

Information and Society-E2

Information Economy 2

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Summary

- Online advertising overview
- Advertising types

ONLINE ADVERTISING OVERVIEW

Can **online** advertisement affect
buying behaviors ?

Marketing Technique or Channel	% of Respondents - High and Medium Influence
Recommendations from a friend/family/known acquaintance	81%
Television ads	65%
Online review or recommendation from someone within your social media circle	61%
Online review by someone you do not know in real life	50%
In-theater advertising (pre-movie)	46%
Magazine ads	44%
Products or services mentioned/featured in a TV show or movie	44%
A reseller or channel partner website	43%
Manufacturer or vendor website	42%
Newspaper ads	41%
Source: <i>Digital Democracy Survey</i> (Deloitte Development LLC, 2015).	

Traditional vs. Online Advertising

- Traditional advertising techniques include **print**, **radio** and **TV** advertising

Traditional vs. Online Advertising

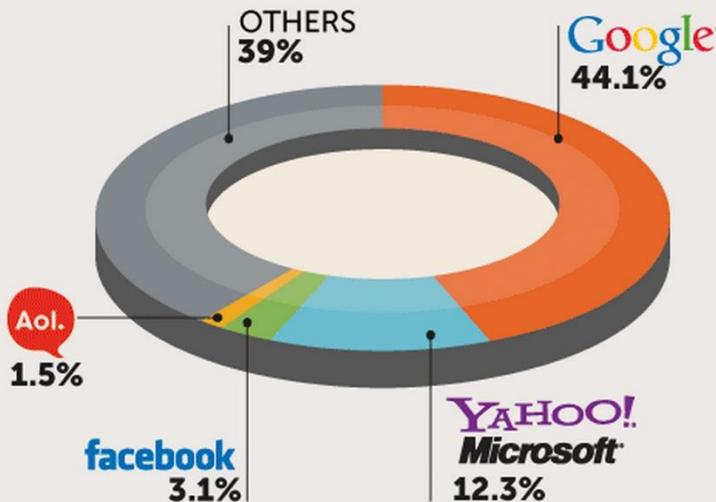
- Traditional advertising techniques include **print**, **radio** and **TV** advertising
- Advertising is beginning to move viewers from **traditional** outlets to **electronic** ones

Traditional vs. Online Advertising

- Traditional advertising techniques include **print**, **radio** and **TV** advertising
- Advertising is beginning to move viewers from **traditional** outlets to **electronic** ones:
 - **Social networks** such as Facebook or Twitter contain product related pages allowing to interact with users
 - **Spokesmen** in TV commercials often encourage viewers to check out the product website for more information
 - **Print ads** start to include barcodes

Early statistics (2013)

Online Advertising Market Share



Top 5 Companies, Ranked by US Net Digital Ad Revenue Share, 2018 & 2019

% of total digital ad spending

1. Google*



2. Facebook**



3. Amazon



4. Microsoft (Microsoft & LinkedIn)



5. Verizon



■ 2018

■ 2019

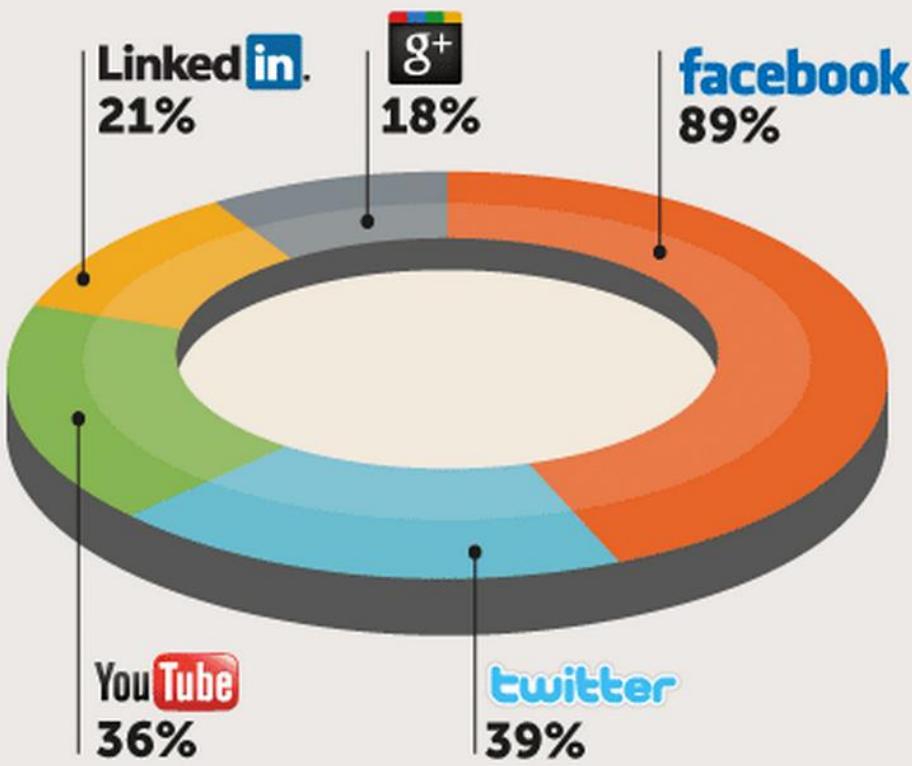
Note: US total digital ad spending in 2019=\$129.34 billion; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; *includes YouTube advertising revenues; **includes Instagram advertising revenues

