PReSENSE

Communicate the communication

Theme of this Issue
Online Advertising

Guest Editor
Divya Sesha

Divya Sesha

Contact
www.corpezine.com

editor@corpezine.com

PR-e-FACE: From the desk of Editor-in-Chief
Online advertisement is growing very fast globally

Online Advertising has come to stay in the marketing and branding strategies. Presently, the global internet penetration is around 30% and it is growing at fast rate. With the emergence of internet technology, the concept of advertising is undergoing a tremendous change.

A recent study shows that online advertisement, which was around 6% over the total global ad-spend in 2006 has now become 12% in 2010 and is growing at fast rate. Another study reveals that in UK alone, the online advertisement constitutes around 25% of the total ad-spend.

When we conducted an online survey in August 10 for this purpose, we realised the lack of knowledge about the online advertisement in developing countries. Hence, we decided to publish this ezine with more of fundamentals, to create a taste in this new area of marketing tool.

Ms Divya Sesha, who is presently working in an online advertising firm at London has taken lot of efforts in putting together the concept in a simple language, to enable every one to understand the concept. Please keep reading this ezine and send your feedback to us.

K. Srinivasan

Guest Editor
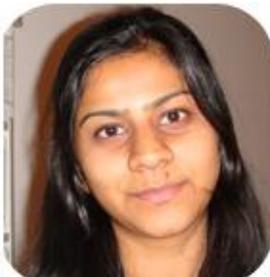
After working in an Advertising Company in Mumbai (India), Divya Sesha, pursued her higher studies in Advertising and Marketing Communication in UK. She is presently working in a Digital advertising company at London. She is interested in music, travel and movies.

She can be reached at   divya.sesha@hotmail.com

Video Introduction

Hi

Thanks for giving me the great opportunity of guest editing this ezine on "online advertising'. I have attempted to bring out the various features of this new digital tool. Please listen to my video introduction in the following link and share your feedback.

http://www.youtube.com/watch?v=vvv2gOERslw

Divya Sesha

What is online Advertising?

Online advertising is a form of advertising, which uses the Internet and WWW in order to communicate its messages to the right target audience. There are various forms of online advertising like search engine result pages, banner ads, rich media (using animation and video), social network advertising, interstitial ad, online classified advertising, advertising networks etc.

Rich Media example

Interstitial Ad

What are advertising networks?

Networks are those companies, which connect advertisers to the websites, which want to host their advertisements online. For example, Google has acquired an ad networks called Double-Click through which their ads are hosted. Many third party networks work with websites for a charge in return for their advertising space.

The most common methods of purchasing online space are CPM, CPA and CPC. Detailed explanation of these revenue models are given below.

One major advantage of online advertising is that it is not limited by geographic regions and can be targeted according to the appropriate audience requirement. The different types of targeting models are:

Contextual targeting – where display/graphic/text-only ads are webcast based on a keyword search conducted by the user. For e.g. If one searches for Edinburgh Hotels, they would be targeted with hotel offers and packages in and around Edinburgh, alternatively, on Google, they would be subjected to the top websites, based on Google ranking, on their search page.

Behavioural Targeting – This kind of targeting is based on a users click/browsing history, for exa,[;e. if an user is known to have searched for automotive web pages, based on their cookie data, they can be re-targeted with an auto related ad even when they are not surfing through an automotive website.

Semantic Advertising – this method semantically (to study the relation between words, signs and symbols) analyses each web page to understand the meaning and purpose of them. This ensures that the ad server only displays advertising, which is suited to the web page. Semantic advertising increases the chance that the viewer will click-thru because only advertising relevant to what they are viewing, and therefore their interests, should be displayed.

The disadvantage of behavioural and contextual advertising in comparison to semantic advertising is that, while semantic checks the entire web page, behavioural and contextual only check keywords. For example, Jaguar as a keyword may mean the animal/the car. Semantic would check other content on the web page to identify the actual product, whereas Behavioural/contextual may not.

