



# **DISPLAY ADVERTISING: WHAT YOU'RE MISSING**

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As a digital marketer, it's always interesting to consider the evolution of online behavior and what people are doing while on the web. Outside of communication (email and instant messaging) and some eCommerce, there are three typical online behaviors – search, surf and social. Surfing accounts for the largest percentage of time spent online. Consumers are now spending more than half of their media time surfing popular news, entertainment and lifestyle sites on the Internet. They also spend more time online than watching TV, and reading newspapers and magazines combined! Given these consumer behaviors, it's no surprise Internet marketing dollars continue to shift from traditional offline marketing mediums to an assortment of online marketing channels.

## How Display Fits in the Digital Marketing System

Since this whitepaper considers display advertising as an online marketing strategy, it's important to understand where it fits in the digital marketing world. As illustrated in the simple digital marketing system (below), display fits into the paid search and surf pillar. Paid search targets people who are ready to buy and searching for products and services online. Display, on the other hand, targets potential consumers in your chosen geographic area who are surfing online. People spend countless hours surfing the web with little or no intention of making a purchase. As they are surfing, they come across display ads, which function much like traditional billboards (except much more effectively). Online display ads are targeted, so they're much better at capturing the attention of searchers who are more likely to convert. Display ads drive targeted traffic to your chosen destination and more accurately fulfill specific marketing objectives because of their contextual nature.



For any marketing objective to be successful, it must be aligned with a company's brand strategy and business goals. Marketing objectives also need to leverage all aspects of a marketing plan, including meshing offline marketing with online tactics. Display in isolation is primarily an online display or banner advertising solution that builds brand awareness and brand affinity. Even as a standalone strategy, display advertising works exceptionally well. There have been several studies that show advertisers who run PPC along with complimentary creative display ads experience better results than running search engine campaigns alone. In some cases, using search and display advertising together resulted in a double-digit increase in conversion rate. It's rational to assume that if people see your brand while surfing and also when on major search engines, they are more likely to buy from you.

## How and Why to Use Display Advertising

The consumer buying funnel can be broken into three different buying phases – awareness of a need, consideration of a purchase and buy immediately. Display advertising is a very cost effective method that targets those in both the awareness and consideration phases. During these phases, consumers have started the process of researching and comparing options, and may even be aware of your brand. There's no better time to ensure your brand remains top-of-mind for individuals looking to fill a buying need but haven't yet made a decision. Display is also an effective method of brand recall and building brand affinity as more consumers will remember you if and when they're in a position to purchase your product or service.

Once you've determined display advertising is an appropriate choice to build your brand strategy and meet marketing and business objectives, you need to set a budget. The most significant factor for developing a budget is targeting. Because display advertising can be targeted towards an audience of your choosing, it's more efficient and cost effective than traditional advertising.

### Target Your Ads

There are many ways to target your display campaigns including advanced techniques like geographic targeting, site specific targeting and behavioral targeting. Additionally, remarketing and retargeting are powerful technologies that remember consumers who visited a website or searched for a product and then display relevant ads on other sites they visit. These techniques create top-of-mind awareness for your brand and help bring consumers back to your site.

**Geo-Targeting** is best suited for display campaigns that want to target a specific area. It's important to make sure your ads are targeted to your chosen audience in a given geographic location. These geo-targets can be local or metro, regional or even national depending on what your business is trying to accomplish.

**Site Specific Targeting** is the use of top publishers or premium sites as strategic tools. Your ads are displayed on highly recognized sites or a mix of relevant niche sites with good traffic. The result is a cost effective method of gaining maximum visibility and building your brand on popular sites.

**Behavioral Targeting** can provide segregation into a number of targeted areas by displaying your ads to people who have shown recent online behaviors and interests that are relevant to your business.

More common behavioral targeting would display your ads to groupings of sites that feature content related to your business or on category specific sites relevant to your business. For example, if your business is in the home improvement space, ads may be placed on do it yourself home improvement websites. Other examples of behavioral targeting could be in the auto, entertainment, fitness, and food or sports areas. There are numerous targeting possibilities and even overlapping opportunities between different behavioral targets. However, it's important to note that people aren't always going to be more interested in you when only targeting industry related sites. It's a great place to start and get visibility but there are also many great sites to consider with quality traffic. As such, engagement based results should be the primary consideration for optimizing display campaigns. Ensuring ad dollars are directed towards sites that drive the best quality visitors in the most cost effective manner is paramount to a successful campaign.