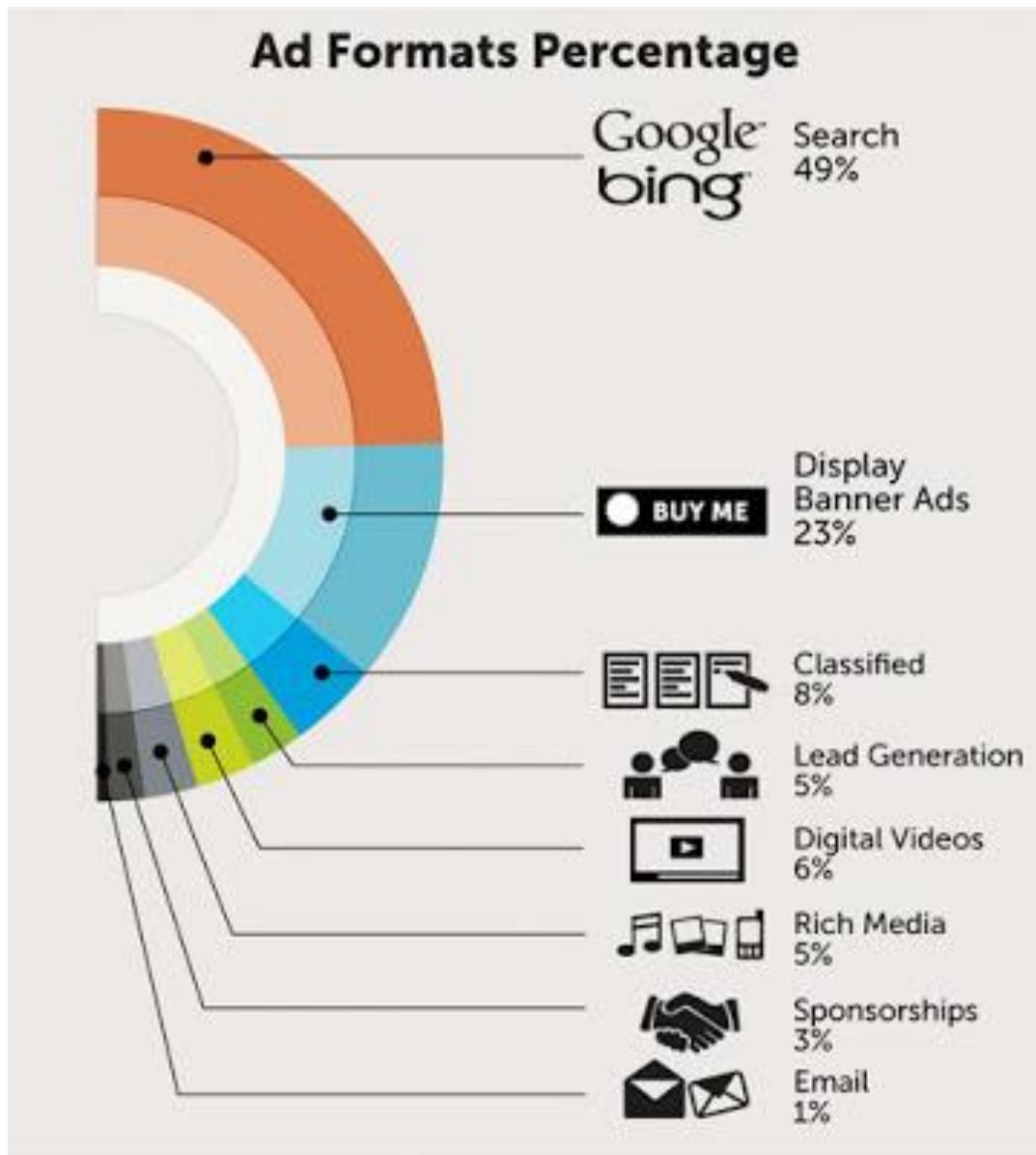
Source: eMarketer, Feb 2019

245298

www.eMarketer.com

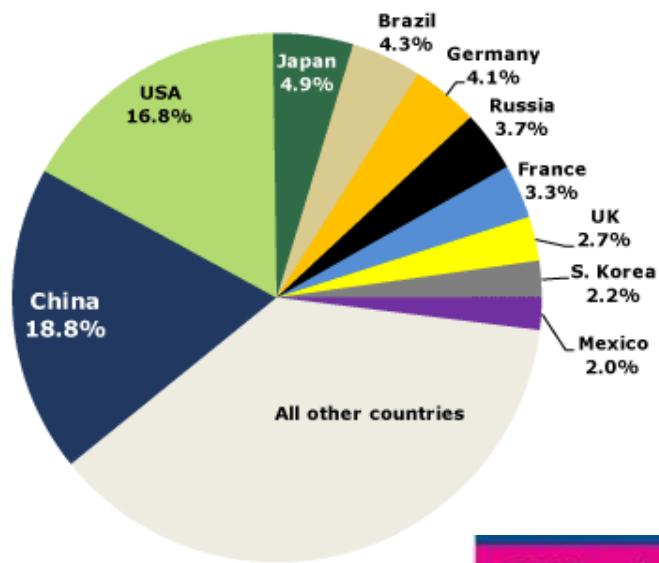
Where Advertising Agencies Are Planning to Spend on Social Media Ads





