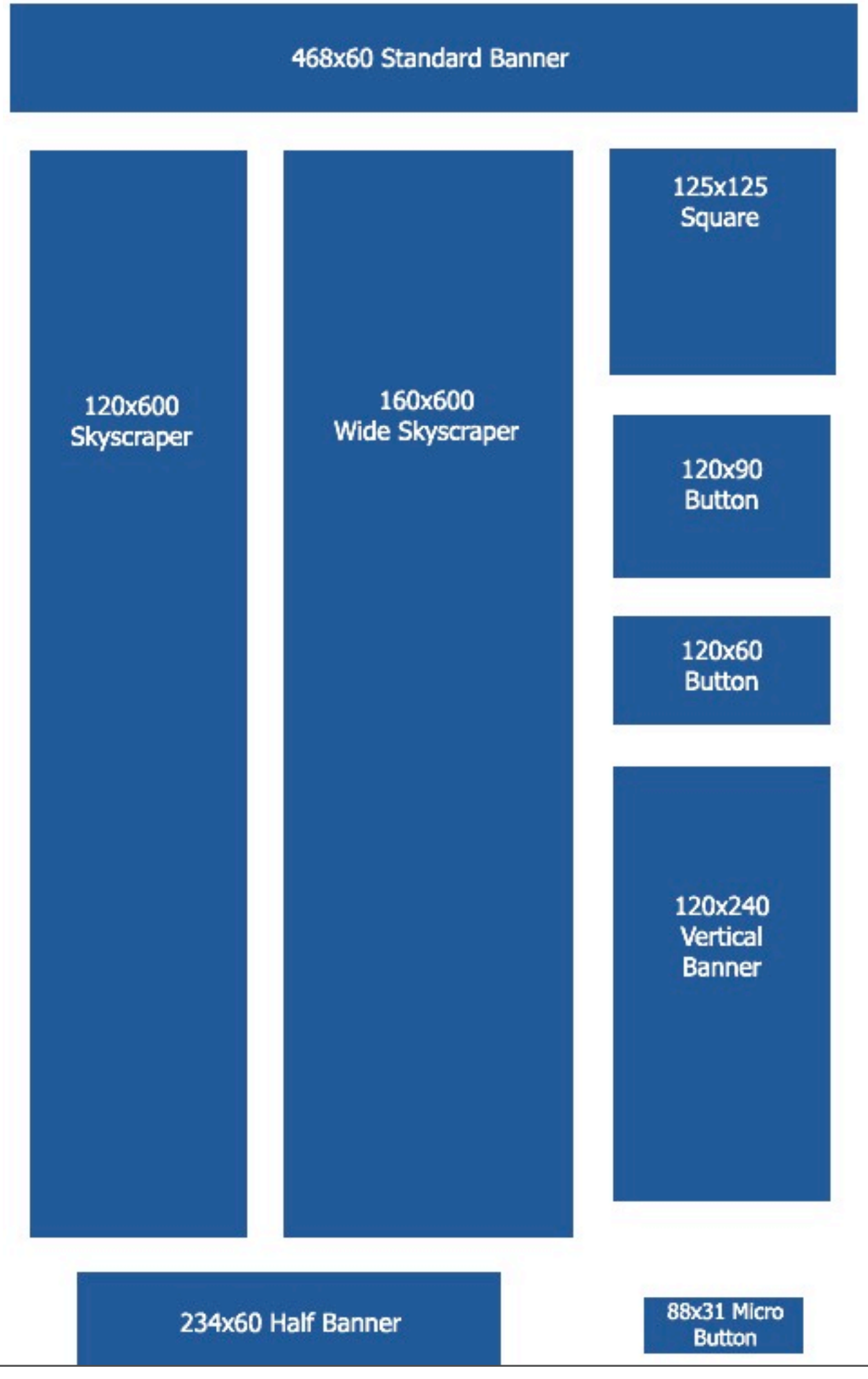
- Specialized firms that offer customized Web advertising, such as brokering ads and targeting ads to select groups of consumers
- Bringing together advertisers and providers of online ad spaces
- DoubleClick is a premier company in this area (now owned by Google)
    - ad intermediary

Advertising Methods

- Banners
  - A graphic display on a webpage, linked to the advertiser's website
  - Displayed in a rectangular box, usually at the top or bottom of the page
  - Sometimes use flash or animated gifs
  - Click-through rate declining over time