Global Spending and Share of Ad Spend by Medium, 2006 -2010 ($ Millions)

	2006	2007	2008	2009	2010
Newspapers	$123,031	$124,047	$127,366	$130,955	$134,829
	29.0%	27.8%	26.8%	26.1%	25.4%
Magazines	$52,959	$54,393	$56,427	$58,518	$60,588
	12.5%	12.2%	11.9%	11.7%	11.4%
TV	$160,356	$168,359	$180,335	$189,110	$198,894
	37.8%	37.7%	37.9%	37.7%	37.5%
Radio	$35,347	$36,472	$37,782	$39,437	$41,032
	8.3%	8.2%	7.9%	7.9%	7.7%
Cinema	$1,870	$1,984	$2,180	$2,414	$2,691
	0.4%	0.4%	0.5%	0.5%	0.5%
Outdoor	$23,516	$25,126	$27,145	$29,099	$31,249
	5.5%	5.6%	5.7%	5.8%	5.9%
Internet	$27,185	$35,999	$44,583	$51,963	$60,888
	6.4%	8.1%	9.4%	10.4%	11.5%

Source: ZenithOptimedia (via AdAge.com)

Source: http://www.webanalyticsbook.com/

When online, people read differently

When online, **people read very differently**, than when they are reading a book or magazine. On the Internet people try not to read until they find what they are looking for and reach the content they need. Up to that point, **they scan, looking for keywords**. What does this mean? People do not read introductory text, instruction text, navigation options… almost anything if they can avoid it. This must be taken into account during website design, and content creation. Following are the ways to reduce the problem:

- ü Reduce the word count of each page (ideally by half)
- ü Try to remove/minimise instruction text
- ü Highlight key words
- ü Use lists/bullet points where possible
- ü Break up text using clear sub-headings
- ü Try to start each page/paragraph with the conclusion, so that users can decide whether to read the page/paragraph early
- ü Use images instead of words where possible

Source: **http://www.webcredible.co.uk**

GLOSSARY

Impressions: The number of times an online ad (any format) has been seen by a user. It is often hard to obtain an accurate impression count as they can be miscounted due to issues relating to cache incomplete requests.

Clicks: The number of click through occurred as a result of a user viewing an online ad (any format) and being re-directed to the advertiser's page.

Click through Rate (CTR): The number of clicks of the online ad (any format) divided by the number of impressions of the online ad (any format).

Cost per thousand (CPM): is one of the online payment models by which advertisers pays for every 1000 impressions of their advertisement. Prices typically range from £1 to over £50 per thousand impressions. This is an ideal method of payment for advertisers who want to guarantee only the number of people who sees their online ad. The "M" in CPM is from the Roman numeral for 1000, "mille" meaning "thousand".

Cost per click (CPC): is one of the online payment models by which advertisers pay for each click through made on their online ad (any format). Prices typically range from £0.01 - £50 per click through. This is an ideal method of payment for advertisers who need to guarantee they only pay for those viewers of the banner that click on it and visit a page on their site.

Cost per action (CPA): is one of the online payment models by which advertisers pay for every action (sale or registration) completed as a result of a visitor clicking on their advertisement. Prices typically range from £0.50 to £50 or if a percentage of a sale 5% to 25%. This is an ideal method of payment for advertisers who want to guarantee only the number of customers generated as a result of an advertisement.

Cost per Lead (CPL): One of the types of CPA, a cost per lead (CPL) method allows advertisers to pay for every lead or customer inquiry that resulted from a visitor who clicked on their advertisement. Prices typically range from £1 to £6. This is an ideal method of payment for advertisers who want to guarantee only the number of potential customers with an interest generated as a result of an advertisement. Also known as cost per inquiry (CPI).

Rich Media: A type of advertisement technology that often includes richer graphics, audio or video within the advertisement. Unlike static or animated GIF banner advertisements, rich media advertisements often enable users to interact with the banner without leaving the page on which it appears. Some popular types of rich media banners are created with HTML, Shockwave & Flash.

Contextual Advertising: Contextual Advertising is also known as content-targeted advertising, which means that an advertisement is shown on a web site that is "in context" to a company's specific product or service. For e.g. If one searches for Edinburgh Hotels, they would be targeted with hotel offers and packages in and around Edinburgh, alternatively, on Google, they would be subjected to the top websites, based on Google ranking, on their search page.

Source: http://www.adglossary.com/

Search Marketing

By Mr Rajeev Balasubramanian, CEO, ,Havas Digital, South East Asia and India, Singapore

What is Search Marketing?