**Demographic Targeting** is where a target audience is based on demographic factors such as gender and age. If your website collects data on visitors, it's always a good idea to use the information at your disposal to create more

demographically targeted ads. Males between the ages of 18-34 are a much different audience than females over 50 years old, so figure out whom you want to reach and then optimize your ads for that specific audience.

For both inexperienced and experienced digital marketers, there are resources that can be utilized for engagement based optimization. A good Internet marketing consultant can set you up on one of these platforms, which will optimize most aspects of your campaign including the availability of an extensive network of websites and ad space inventory that reaches the vast majority of your online audience. The platform technology can automatically and dynamically steer your ad budget to the sites that are most cost effective in bringing quality visitors to your landing pages and website.

### **Take Advantage of Remarketing and Retargeting**

Remarketing is an outstanding technique that targets your ads to valuable prospects that have previously visited your landing page or website. Many consumers visiting your website leave without ever converting to a customer. These are your most valuable prospects as they've shown an interest in your product or service by visiting your site.

For example, a surfer clicks on your campaign ad. When they click on the ad, they come to your landing page or website that has been proxied for tracking purposes. At that point, a tracking cookie is placed on their browser to make sure they can be identified as a visitor to your website. Then, as they surf other sites supported by specific chosen advertising partners, your display ad is carefully and repeatedly shown. The goal is for your brand to stay top-of-mind with interested site visitors and also attempt to bring them back into the buying funnel and hopefully to the purchasing phase.

Retargeting is a technique that can be incorporated as part of a display advertising solution. Retargeting combines two advanced targeting technologies – search and site retargeting – to build top-of-mind awareness with only the most relevant of prospects.

Search retargets prospects by showing your display ads to consumers who have searched for keywords related to your business. Serving your display ads in front of active searchers for your product or services is meant to familiarize your brand and entice them to visit your site.

Site retargets consumers who have previously visited your website and your display ad is shown to them repeatedly as they surf. Much like remarketing, this builds top-of-mind brand awareness and encourages prospects to return to your website, which in turn boosts the results of your online marketing efforts.

### **Other Important Elements of Display Advertising**

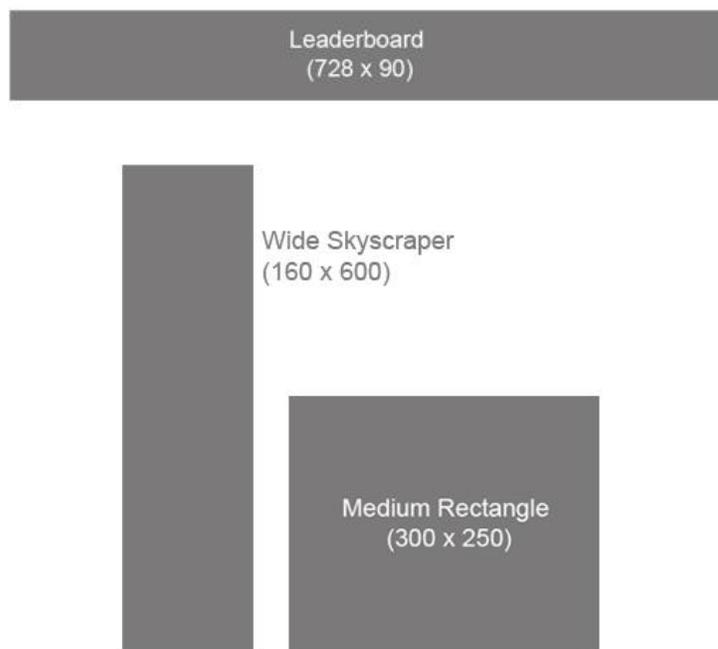
Many businesses often jump into display advertising without understanding how and why it can help enhance their digital strategy. Once you do have a firm grasp on display and its function within the digital marketing framework, there are a few more granular areas of display that can really elevate your campaigns to the next level. Paying close attention to these details can help increase your conversions and achieve higher and higher marketing ROI.

#### **Creativity and Design**

In addition to targeting considerations, the creative design requirements for your display ads are also extremely important. Approximately 67% of display or banner placements are presented to consumers in one of three ad sizes.

As with most visual marketing strategies, bigger is better, and maximizing available ad space with the biggest ad sizes works best. Leading the way in CTR are the medium rectangle (300 x 250 pixels), wide skyscraper (160 x 600 pixels) and leaderboard ad (728 x 90) formats and sizes. Your ads can be static or animated.