Common Banner Formats

Source: Internet Advertising Bureau, 2008



Popups

- Banners that opens in a different browser window, usually interrupting the actual task
- Remains visible until the user takes action
- Pop-under: spawn under the current browser window, not seen until the current task is completed
- Annoying: multiple surveys proved a negative sentiment toward banners
- Usually blocked by modern browsers

Interstitial Advertising

- An initial Web page or a portion of it that is used to capture the user's attention for a short time while other content is loading

Rich Media Ads

- Ads that emply animations, sound, interactivity
- Using Flash, dynamic HTML, Java, Javascript
- About 7% of total online advertising
- http://www.novocortex.com/internet_marketing_online_advertising/

Video Ads

- TV-Like advertisments to appear as in-page video commercials
- Fastest growing internet advertisment method
- Pre-roll video: short video, force to see before an actual video content
- Also mid-roll and post-roll exists but are less effective
- Youtube: text ads over video
  - After pre-roll fails

Mobile Advertising: iAd and AdMob

- Mobile devices as iPhones, iPads, Androids, etc are increasingly used to access the Internet

- Both Apple and Google are racing to develop new mobile advertising platforms

- In 2009 Google purchased AdMob, a company that developed a software to display ads within apps. Apple acquired Quattro Wireless and proposed iAd.

- Do not take the user to a new website, but display the ad within the same page or application.

E-Mail Marketing

- In the early days of e-commerce direct e-mail marketing was an effective form of marketing

- Mails were solicited, sent to interested users, unsolicited mails were uncommon

- E-mail marketing costs are usually invariant to the number of email sent (send 1000 or 1 million emails is roughly the same)

- The primary cost is to acquire a list of names

E-Mail Marketing

- In 2011, however, the e-mail marketing lost respect because of three factors:
    - spam: junk messages, sent to mass audience
    - phishing: malevolent messages disguised as legit
        - spam filters: to combat spam and phishing, we can miss legit emails!
- About 85% of spam originates from botnets
- E-mail works well for maintaining customers, but not to acquire new ones

E-Mail Advertising

- E-Mail Advertising Management—Four guidelines that marketers should consider to leverage customer insights throughout the e-mail marketing campaign lifecycle:

1. Thinking about customer experience;

2. Making privacy protection a part of their brand promise;

3. Ensuring their recipients know about their privacy protection; and

4. Measuring impact.

Social Marketing

- Difficult to define “Social Marketing” precisely
- Oversimplification: place ads in social networks
- Advertising that adopts a many-to-many modelas opposed to the one-to-many model of traditional advertising
- Example: Disney’s Toy Story 3 ad on Youtube generated 13 millions views, 800.000 “likes” and shares on Facebook and other social sites