Search Engine Advertising is advertising that is placed on a new type of media; Search Engine Result Pages (SERPs). Search Engine Result Pages are the pages printed out by a Search Engine (like Google) when someone "queries" the engine. This medium is very young, but growing rapidly; it is estimated that Google gets over 20 Billion dollars in advertising revenue from this channel yearly.

With Search advertising, it is possible for brands to target consumers by *their intent*, as represented by what query they type into Google. Targeting by content, in general, is not particularly efficient; only 1 person out of every 1000 people exposed to the ad is likely to respond to the ad. The precise targeting by intent that Search Advertising offers make it possible for far less wastage and can result in very high conversion from exposure to consumer response (typically upwards of 1-2%, sometime reaching 100% based on the specific keyword)

Historically advertisers bought media on a cost per exposure model, which meant large investments concentrated in "bursts" of a few weeks/months. Given that Search Advertising offers multiple flexibilities, such as payment only on a cost per response model, choosing of specific keywords and daily budgets, it is possible for brands to maintain yearlong activity on Search Advertising. Search Advertising is also a cost efficient way of targeting low hanging fruit for the brand. Search Advertising needs to be woven into the fabric of any brand, which wants to connect with its customers.

What is the future of Search Marketing?

The growth of Search for me is in the area of the Organic Listings. This part of the page has the maximum impact of Brand metrics (Unaided top of mind brand recall, as documented by Enquiro eye-tracking studies). The growth of Universal Search and Web 2.0 content repositories (Youtube, Slideshare) mean that content hosted here can impact a brand's visibility on the SERP. The challenge for brands is to develop expertise in building and distributing Digital Persuasion Assets, which help grow the brand's visibility on SERPS, thereby growing top-of-mind recall.

Ezine 'PreSense' and 'prpoint' online discussion group win National Awards from PRSI

Public Relations Society of India (PRSI) celebrates 6th August every year as "*PR Education Day*" to provide focus on PR and Communication education. PRSI celebrated PR Education Day on 6th August 2010 at Hyderabad. During this event, their Hyderabad Chapter presented National Awards for the books, blog, print magazine, online ezine, online discussion group, PR students and teachers for their contribution towards PR and communication education during 2009-10.

Prpoint online discussion group and your ezine *PreSense* (both published by Prime Point Foundation) have won the National Awards from PRSI, Hyderabad for the contribution towards PR and Communication education. Prpoint group is the largest Indian group for PR and Communication professionals.

Mr P B Raghavendra Rao, a senior member of PRSI and a regular contributor to prpoint group and the ezine PreSense received the Award from Prof Joye C Gordon, Kansas State University, USA, in the presence of Dr CV Narasimha Reddy, Editor, Public Relations Voice.

Mr P B Raghavendra Rao (4th from left) visited Chennai on 29th August 2010 and handed over both the Awards and certificates on behalf of PRSI, in the presence of the participants of Business Communication Course at Bharatiya Vidya Bhavan.

Ms Janani and Ms Rekha (5th and 6th from left), Editorial Team members of ezine PreSense received the Awards from Mr Raghavendra Rao, on behalf of the Editorial Team. Prof. Krishnamurthy, K. Srinivasan (Editor in Chief) and Dr Manivannan (1st, 2nd and 3rd from left) are looking on.

To join prpoint group, please click
http://finance.groups.yahoo.com/group/prpoint/

Affiliate Marketing

By Cindrella Vani Prakash, Marketing Communication Manager, Mumbai

Affiliate Advertising is a technologically advanced and contemporary way of advertising. Affiliate marketing is a working relationship whereby a merchant (online shop or advertiser) has consumers driven to it by adverts on an affiliate (website). If a consumer visiting the affiliate's site clicks on an advertisement and goes on to perform a predetermined action (usually a purchase) on the advertiser's site then the affiliate receives a payment. In its simplest form affiliate marketing is the process by which an *affiliate* agrees to promote products and services of an *advertiser* in exchange for commission paid out by a *network*.

The *affiliate* is the entity that drives online traffic to *advertiser* sites in exchange for commission paid out. The advertiser could be any company that sells or provides a service online. *Networks* provide their advertisers with the technology and service while acting as a gateway and support centre to large numbers of individual affiliates. It is not just cost-effective (for most parts, that is the main answer one looks for while advertising) but also effective about its reach. Affiliate Advertising drives the affiliate to work harder towards achieving their goals in the lure of gaining rewards. The benefit for the advertisers is obvious; they only pay out on results.

