

Digital Marketing

strategy & tactics

Instructor Lecture Guide

CHAPTER 6

Display Advertising: Advanced Topics and Trends

1 or 2 sessions

Chapter Outline

- Creative trends in display
- Rich media and video: quality drives virality
- Challenges in display
- A compromise for consumers—native advertising
- Programmatic and Real Time Bidding (RTB)
- Trends in ad optimization: the digital difference

Key Objectives

- Creative is trending towards bigger, more intrusive, and more rich media ads. Mobile has added to this by having less real estate available and increasing the use of “expandables.”
- Learn how sound, video, and interactivity, coupled with good creative execution, can drive the best results.
- Display faces challenges in getting noticed due to saturation (banner blindness), viewability, and even ad blockers.
- Differentiate native advertising from display—native ads try to seamlessly blend advertising into the editorial voice and content style of a site to make it more appealing and more difficult to ignore.
- Programmatic advertising and real time bidding (RTB) have exploded from nothing to the large majority of all ad impressions served in display; generally bought through rules based, programmatic exchanges.
- Understand how advertisers use data—their own or data bought or rented from suppliers—to better target (or re-target) desired audiences wherever they are on the Internet, not on a single property.

Teaching Notes

- **Slides 1–7:** In this chapter we will expand on some of the basics from Chapter 5. Focusing in greater detail on types of creative and deployment. Trends in display are worth reviewing as they are driving growth: more video, more mobile and more data driven targeting. The industry is also seeing a backlash against some of the intrusiveness and privacy issues. The rise of Ad Blockers reflects this. Research shows you don’t have to annoy to succeed (slide 6 again, we revisit—once talking about intrusiveness, now with a bit more about targeting) and the IAB standards and industry guidelines as they relate to more sophisticated ads (LEAN, slide 7). For more on standards: <https://www.iab.com/guidelines/>.
- **Slides 8–13:** Rich media—sound and video—are much better at getting brand messaging across. The Sizmek galley and also DoubleClick’s RichMediaGallery.com are great places to find and demonstrate even more examples of good ads and campaigns.

Two examples here of high performing long form messaging that could never have been done on TV are BlendTec and Dollar Shave Club. “Will it Blend” is amazing—it shows the product in action and has gone viral over and over again as they blend iPhones and Xboxes. And if they can blend those, your smoothie is no problem. Cost was cheap—the CEO stars in it—and impact was high. Dollar Shave Club got the same message across with many key marketing points—high quality, the cost of endorsements and extraneous tech of the mainstream brands—and also changed the business model to very high value LTV subscription customers.

- **Slide 14:** The cost of Ad blockers—higher than the real impact because it measures the lost revenue not whether those ads would have been worthwhile. Nevertheless, it’s a threat to the business model of the publishers if bad actors drive people to install ad blockers. Google has taken action to penalize sites with bad ad behavior.
- **Slides 15–16:** Ad blockers work the same way—either block a list of advertisers or identify the ads before loading on a web page and stop them. The problem for many is their own business model is often to make advertisers pay to whitelist their ads—essentially paying twice to show their ads! Publishers also are angered that someone else is taking money from their ads.
- **Slides 17–18:** Less prevalent in the US but Germany and France are seeing high rates. Usage skews male and younger, and tech savvy.
- **Slide 19:** Native Advertising is one way to improve performance. It’s harder to block and more natural to consume as a user, plus it’s higher priced so publishers like it. It can be misleading so some consumers have reservations, but it’s also very effective. Many more examples here if you choose to spend more time on this: https://giveitanudge.com/best-native-advertising-examples-of-2018/?gclid=EAIaIQobChMIlvjclZ3b2wIVDINpCh3GFgdXEAAAYASAAEgL2dfD_BwE.
- **Slide 20:** The growth of programmatic and RTB are linked—with the enormous amount of inventory being traded in RT the bidding and placements have to be rules based and programmatic—humans can’t make those decisions.
- **Slide 21:** Programmatic is a huge portion of ALL inventory, but the majority of the revenue from most publishers is premium often hand sold inventory.
- **Slide 22:** Technology masks the complex processes of split-second bidding and decisions for every programmatic impression. From our Tools and Resources section a great resource: Top 10 Programmatic Ad Tools: <https://digitalready.co/blog/top-10-tools-in-programmatic-advertisement>.
- **Slide 23:** Pricing has gone from a simple auction to more complex models; exchanges are now often private, representing higher quality inventory, to ensure better pricing. Unverified inventory is cheap and often arbitrated. Even the bidding process has gotten more sophisticated with *header* bidding helping maximize yields across multiple markets.
- **Slides 24–25:** Programmatic growth is huge with most impressions by volume now served that way.
- **Slide 26:** Key to impact and effectiveness is optimization. This example shows two points: first, that CTR and Conversion Rate are both highly variable depending on the traffic source. There is a 4× difference in CTR for example between high and low performers! However, there is a 6× difference between the conversion rate. If you optimized on the wrong metric—CTR—you would have missed the best performers. The important thing is to do both, which should yield a roughly 10×

improvement in efficiency—but focus on the desired goal—sales or conversions—not just what’s easy to measure.

- **Slide 27:** Just optimizing on creative executions—different ads—can also yield huge improvements. Test and learn—even the difference in wording (10% off and \$10 off on a \$100 product) can perform differently!
- **Slide 28:** One easy area is frequency capping. Research shows that as a rule of thumb, effectiveness falls off after a few views for the same ad. For ads looking for clicks, 3 is the max; branding can do up to 6 for impact. After that, it’s more profitable to show the ad to a new or potential customer.

Class Exercises

- *Tools demo:* MOAT—demonstrate the Moat ad tool, allowing you to research brands and industry placements. Corona Extra example: https://moat.com/advertiser/corona-extra-beer?report_type=display.
- *Rich Media Gallery:* Demonstrate and discuss the examples of best practices here (<https://www.richmediagallery.com/>).

Tools and Resources

- “How you should be leveraging native ads in 2017.” Columnist Brad O’Brien of *Marketing Land* takes a close look at native advertising, what it means for your brand and how it can drive results at every stage of the marketing funnel. <http://www.marketingland.com/how-leveraging-native-ads-2017-199123>.
- Yahoo Gemini “Custom Audience Targeting” helps engage and expand your audience: <https://gemini.yahoo.com/advertiser/home>, <https://advertising.yahoo.com/solutions/native-advertising>.
- Top 10 Programmatic Ad Tools: <https://digitalready.co/blog/top-10-tools-in-programmatic-advertisement>.