Social Marketing

- Three main areas:
    - Blogs
    - Social Networks
    - Games

Blog Advertising

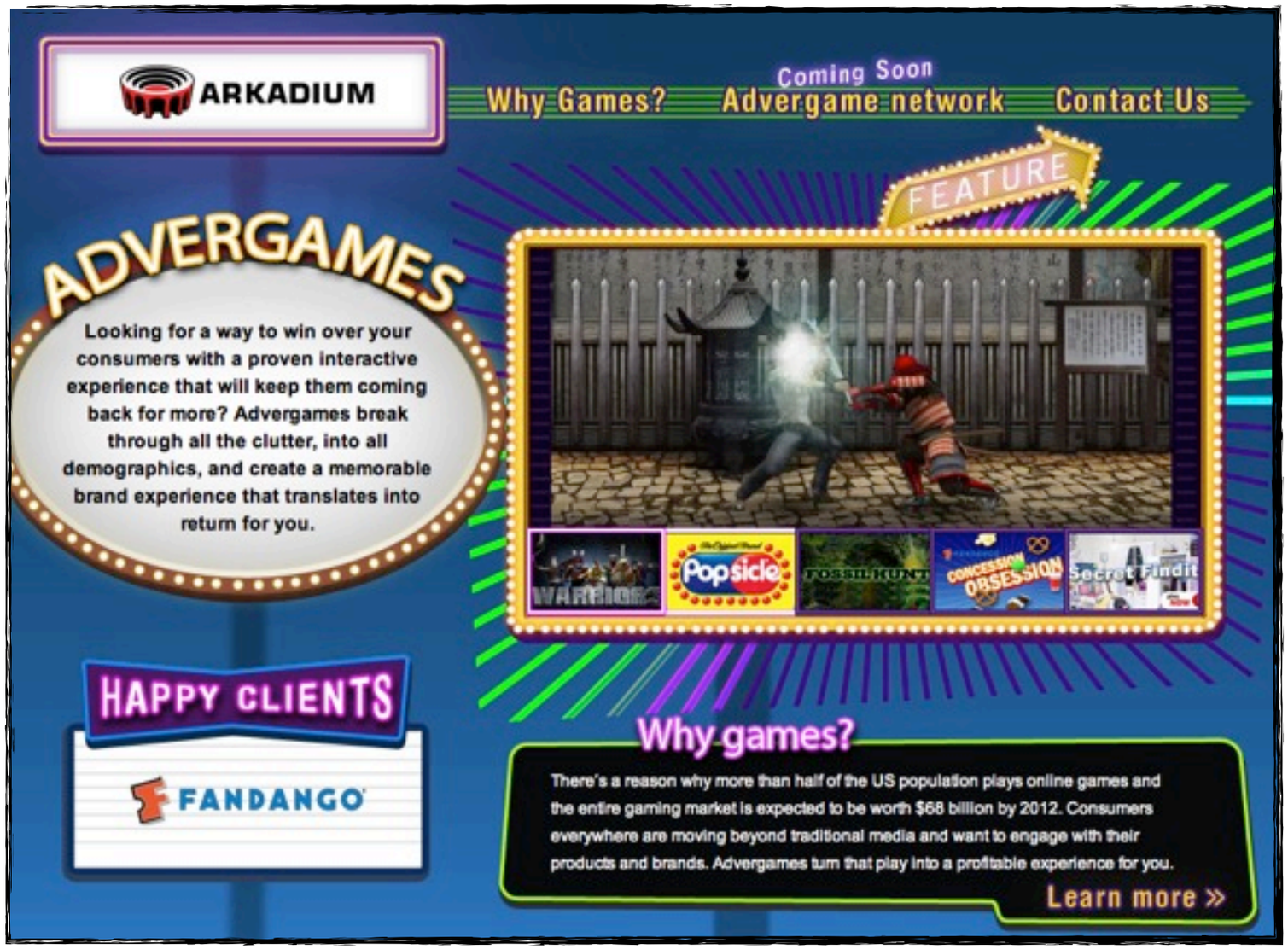
- Blogs are difficult to monetize: a few blogs attract the majority of readers
- Advertising is concentrated on the “top100” blogs
- Blogs often refer to a narrow topic (market segmentation!)