Projected Global Share of Online Ad Market

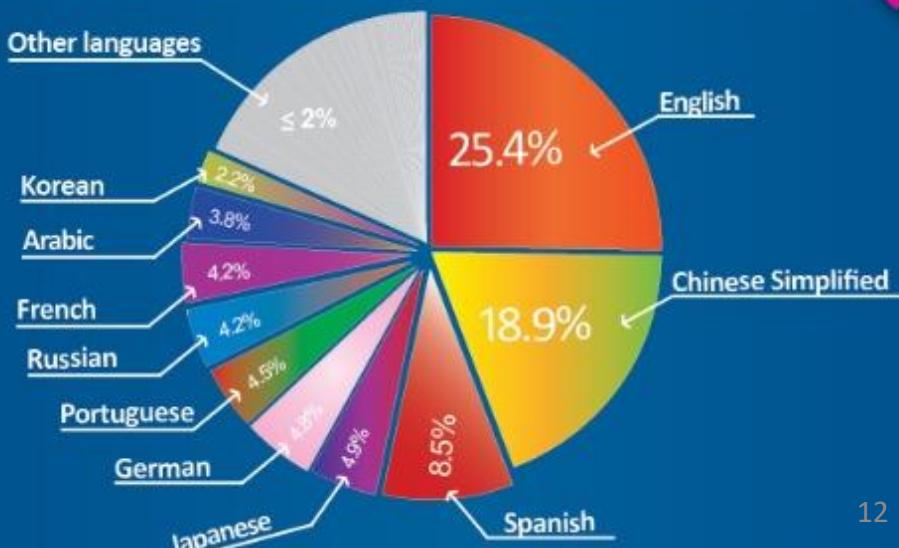
(% of total)
in 2015

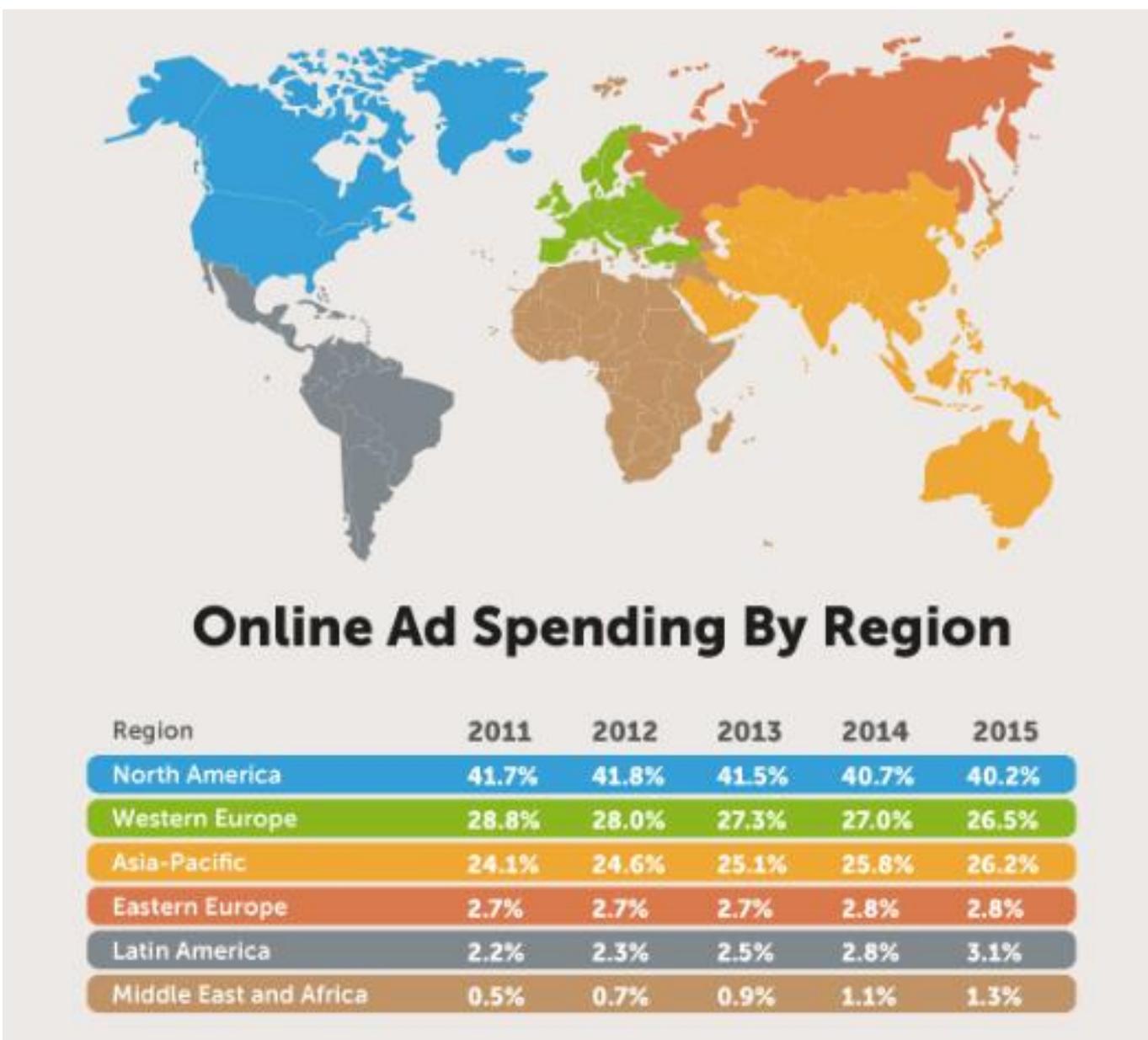


MC MARKETINGCHARTS.COM

Source: Translated

2015 projection of the 10 languages with the highest potential for online sales:





