

ONLINE ADVERTISING—AN OUTLINE

PAYAL SEN CHOUDHURY

INTRODUCTION

Advertising is the form of communication intended to persuade an audience (viewers, readers or listeners) to purchase or take necessary action upon products, ideas or services. It includes the name of a product or service and how that product or service could profit the consumer, to persuade a target market to purchase or to consume that particular brand. These brands are generally paid for or identified through sponsors and viewed via various media. Different types of media can be used to convey these messages, including traditional mass media (newspapers, magazines, television, radio, outdoor, direct mail), or new media (internet and mobile phones). With the beginning of new millennium, we are experiencing probably the most dynamic and revolutionary changes of any era in the history of advertising. These changes have been driven by the advancement in technology and developments which have led to the dramatic growth of communication through internet in the form of online advertising.

New media or communication through internet have changed the pace, style and characteristics of communication. What was originally made by the US military to provide a secure means of communication in case of nuclear war, has now become known as the Internet, and has metamorphosed into the strategic global communications tool of our era. Today, the Internet medium in the form of online advertising is successfully selling almost everything, from screws and bolts to motors and land—the brand promotion here is done through online advertising.

Online or internet advertising is a method of promotion that uses the Internet and World Wide Web to deliver marketing messages to create interest among customers. Examples

of online advertising include contextual ads on search engine result pages, banner ads, rich media ads, Social network advertising, blogs, online classified advertising, advertising networks and e-mail marketing, including e-mail spam. Generally these types of ads are delivered by an Ad server. The internet has become constant emerging source that tends to expand more and more. The growth of this particular medium attracts the attention of advertisers as a more prolific source to bring in consumers.

A strong advantage consumers have with online advertisement is the control mechanism they have over the product, choosing whether to check it or not. The World Wide Web (www) is the ultimate utility for the Internet. It has turned the Internet into a colorful and animated cyber-landscape. Cyberspace is not just a medium for the highly technical researcher anymore. It has become a ground where everything and everyone seems to be equal.

Advertising propagate information in order to affect a buyer-seller transaction. But Internet advertising differs from other mediums by enabling consumers to surf, interact and grow interest for a product/service. A consumer can click with mouse on the advertisement for additional information, or take the next step and purchase the product in the same online period. Online advertising also provides advertisers the opportunity to precisely target an audience, enabling them to carry advertisements that are customized to each user's particular interests and tastes. Creative and innovative advertisements can be displayed online. As an advertising medium the internet provides great potential in captivating, engaging and interacting with audiences. A variety of advertising methods are used to attract

the probable customer. Various style and design are made available to communicate a particular message to consumers. These different forms range from the traditional banner to interactive pop-up advertisement messages. Different advertisement forms acquire different audience responses.

In this booming age of computers online advertisement is the deciding factor on online business success. With the gradual but inevitable emergence of Internet marketing process, we have witnessed a prominent change in Global marketing set-up. Online marketing has highly dominated the marketing strategy and has become people's favourite day-by-day. Businesses are beginning to evaluate the advantages and disadvantages of advertising online. Businesses are recognizing that by advertising online, their message is conveyed in a fast and efficient way, while not only interacting with customers, but creating a one-to-one dialogue. Online Advertising's potential as a low cost medium for doing business directly with customers is viewed as a major benefit of advertising online.

HISTORY

Online Advertising has become the fastest and effective advertising mediums in history. Today, it is one of the essentials of a successful business. However, the present online advertising form has gone through big changes from its inception in early 90's. This growth can be studied into these phases, such as—

Early Years: First online advertising was initiated when Hot-Wired signed up fourteen advertisers for its online debut (October 27, 1994). After this initiation we saw the emergence and public acceptance of the Web as an interactive medium in the following years. Both United Airlines and Maytag hosted their websites and promoted them through banners. Online advertising has come a long way in the past decade. When the Internet was first established in 1967, no one imagined that Spam would become part of computing vocabulary, much less a low point in the history of online

advertising. Any e-mail account would attract Spam, and spamming became, and still is a big profitable industry in online advertising.

Growth: The year 1994 saw the first online advertisement that was quickly followed by a period of research on advertiser and publisher ad formats and technology. In late 1990s, billions of money were invested in online advertising. Advertisers designed the standard 468×60 pixel banner ads that were highly demanded. With gradual increase in market competition, there were thousands pouring in money behind developing banner ads.