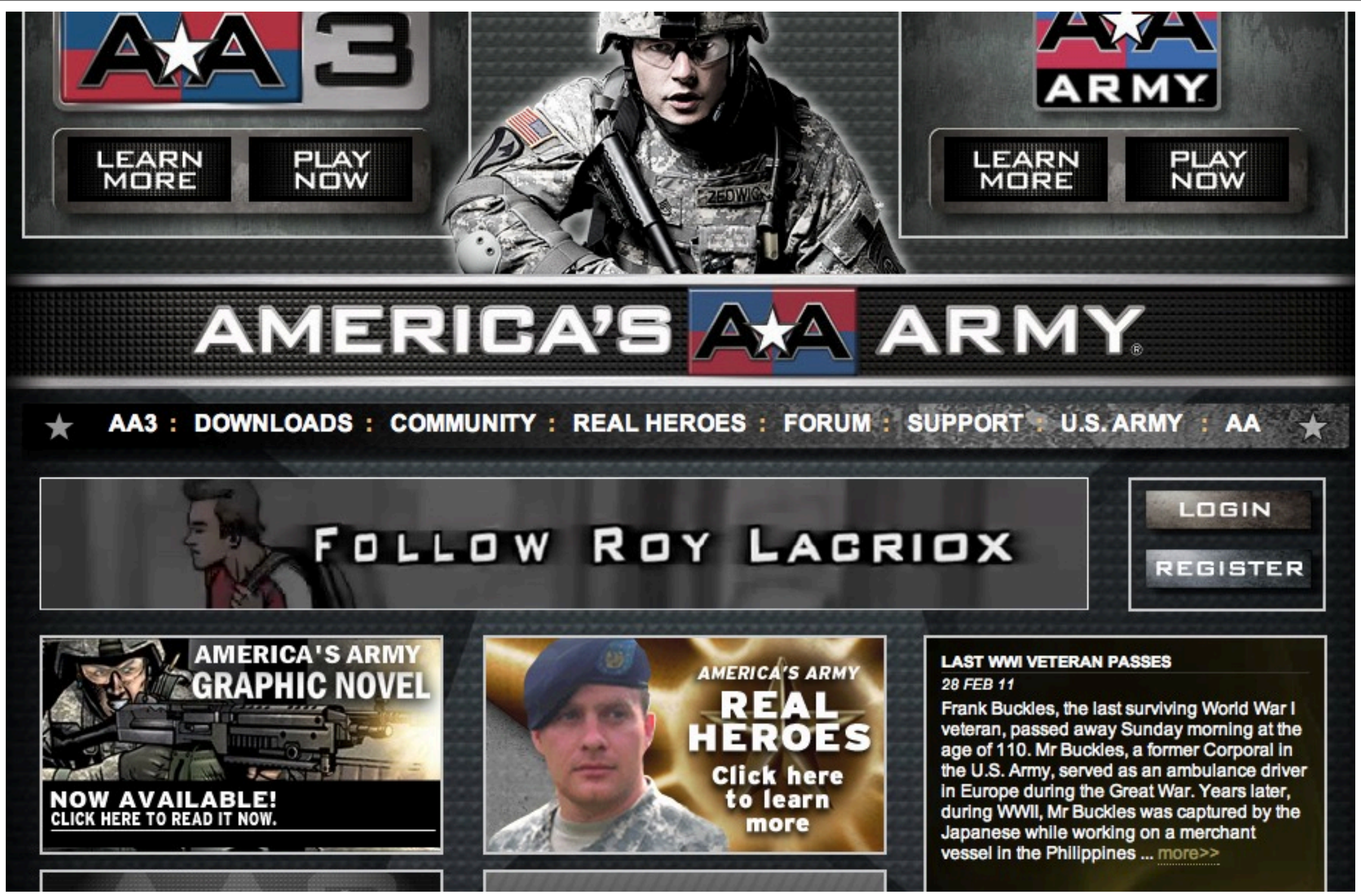
Social Network Advertising

- Still in its infancy, but fast growing
- Different kinds of social networks
    - general purpose (Facebook)
    - niche, hobbyists, firm networks
- Most of the action is in Facebook, Twitter, LinkedIn, Youtube
- Several dangers: user-generated ads can generate negative messages that are widely distribuited

Game Advertising

- Advertising in game consoles, game-enabled smartphones
- Advergames: sponsored games to promote a brand