Regardless of size, design ingenuity will help create powerful, eye-catching, thought provoking banner ads that have strong calls to action and promote both your message and your brand.



### Landing Pages

The primary goal of display advertising is to drive clicks back to your landing page or website so you can deliver your key brand messages and convert visitors to take specified actions leading towards a purchase. In many circumstances, you will have implemented a conversion-oriented landing page on which there is no navigation and no escape for visitors other than clicking on your calls to action. Converting, goal-specific landing pages are a great way to guide, direct and funnel visitors towards your desired objectives. They're also an effective method of split testing different pages and details in order to better understand what resonates with your consumer. Many times even the slightest of changes can result in a substantial conversion increase.

### Track and Optimize

With every campaign, overall results and driving maximum return on advertising investment is critical. Therefore, it's important to track your campaigns with key metrics and benchmarks. Over time, campaign-tracking reports will provide analytics and results that can be used to further enhance your campaign. Typically 3 – 4 months will enable you to gather enough business intelligence to refine and optimize a display campaign.

## Display Campaign Results

You are now armed with the knowledge that display advertising reaches consumers as they surf. The primary goal is to familiarize consumers with your brand and build top-of-mind awareness. It's all about creating a positive impression of your brand and enticing a digital handshake (site visit).

When looking specifically at campaign media spend, impressions and clicks are the key advertising metrics since consumers typically encounter display ads over several months before finally making a purchase. Once consumers have clicked on your ad they'll be taken to your landing page or website. At this point your targeted ads have done their job and your creative design and powerful calls to action take over. Now you want to further enlighten and engage your prospective customer and pull them through your desired conversion funnel.

In the display campaign results example below, you'll find several elements for consideration as key metrics in a display awareness campaign. These results indicate a successful campaign including performance optimization as noted by campaign improvement over time.

Display Campaign Results

Ad Spend Jan-Apr 2012	Impressions Jan-Apr 2012	Re-Marketing Impressions	Landing Page Visits	Web Events	Conversion Rate
\$70,000	139,885,123	1,921,513	246,563	50,011	20.3%
Ad Spend May 2012	Impressions May 2012	Re-Marketing Impressions	Landing Page Visits	Web Events	Conversion Rate
\$10,000	21,411,780	187,516	52,450	17,283	33.0%

**Budget.** The budget for month May (\$10K) was much less than the average budget of the previous four months (\$17.5K).

**Impressions.** There were less overall impressions in the month of May (21.5 Mil.) than the monthly average from January to April (35 Mil.), but since the traffic was targeted it likely converted at a higher rate.

**Clicks (or landing page visits).** Landing page visits in May (52K) were also slightly down from the January-April monthly average (61K), however since the traffic was targeted there was likely an increase in web events and conversion rate.

**Web Events (clicks on specific calls to action).** This is where you can really see the campaign efforts paying dividends. The monthly average number of web events from January-April (12.5K) was actually less than the 17K web events that took place in May (despite a smaller budget and less impressions and clicks to the landing page).

**Conversion (on web events/landing page visits).** The campaign results underscore that the driving force being display advertising success isn't the amount of traffic or dollars spent, it's conversion. Believe it or not, a targeted display advertising campaign costs less money and delivers better results, which means you save money on marketing and still make more sales!

## Why Invest in Display Advertising?

The primary reason for investing in display advertising is to stand out amongst the crowd and expand your advertising reach to the areas consumers are spending the majority of their media time. Here's a list of the main takeaways regarding display advertising:

- Give your PPC campaigns a significant click lift
- Geo-target your ads from local to national
- Retarget consumers who have visited your website
- Track, measure and optimize your results
- Build your brand and boost your marketing ROI with cost effective campaigns

## **ABOUT THE AUTHOR**

### **Darryl Chenoweth**

Darryl is an award winning WSI Digital Marketing Consultant operating out of Ancaster, Ontario, Canada. With a focus on the retail and consumer package goods verticals, Darryl helps clients develop and implement Internet marketing strategies



to connect with their customers through a full suite of solutions. Clients are typically senior leaders in business and marketing strategy looking to leverage Darryl's expertise in web development, paid search and display, search engine optimization, email marketing and social technologies.

Darryl has 30 years of direct retail experience including 15 years as a senior retail operations and marketing executive for large retail companies. Darryl is uniquely positioned as a digital marketing expert and a sought-after retail consultant helping businesses transition from offline to online marketing.