Methods of affiliate marketing are as follows:

Niche content and personal interest websites
Loyalty and reward websites
Pay Per Click (PPC) and search affiliates

However, Affiliate Advertising in India is still to grab the attention of the Corporate World, it is sure to be popular soon. Only a small chunk of the Indian Industry today practices affiliate advertising, though small, this chunk is bound to increase in due time. The future of affiliate marketing is bright and ever growing as ONLINE is the most wanted medium for everything and anything. There will come a time when all major corporate houses would be vouching on affiliate marketing/advertising more than the hygiene/generic types. That would be the safest time to say that the Affiliates have arrived!

Display Advertising

By Tony Laskar
CEO, Audience2Media, London, UK

Online Display advertising is 'display banners' being shown on websites, illustrating advertisers' ad campaigns. The most commonly used ad formats are the Leader-boards (top of the page), Medium Rectangle (centre of page), Standard Banner (top or bottom of the page), and Skyscraper (on the side of the page). These are all coded in HTML / JavaScript which allows ad servers (the technology used) to call the specific ads and display them on specific websites.

Images within the ad formats can be either in text but most commonly used today are flash enhanced moving images. Most common metrics used are: CPM (cost per mille), CPC (cost per click) or on a CPA (cost per acquisition). Online advertising will continue to grow in future and overtake all other mediums. This will be the advertising of choice.

What is banner blindness?

People do not notice banners. It's been found in eye tracking studies their gaze literally avoids settling on any area that looks like an advert instead it seems people actively try to **avoid looking at them**. This effect is called banner blindness.

Banner blindness affects most people, and has a startling side effect. Useful areas of the site that are overly graphically designed (and end up looking like an advert) are ignored by users as though they were adverts.

A good way to avoid banner blindness is to **ensure your site banners are mostly text**, so that they look as much like useful site content as possible. If you wish push adverts as much as possible, use text adverts, like those to the right hand side of Google search results, or in the TFL website.

Source: http://www.webcredible.co.uk/

Online poll – Readers' Questions

Your ezine PreSense conducted an online poll to understand the perception of the readers. We also requested them to submit any question seeking clarification on the theme 'online advertising'. Probably, due to lack of knowledge about this theme, we did not get sufficient response. Ms Divya Sesha, Guest Editor, answers few questions submitted by the readers.
– Editorial Team

Kavitha Prakash, USA

Q: How can I improve my advertising style? I used to post a message in azindia.com, sulekha.com.

A: Hello Kavitha, Your best bet would be to use Search Marketing. As explained in the article, search makes use of keywords and it can be targeted according to region. This would ensure that you are at the right place; however, this would require monetary input from your end. The other option is to join a social media network, which is popular among your already existing clients and create a page for yourself. Make the most of social media. Become an active blogger. Promote yourself using sites like Facebook, LinkedIn, Twitter and other social media tools. Learn all you can about how to use these very powerful and effective lead generators. Here you can keep updating your new offers and products and sending people messages. You can read the previous editions on social media if you require any help with setting up an account. Continue to advertise on Sulekha and AZIndia. Also, as an option, I would suggest organising weekly or fortnightly meetings with your existing customers just to update them or asking them to bring along their friends, which could then be leads for you. If you have any questions on the above-mentioned options, please feel free to contact me further.

Vibuti Agarwal, Mumbai

Q: I would want to seek more knowledge on this subject. Therefore, can you recommend any reading material?

A: Hello Vibhuti, I would suggest that you get your hands on some books, which are called Internet Marketing or Online Advertising. If you are not able to find these in India then the best way to read on Online Advertising is Wikipedia or Internet Advertising Bureau website.

Online poll – Readers' Questions (contd.)

Shailesh, Delhi

Q; What are the best uses of online Advertising in B2B space? Any success stories?

A: Hello Sailesh, some of the recent B2B activities that are popular online are related to social media and there are many new social media tools that have come up which may be new and effective in the B2B space, this website might be of use to you http://www.b2bm.biz/ (This talks about B2B marketing and also has some case studies in it. Apart from this, you must be aware that B2B campaigns work best with higher leads and PPC is the best way to generate leads and only requires monetary input.

Prof. S Krishnamurthy, Chennai

Q: How do we know the rating on online advt.? On what basis the online advertisements are solicited for web sites? How do we verify the authenticity of hits a site gets?