Current Scenario: Banner ads today, as they were more than a decade ago, are no more effective online advertising medium. With considerable designing required, they are time consuming and expensive to produce. Moreover, the low return on revenue spent on developing banner ads renders them useless to most online advertisers. Therefore, by mid-2000, banner ads underway to dry up, and has almost become obsolete. Online advertising has been constantly rising since 2004. With the number of hours an internet user spends browsing websites, advertisers have realised the significance and advantage of manipulating user tendency to scour the web. From SEO marketing, blogs and social media to stylish ads, interactive tools and branding technologies, advertisers are now using a wide array of platforms to increase business visibility.

ADVANTAGES

The number of internet users is on a rapid rise worldwide and is used by people of all age group and types. Now-a-days, internet has become a major medium for communication, entertainment and is in the course of replacing traditional media. Internet has also become most important and effective medium for advertising. It has been expected that the online advertising and marketing is soon going to replace the advertising through all traditional media. Here are a few advantages of online advertising when compared with all the traditional offline

advertising. These in short can be discussed as —

1) Wider Coverage

The online advertising gives advertisements a wider coverage and this globally wider coverage helps in making advertisements reach more audiences, which may ultimately help you in getting better results through online advertising campaign.

2) Affordable

Another main advantage of online advertising or marketing is cost effectiveness. It is much more affordable compared with the traditional advertising costs. With a much lesser cost advertiser can advertise on the net for a wider range of audience.

3) Informative

In online advertising, the advertiser is able to convey more details about the product/service to the audience and that too at relatively lower cost. Most of the online advertising campaigns are composed of a clickable link to a detailed landing page, where users get more information about the product mentioned in the advertisement.

4) Flexible Payment

Payment flexibility is another added advantage of online advertising and marketing. In offline advertising advertisers need to pay the full amount to the advertising agency irrespective of the results. In case of online advertising, advertisers get flexibility of paying for only qualified leads, clicks or impressions.

5) Easy Audience Engagement

Online advertising makes it easy for the audience to engage with the ads or products. It helps advertiser to get more feedback from the audience and thereby improve the quality of ads going forward.

6) Better Branding

Advertising helps in improving the branding of company, product or service and online advertising stands a notch high in improving the branding of the company, service or product.

7) Information Richness

The broadcast nature of television,

radio, billboard and print media restrict a traditional advertisement to one short, memorable message. But in case of internet, the advertising message is no longer so restricted. Internet allows for communicating to consumers substantially more content-rich product information.

8) Global Exposure

The Internet reaches a worldwide audience. Clearly, the Internet expands the company's market to include global markets, allowing those from around the world to visit the website. Companies can respond to this global accessibility easily by having pages available in languages other than English. Gaining brand recognition from a global market could give a company the competitive advantage it needs in a marketplace that is increasingly expanding its borders.

9) Customization

The Internet's interactive nature allows for superior flexibility than traditional media in type of information transmitted and the method of transmission. For instance, decisions regarding whether the information should be technically advanced or simple, whether the information should be textual, graphic, video or auditory and whether a product demonstration or detailed product description is used, can all be made by the consumer rather than the advertiser.

10) Enhance Customer-Company Relations

Internet advertisements can also be used as a customer service vehicle. For instance, relationships can be enhanced through being available upon demand all day, every day, reducing purchase uncertainty through online product trials or demonstrations and providing online, up-to-date, accurate technical support.

11) Purchase facilitation

Internet can facilitate purchase decisions not only by providing detailed product and purchase details, but also by giving consumers the option of buying at that moment from their own homes. This removes the gap between ad exposure and purchase response, creating the opportunity for the

ultimate in impulse buying.

12) Better Targeting

Targeting campaigns to a specific consumers using age, city, zip code or demographics confirms campaigns only reach highly suitable recipients.

13) Proof of Performance

Advertisers have the facility to test and optimize the effectiveness of their online advertising campaigns in real time including impressions, clicks, and conversions to ensure the right message is reaching the right consumers.

DISADVANTAGES

It's a fact that, lots of consumers spend time shopping online for everything and many businesses include online advertising in their marketing policies. The profits of advertising online include the potential to reach a large market and the ability to measure results, but online advertising also offers some disadvantages.