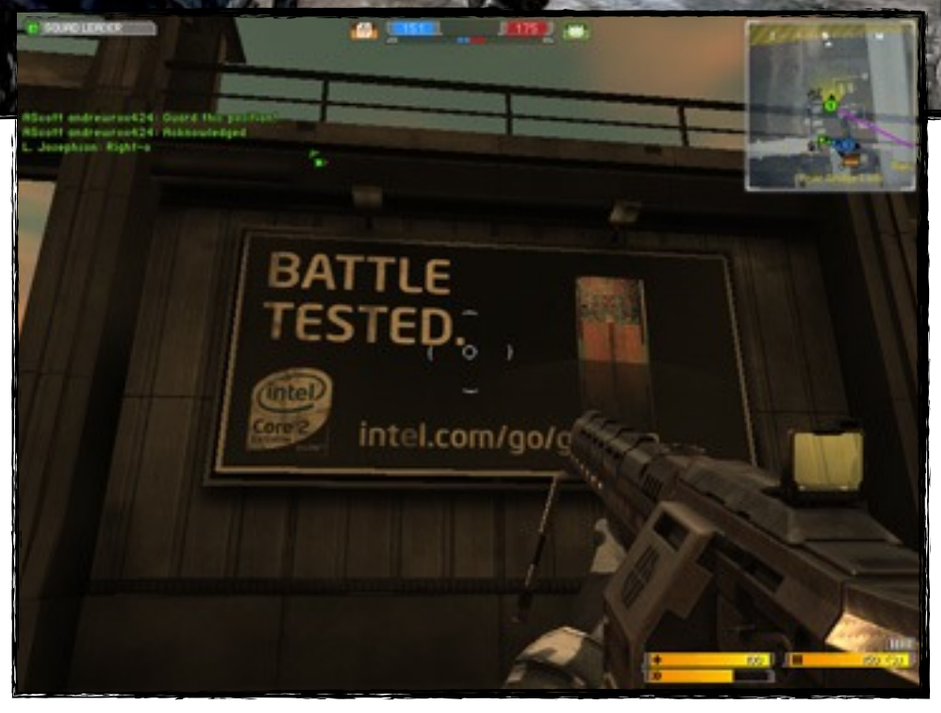




Game Advertising

America's Army

In-Game Advertising

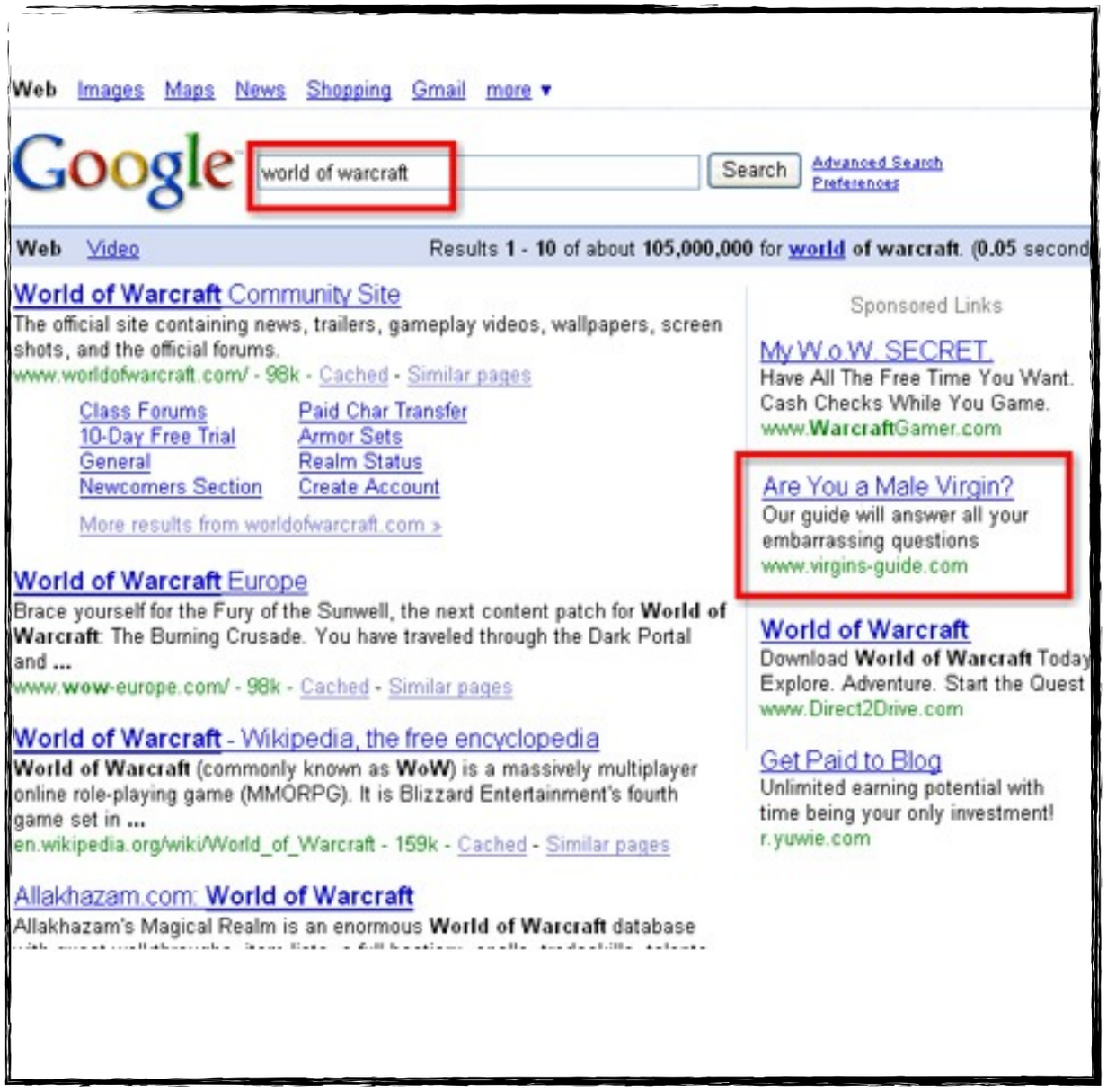


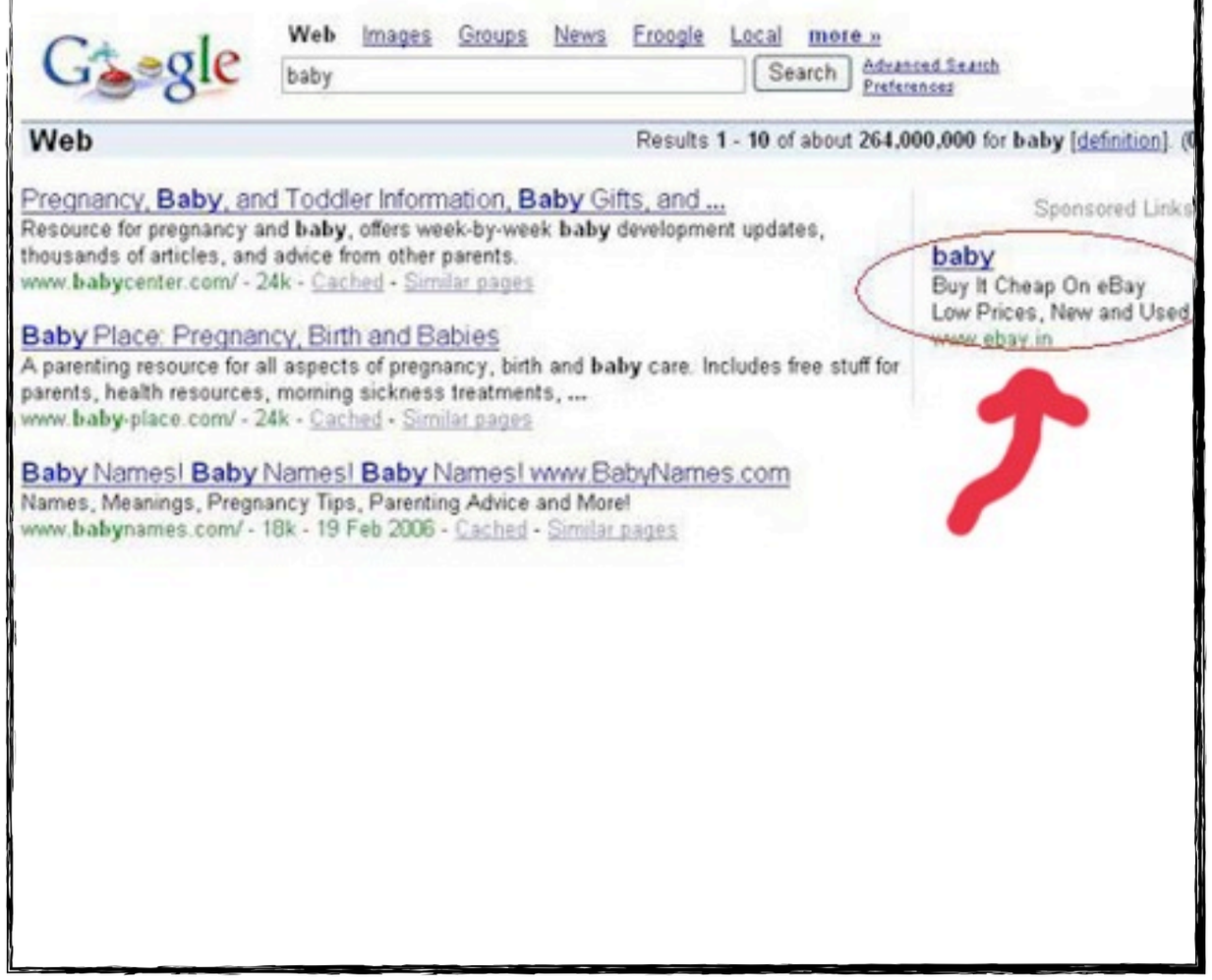
Case of Study: Google Ad Methods

- AdWords
  - Advertisers spend money to “buy” pertinent keywords
  - When a surfer search for those keywords, the ad is listed in the “Sponsored Links” section (demo!)
  - Each time the user click on the banner the cost-per-click is subtracted from a pre-paid account
  - Click-through rate is about 15% (ten times the average banner), some claim 20/25%

