**Digital Marketing: Strategy & Tactics**

**Chapter 5: Display Advertising – The Basics**

**MULTIPLE CHOICE**

1. What has driven the resurgence of growth in revenue of the Display channel?

|  |  |
| --- | --- |
| a. | Social media and mobile usage |
| b. | Growth of video ads |
| c. | Movement of brand budgets to digital |
| d. | All of the above |

**ANS:** D

**Notes:** Display growth has been driven by the movement of big branding budgets, social media and mobile usage, and the explosive growth of video and multimedia ad units. Programmatic growth is also huge, but prices are often lower. Mobile growth in general has been good as well.

1. How do most premium ads in the Display channel get priced?

|  |  |
| --- | --- |
| a. | CPM – cost per mille (cost per thousand) |
| b. | CPC – cost per click |
| c. | CPL – cost per lead |
| d. | CPV – cost per view |

**ANS:** A

**Notes:** Despite the growth in performance-based ads, most premium publishers sell on a CPM basis.

1. What is a viewthrough?

|  |  |
| --- | --- |
| a. | When someone sees a video ad |
| b. | When someone sees a video ad and clicks on it |
| c. | When someone sees an ad, does not click, but visits later as a result |
| d. | Any banner ad that gets a click |

**ANS:** C

**Notes:** Viewthroughs can account for 40-50% additional impact on a banner ad just by measuring site visits.

1. What can increase the response to an ad?

|  |  |
| --- | --- |
| a. | Rich media |
| b. | Larger size |
| c. | Better targeting |
| d. | All of the above |

**ANS:** D

**Notes:** More engaging creative with sound and motion, more screen real estate, and a more targeted and responsive audience can all increase performance.

1. Viewability is:

|  |  |
| --- | --- |
| a. | When an ad is loaded on to a web page |
| b. | When an ad can be seen by the viewer of the web page |
| c. | A measure of how good an ad is |
| d. | A measure of how big an ad is |

**ANS:** B

**Notes:** Viewability is a key factor in whether or not an ad can have an impact—it has to be seen first! Many advertisers don’t want to pay for ads that aren’t actually seen; the current standard of loading on a page is not enough.

1. What is “working media”?

|  |  |
| --- | --- |
| a. | The budget for display ads in a given period |
| b. | The amount spent on ads (versus services) in a given period |
| c. | The percentage of ads that people actually click on (they work) |
| d. | The team that creates and manages the ad |

**ANS:** B

**Notes:** The complex ecosystem of advertising means that renewed attention is being paid to how much of a budget is actually being “put to work” on the ads themselves—seen by customers!

1. What is programmatic advertising?

|  |  |
| --- | --- |
| a. | Buy on an ad exchange |
| b. | A media plan |
| c. | Using computers to buy ads dynamically according to a set of rules |
| d. | Real time bidding |

**ANS:** C

**Notes:** Programmatic advertising used advertiser-defined rules about audience targeting and other factors to allow for buying large amounts of ad inventory, often in real time. People can’t react quickly enough to dynamic auctions.

**SHORT ANSWER**

1. Explain what an ad network and an ad exchange are, and the difference between them.

**ANS:** Ad networks take responsibility for inventory and selling; ad exchanges create a marketplace for transactions between advertisers and publishers. Advanced answers will note that networks only make money when there is a sale, and so are aligned with the publishers; exchanges make money when there is a transaction.

**Notes:** RTB (real time bidding) and programmatic take place on exchanges.

1. Discuss ad standards and why they are important.

**ANS:** Standards are: create once, use everywhere; reduce cost of creative; enable exchanges and networks. Advanced answers will note the commoditization of ads leads directly to the low prices and automation on exchanges.

**Notes:** The IAB (Interactive Advertising Bureau) standards are a good example.

1. Discuss retargeting and how it works.

**ANS:** Use a cookie to identify any user who has completed an action, then target the resultant audience with different messaging. Example: retargeting people who visit but don’t buy. Advanced answers will discuss behavioral audience buying versus demographic targeting.

**Notes:** Understanding the difference between methods of targeting and how messaging can be segmented in the learning objective.