1) Customers Ignore Ads

Consumers are very used to seeing advertising on television, hearing radio commercials and flipping through advertisements in newspaper or magazines. Thus they have developed an antipathy to all forms of advertising. This is also the case with online advertising, where consumers can avoid clicking banner advertisements, can bypass ads in online videos they watch and also can close pop-up advertisements as soon as they come up on their screens. Customers are in total control of which advertising messages they want to click and respond to.

2) Viewing Problems/Web snarls

Website downtime, lags in website or video loading and browser complications can reduce the number of times consumers see online advertisements and how well they see them. At the time of technical issues, companies lose the chance to broadcast advertisements for their products or services. This may lead to lose their potential sales.

3) Expensive Ad Prices

Pricing for advertising online can range from inexpensive to highly expensive ads.

The cost for different types online ads (banner, text or video ads) vary depending on the amount of traffic and the type of readership a particular website or blog receives. Online advertising through pay-per-click campaigns and social media sites can also create disorder on a company's marketing budget, potentially yielding little to no return on investment.

4) Consumers Get Distracted/Lack of Interest

When customers visit a website, they typically have an objective in mind, whether it's to catch up on the latest celebrity gossip, read the news, chat with friends, and download music or shop for a specific item. Websites extend customers with various options that can easily distract them and pull their attention from online advertisements.

5) Too Many Options

Internet offers numerous number of websites on which companies can place their advertisements. It can be overwhelming, especially for small business holders. With this wide range of options, it is very difficult to narrow down the choices to the websites that will attract the most potential customers and sales. Companies have also to fix which type of advertisement yields the best response from their target markets. Greater number of options narrow down the opportunity to a fruitful online advertising.

TYPES

1) Sponsorships

This is one of the traditional forms of advertising. Essentially, an advertiser will sponsor an entire site, or at least a section of a site or a specific page on a site. With this type of advertising, it is most usual for the sponsorship to be exclusive for a certain period of time. Generally, an advertiser will use this type of advertising for branding or for launching a new product or service. Since visitors to the website will see the same sponsorship advertising constantly, rather than in rotation with other ads, it is more likely to sink in and be established in their minds. However for the advertiser, the primary strength of this type of advertising

is in knowing that whatever message they are getting across will be the only thing seen by the site's audience for however long the sponsorship runs. This type of advertising can potentially not be worth the investment for the advertiser. Generally, it depends on the site and the needs of the campaign. If the advertiser sponsors a website that is not interested in what they are selling, the sponsorship can become a waste.

2) Banner Ads

Banner ads are paid placements of advertising on websites that contain editorial material. A feature of banner ads is that consumers not only see the ad but also can make quick trip to the market's home page by clicking on the ad. Thus the challenge of creating and placing banner ads is not only to catch people's attention but also to entice them to visit the market's home page and stay for a while. A more targeted option is to place these ads on sites that attract specific market niches. For example, a banner ad for running shoes would be placed on a site that offers information related to running. This option is emerging as a way for advertisers to focus more closely on their target audiences.

3) Pop-up and Pop-under Ads

The idea to this ad is borrowed from television. This form of advertisement opens in a separate window when a web page is loading. The more times people click on these ads, the more money can be charged. The future of pop ads must however be considered, when a recent study showed that people mostly find these ads annoying. A sub category of pop-up ads is the interstitial, also called "splash screen". These appear on a site after a page has requested but before it has loaded. So a surfer who wants to go to a particular site has to wade through an ad page first, presented more as an invitation to link to another related site. These are the small windows that suddenly appear when anyone first get onto a website. These pop-ups appear on screen in full, pop-downs appear on the bar at the bottom of screen. Viewer have to open them to get rid of them. Surveys have found that most internet users

find pop-up adverts intrusive and annoying.

4) Flash/DHTML Ads

These kinds of advertisements incorporate Flash animation or other moving graphics. This may be animated display ads in more traditional shapes and sizes, or, as of late, they can be stylish ads that function similarly to pop-up ads but with much deeper integration into the overall design of the site.

