

New Approaches to Making Internet Advertising Pay

Denise Garcia

Advertising on the Internet remains viable for brand advertising. Consumers do take notice of ads; but the ads' type and size matter, and enterprises can no longer judge an Internet ad campaign solely on its click-throughs.

NEWS ANALYSIS

Event

On 18 July 2001, the Internet Advertising Bureau (IAB), Microsoft's MSN.com and DoubleClick announced the findings of research on Internet advertising. The findings show that the Internet is a viable medium for brand advertising and that size, technologies and placement are crucial for success.

Analysis

Gartner agrees with the basic premise of the research that the Internet remains a viable medium for brand advertising. Indeed, the Internet's targeting abilities initially set it apart from other avenues for advertising, and most online media sites developed business models almost completely dependent on the revenue. When the medium did not live up to the promise of delivering true one-to-one targeting, it lost favor among advertisers, and online media sites seemed powerless to stem the loss of revenue.

The findings by IAB, Microsoft and DoubleClick are good news for both advertisers and Internet sites that rely on ad revenue. The findings include:

- Branding ads lift consumer's awareness by 85 percent.
- Banner sizes affect brand recall — the larger the ad, the better.
- Ads designed using Flash technology are significantly more effective than those using other technologies.
- Ads placed between pages significantly increase awareness.

Although the report reveals a trend toward "co-opetition" between media companies, such as MSN and DoubleClick, it also highlights the need for more of this type of study, and many will likely follow from online media players. Gartner believes that advertisers must move away from measuring the success of their campaigns by click-through metrics alone. Gartner recommends the following:

- Brand advertisements should be generally larger — certainly bigger than the standard 468x60 banner size.
- Ads should include Flash animation and be placed between pages.
- Marketers, agencies and online media properties should conduct pre- and post-awareness studies rather than rely on click-rate only to measure the success of their branding campaigns.

Analytical Source: Denise Garcia, GartnerG2

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