A: Hello, the rating of online advertising is only measure in the search channel, which is determined by Google, called Quality Score and Page Ranking; these are determined based on the website which is analysed and how closely the keywords are related to the website. This does not exist for display advertising, as display does not work on bidding for best keywords and best position on search engines. Authenticity of hits for a website are verified by platforms like Hit wise which are in the business of analysing websites and identifying their relevance in the industry

2000 years old Twitter

Saint Thiruvalluvar, who lived 2000 years back, has written Thirukkural in Tamil. Thirukkural contains 1330 Kurals (short two lined couplets). Each Kural is written only in 7 words (25 to 40 characters). Every Kural contains management tips and advices for good governance. Though written two thousand years back, it is more relevant even for the present situation. Every week, we are explaining two Kurals to suit the modern day requirement. Please visit the following link:

http://www.kural.co.cc/

Online poll – Readers' Questions (contd.)

Benz Thomas, Hyderabad

Q: 1. How do we integrate online advertisement with Social media apart from buying as space on social websites such as FaceBook, etc.   2. For pay-per-click advertising how do we ensure that we get 100% interests/genuine customers?

Hello Benz, I am going to answer your question based on my experience. I have recently worked on a campaign for World of Warcraft for social media and I have worked with a network (who buys advertising space on various websites). World of Warcraft is an online role playing game which is very famous and doing well. Since World of Warcraft is a community based offering, social media involvement would be ideal to generate more and more subscriptions. Ofcourse we brought space on Facebook but also apart from that, we asked the network to create a community page on their website where users could share videos of their gaming (What level they are playing, new weapons unlocked in new levels etc) They also generated a poll surrounding the game and we received a very good number of responses for the same. We also asked users to voluntarily write blogs on the websites about their game play. There were many discussion forums as well. YouTube and Justin TV are also spaces where you can have your advertising (display) on specific channels like Gaming, Shopping etc The best way to identify whether PPC users are genuine is to see the conversion rates, those who convert would be genuine and those who don't would be leads and can be re-targeted

Important links of Prime Point Foundation

www.prpoint.com   www.indiavision2020.org

www.imageaudit.com   www.action2020.co.cc

www.corpezine.com   www.eltf.co.cc

www.poduniversal.com   http://prpoint.blogspot.com

Online poll – Readers' Questions (contd.)

S Sakthi Prasanna, Chennai

Q: When people think of online advertisements, only pop up ads come to their mind. Most of the people who use internet feel that pop up ads are very disturbing and irritating. Can there be any balance of online ads, which creates an impact without disturbing the online users?

A: Hello Sakthi, yes at one point of time this was my exact impression of online advertising but nowadays things have changed and it is not about pop-ups anymore. There are many different types of advertising like site-skins, home page takeovers, rich media etc, which do not obstruct the content on the web page and allow the users to view the content/ad at ones leisure. The advantage of online advertising is that there is always a Call-to-action which means that you always can either 'make a purchase', 'sign up for a newsletter/magazine, ' donate money' or other at that moment. This makes it all the more convenient than going to a store. In UK, there is hardly anything that you cannot do by sitting in front of a computer. I have only recently gone to a post-office to send a post to India and that was because I had to send the post, whereas all my other activities right from shopping for groceries - to booking a ticket - to bank transfers is done online. This is the future of online advertising in India.

Latest Podcasts in PodUniversal

India will be the education capital of the world in 20 years
http://www.poduniversal.com/2010/08/india-will-be-education-capital-of.html

Challenges in the use of Internet
http://www.poduniversal.com/2010/08/challenges-in-use-of-internet-radio.html

Spare two hours a week to achieve Vision 2020
http://www.poduniversal.com/2010/08/spare-two-hours-week-to-achieve-vision.html

e-Governance enables citizens to feel the Government, without seeing it
http://www.poduniversal.com/2010/08/e-governance-enables-citizens-to-feel.html

PResenters of *PReSENSE*

Divya Sesha
Guest Editor

K. Srinivasan
Editor-in-Chief

V. Rajendran
Strategic Editor

Triambak Sharma
Cartoon Editor

A. Rekha
Coordinating Editor

K. Bhavani
International Editor
(South Asia)
Singapore

Archana Verma
International Editor
(USA)

R Janani
Content Editor

Awards