5) Affiliate Ads

Affiliate advertising is based on the idea of an advertiser paying a publisher (the affiliate) for any business that is brought in. Normally, the publisher will run ads for an affiliate with special tracking code that helps the advertiser to identify which website a visitor came from. Affiliate arrangements can also often keep track of which visitors actually sign up for or buy something, and the affiliate can be rewarded accordingly. The affiliate arrangements can reward publishers just for click-throughs, or more precisely for actual sales and leads. The strength of the affiliate arrangements is that the publisher can make a lot more money by not just showing an ad, but hoping that someone actually buys the product/service or signs up for something after clicking on an ad.

6) Pay-per-click Ads

Most commonly, this type of advertising is associated with search engines and contextual advertising. Generally, the advertiser pays out for each click on an ad. Commonly these ads will be text links, and will be shown either as portion of a search results page, or based on the content of a website. One of the biggest strengths of this advertising is that they only have to pay for actual click-throughs. Weakness of this kind of advertising has the potential to be less effective and more expensive than other methods of advertising.

7) Search Engine Optimisation

This is type of online advertising service provided by many web media companies. They will look at the target audience, competitors and the keywords for business and optimise advertiser's website content.

This way, it has a much better chance of appearing on the first page of the search results. Viewer have to pay a fee to the experts for this service. Studies have shown that many searchers prefer to use the natural listings offered by the search engines, rather than the paid-for listings.

8) Sky-scraper Advertisements

These ads spaces run vertically down the left or right hand side of the page, allowing the ad to stay in view as the user scrolls down the page. They can also be animated and employ click-through to move users to the advertiser's site. As they are larger spaces, sky-scraper ads are more expensive than banner ads. These are the small windows that appear when anyone first get onto a website. Pop-ups appear on screen in full, pop-downs appear on the bar at the bottom of your screen and you have to open them to get rid of them. Surveys have found that most internet users find pop-up adverts intrusive and annoying.

9) Rich Media Video and Audios

This is a process in which a web ad uses advanced technology like streaming video or audio that interacts with the user when the user's mouse passes over the ad. The future of such ads will depend on the ability to deliver bandwidth to accommodate the transmission and on consumer access to high speed internet connections.

10) E-mail

Email marketing is one of the most powerful marketing tools available for communicating and developing relationships. Essentially allowing you to create and deliver newsletters to thousands of recipients. Email campaigns are used to send out promotions to a highly targeted list of consumers. This strategy is more efficient than waiting for prospective customers to stumble upon their web page or one of their banner ads. Most of the consumers dislike receiving advertisements through what is to be considered a personal electronic mailbox.

11) Interstitial Adverts

These ads sometimes referred to as Bridge Adverts, pop up as you move between

pages on a site. Viewers have no choice as to whether you view them or not, although you can close them down. Research has shown that click-throughs to advertisers' sites from interstitial adverts is greater than from banner adverts or traditional pop-up ads.

12) Advertorials

Advertisements in editorial form that appear to contain objectively-written opinions are known as paid editorial advertisements or advertorials. Online advertorials are typically featured on publisher's websites and promote products and services related to the website's content.

13) Corporate Home Pages

A corporate home page is simply the web site where a business provides current and potential customers with information about the firm and usually its brands in great details. The best corporate home pages not only provide corporate and brand information but also offer other content of interest to site visitors.

14) Widgets Ads

A very new piece of technology that has potential as an advertising option is a widget. Widget is a module of software that people can drag and drop on their personal web page of their social network or on to a blog. Widgets look like a website window but bear the power of a full website. In this application advertiser can create widgets that feature their brands or that direct the widget clicker to an e-commerce site. The advertisers pay a fee each time a user installs the widget.

15) Video Games

Video games offer a very attractive option for advertisers because they reach the 18-to-34-year old male segment that has mostly abandoned traditional media for digital media. A question for advertisers to address, however, is that while the games are full of ads, there is some evidence that players focusing on the game pay almost no attention to the ads embedded in the game.

GROWING IMPORTANCE

The growth of online advertising is occurring at a rapid rate. Online advertising

is creating innovative, low cost and highly targeted opportunities, while expanding into other media related to the web. The decreasing interest in print advertising and the new found interest in online advertising is a major development for the online advertising industry. The reasons that can be assigned to it are—

1. Internet advertising though a form of mass communication but can establish interpersonal touch. Advertisements are personal in nature and leave the option to further read information on the user. It thus leaves the user with a feel good feeling without pushing the advertisement to the viewer.