Case of Study: Google Ad Methods

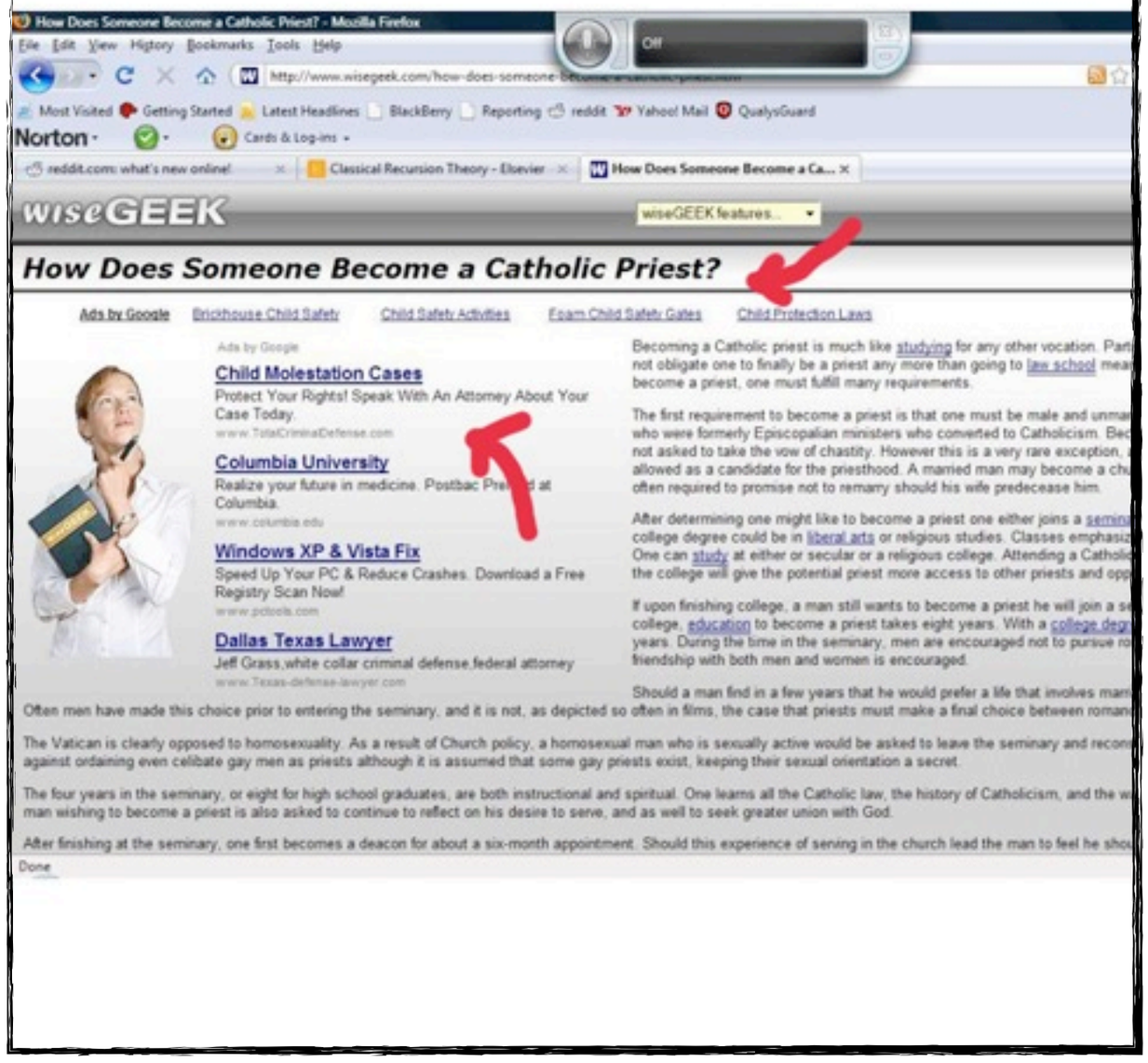
- AdSense
  - Google offers web site owners a chance to earn commissions by placing ads on their web pages
  - AdSense automatically choose the best fitting ad by analyzing the page contents. Contextual matching: bases on a propietary algorithm
  - The key is the quality of matches and appearance (the closer the match, the less intrusive the ad)
  - Ads generates revenue on a per-click and per-impression basis





Google AdSense

sometimes it goes wrong



Google AdSense

sometimes it goes wrong

Conclusions

- Overview of online advertising with lots of cases
- Internet advertising principles and techniques
- Super-quick overview of SEO and SEM