2. There has been a rapid increase in online viewers and decrease of print readers. This change of reading habits have led to the increase of online users and advertisers always prefers a medium that can reach a larger number of audiences.

3. Internet has made it possible to reach a large audience, irrespective of geographical boundary. Online advertising have made the world a 'global village'. Thus any advertiser wanting to expand his business prefers online advertising over traditional media.

4. Internet is a branch of multimedia. The combination of sound, video and animation makes the presentation much more interesting and entertaining. This medium offers unlimited opportunities for creativity, making the advertisements powerful and effective.

5. Online advertising complements well with the traditional media to create brand recall. Print and e-media have their limited exposure time period. The advertisements often go out of the media when the viewers actively plan to buy the product. But viewers can view online advertising at any time of the day or at their comfortable time. They access the advertising online when they actually want to buy and thus help to create a positive response.

6. Main strength of online advertising is the direct response it offers. Purchasing a

product is just a click away in this form of media. So consumers can respond promptly.

7. Online advertising satisfies the consumers urge to know more about the product. Hyperlinks in online advertising give the opportunity to get through information in which they are interested.

8. The reach of internet is fast increasing. It has almost become a household companion. Hence, online advertisers are able to reach a larger number of people at all time of the day.

9. Online advertising helps to create brand awareness and generate awareness as well. Online advertising more accessed by younger generation are able to recall brand viewed on internet by them.

10. The opportunity to measure the effectiveness of the advertisement makes this medium more advertiser friendly. This is mostly done through click, impression and conversion. Advertisers measure the effectiveness of the advertising message and change it whenever necessary.

FEATURES OF GOOD ONLINE ADVERTISING

A good online advertisement creates impact on its effectiveness. Advertisers always have to keep in mind that it is a 'pull' medium and not a 'push' as in traditional media. So advertisers should keep in mind to chase the benefits of the web by appearing to those who are looking to retrieve specific type of information. They should satisfy consumers looking out for information as well as attract new visitors for positive response. Advertisers while placing their advertisement on the web need to keep a few important details in mind. These are—

1) Text: The first most important task in designing an online advertisement is to decide what should be the message. A simple, straight forward message which is more easily understandable by the viewers is more likely to attract the viewers. Thus to traffic in more viewers to one's own site advertisers should try to be simple and stand out in the crowd. Use of 'keywords' in the text is very important for brand recall. It is always

necessary to use high traffic and high value search terms in marketing language. It is important to make sure that the words are relevant to the product and service.

2) Colour: Colour is an essential element in ad design. Bright colours attract the attention of viewers while subtle tones lend class and restraint to the design. However, it is always wiser to use a combination of contrast to create an impact. It is however important to keep in mind that the colour used for online advertising should get well with the image the company wants to project.

3) Pictures: It is very important to incorporate relevant pictures/images in online advertising to make them more attractive. Pictures/images cause immediate viewer attention. They also help viewer to understand an advertisement better. Advertisers should however, remember that incorporation of pictures/images in online advertising takes extra space and thus it should be used, only when necessary.

4) Animations: Advertisers have less than two seconds to catch customer attention. Here animations come handy in arousing interest and luring customers to a particular site. Animations can be in the form of moving image, text, border, background and sound. However, it should be kept in mind that excess use of animations can confuse the viewers. Hence, advertisers should never use animation to confuse the viewers or make online advertising difficult to read.

5) File Size: It is important to restrict web pages and online advertising to a minimum file size. A heavy file size takes more time to download, customers tend to lose patience. So before going online, an advertiser should check his file size and always try to keep it to a minimum kb or mb. In modern days, companies are trying to experiment with new formats to determine the effectiveness of the advertisement. The bottom line is that a company has to know what they are willing to pay, to do it.

CONCLUSION

Advertising has come a long way. More and more new medium is being explored each day to make a successful ad campaign. Internet has in recent times picked up as favourable advertising medium and in no time has become well accepted to the advertiser. Internet not only helps gain maximum viewer but also broadens the exposure. Internet today undoubtedly is one of the best mediums for brand promotion and marketing. When it comes to internet, talking about the future is usually futile because the future of internet and advertising seems unavoidably linked to two influences: technology and strategic IBP. From a technological standpoint, two technologies—wireless communication and Web-launched video—will have the biggest impact.

There are good reasons to question whether the Web advertising pie will prove large enough to support the numerous commercial Web sites that are counting on it for sustenance. Recent reports is that some publishers are scaling back their web publishing ambitions, or shutting down sites altogether lend credence to the notion whether commercial websites fail for lack of a viable business model. However, advertisers who do not sell their products directly to consumers but still want to find a way to participate in interactive media will revert to a model that prevailed in the early days of television sponsorship. By sponsoring a site that consumer's value, the advertiser will hope to build positive associations for the brand. Communication limitations of banners will be overcome by surrounding content with imagery related to the sponsoring brand. Practical sponsor-friendly content will be interleaved with brand-neutral content.

Advertisers and advertising agencies are preparing for new opportunities with 'broadcast Web'. Spending on mobile phone advertising, alone is increasing at a rapid rate. Does this mean that in the near future every television ad is really a Web ad? May be it won't be that extreme, but the technology is available to provide direct links

to Websites for information and purchasing through television ads—a huge opportunity and potential for advertisers.

The next step in the evolution of the internet and its potential as an advertising alternative depends on the consumer's willingness to allow mobile wireless communication to occur. It would seem the digital advertising industry is currently going through a transitional period. It is as if it has indeed reached puberty; full of hopes, ideas and desires for all it seeks to become, but often lacking the wisdom it needs from mature figures in order to be able to fully achieve its potential. Wisdom that has historically been seen locked away in traditional media mindsets, with their established models and consumer insights tried and tested over many years. This had left a new generation of technologists to seek to define the new digital advertising and its effectiveness based on simple tangible touch points, whilst purporting a misconception that everything can be measured – or worse, reducing everything down to a single lowest common denominator – the click.

Internet as an advertising medium is versatile and this is it where it stands apart from the traditional advertising medium. Internet is highly flexible medium that allows to make changes during the course of the ad campaign as and when required without incurring much additional cost. This makes internet all the more important in a country like India where the business situation is highly dynamic and alters with each passing day. Online media advertising allows to make changes as and when required to meet the latest demands of the market.

REFERENCES

Books

- 1) B S Mandal; 2011; Cable Television, Media And Web Advertising; New Delhi; Global India Publications Pvt. Ltd.
- 2) Thomas O'Guinn, Chris Allen; 2009; Advertising Management with Integrated Brand Promotion; New Delhi; Cengage Learning India
- 3) Sandhir Sharma P P Singh; 2004; Web Advertising and Online Marketing; New Delhi; Deep & Deep Publications Pvt. Ltd.
- 4) Godfrey Harris; 2012; Advertising on the Internet: Let Your Fingers Do the Talking; New Delhi; Atlantic.

Websites

- 1) <http://www.webguru-india.com/blog/history-of-online-advertising-a-brief-overview/> [as seen on 07/06/12]
- 2) <http://www.georgescifo.com/2010/05/10-advantages-of-online-advertising/> [as seen on 07/06/12]
- 3) <http://www.exchange4media.com/e4m/bottombarfiles/advertising-medium-internet.asp> [as seen on 07/06/12]
- 4) <http://www.123HelpMe.com/view.asp?id=41137> [as seen on 03/06/12]
- 5) http://en.wikipedia.org/wiki/Online_advertising [as seen on 03/06/12]
- 6) www.adjuggler.com/docs/AdJuggler_guidetoonlineadv.pdf [as seen on 03/06/12]
- 7) <http://webuser.hs-furtwangen.de/~heindl/ebte-08ss-Online-Advertisement-kumar.pdf> [as seen on 03/06/12]
- 8) <http://www.digitaltribe.in/digi-data/online%20advertising%20spends.pdf> [as seen on 02/06/12]
- 9) http://www.historyoftheinternet.net/history_of_internet_advertising.html [as seen on 02/06/12]
- 10) <http://www.implicitbydesign.com/articles/the-advantages-of-internet-advertising-vs-traditional-advertising.html> [as seen on 02/06/12]

*Contractual Whole Time Teacher,
In-Charge, Department of Journalism and Mass Communication,
New Alipore College, Kolkata, India
Ph.D Scholar, Rabindra Bharati University, Kolkata, India*