Driven by Facebook and Google, Mobile Ad Market Soars 105% in 2013

Mobile ad spending on pace to reach \$31.45 billion this year

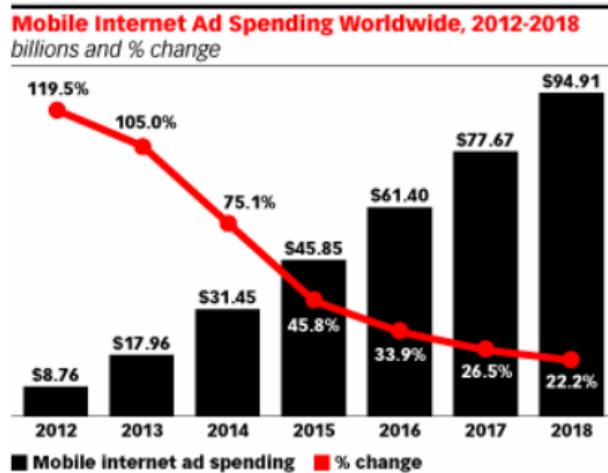
Mar 19, 2014

Share

Print

Email

Last year, global mobile ad spending increased 105.0% to total \$17.96 billion, according to new figures from eMarketer. In 2014, mobile is on pace to rise another 75.1% to \$31.45 billion, accounting for nearly one-quarter of total digital ad spending worldwide.



Facebook and Google accounted for a majority of mobile ad market growth worldwide last year. Combined, the two companies saw net mobile ad revenues increase by \$6.92 billion, claiming 75.2% of the additional \$9.2 billion that went toward mobile in 2013. The two companies are consolidating their places at the top of the market, accounting for more

Google's Revenue By Segment

Segment	Revenue in Q1 2020	Revenue in Q1 2021	YoY Growth %	Revenue share in Q1 2021
Google Cloud	\$2.77	\$4.05	46.20%	7.32%
Google Network	\$5.22	\$6.80	30.26%	12.29%
Google Other	\$4.43	\$6.49	46.50%	11.73%
Google Search & Other	\$24.50	\$31.88	30.11%	57.64%
Hedging gains/losses	\$0.05	\$-0.11	-120%	-0.20%
Other Bets	\$0.13	\$0.20	53.85%	0.36%
YouTube Ads	\$4.03	\$6.01	49.13%	10.87%
Total Revenue	\$41.15	\$55.31	34.41%	100.00%

(All figures in billions, except percentage)

Online Advertising Characteristics

- **Advantages**
 - Allows **immediate** and **global publishing** not limited by time or place
 - Internet marketing is **comparatively cheap** and companies can reach wide audience for small fraction of typical traditional advertising budgets
 - Marketers appreciate the **interactivity** the Web offers (can address broader set of needs)
 - Clear advantage is that the **customer** usually **has control** over the item for choosing to check it or not
 - Users can also easily **compare products** and view opinions of others
 - Easy to **gather statistics** without always showing the actual campaign performance

Online Advertising Characteristics

- **Disadvantages**
 - Inability of shoppers to touch, smell and try on goods
 - **Privacy** is concern when deciding to purchase items and when gathering data
 - Users **annoyed by banners** can use tools for hiding them (e.g. AdBlock Plus)

ADVERTISING TYPES

Methods of Placing Ads in Online Advertising

- **Behavior-targeted advertising (Behavioral advertising)**
 - Ad displayed based on **search history, browsing history, and purchase history**
- **Content-targeted advertising**
 - Ad displayed based on the **content** of the website the user is viewing
- **Search advertising**
 - Place Ads on websites that show results for **search engine queries**

ADVERTISING TYPES: BEHAVIORAL ADVERTISING

Behavioral Targeting

1) Person visits site about France

FRANCE

France tourism website screenshot showing a travel offer for France.

2) Some time later they visit a baseball site and see an offer for vacation in France

MLB.com

HOT STOVE REPORT

Mariners reportedly closing in on Piggles deal

Enjoy France for the Holidays

OBA Uses Prior Browsing Activity to Determine Ad Placement.

Examples: After Searching for Hotels

Internet News.com RealTime IT News

Sign In | Register Google Custom Search Go

Software | Security | Storage | Servers | Networking & Communications | Developer | Small Business | Mobile | IT Management | Columns | Blogs NewsInx

Nothing data governance can hurt your business. Download this eBook to learn how to take control now.

Home → Enterprise → How TJX Became a Lesson In Proper Security

How TJX Became a Lesson In Proper Security

By Andy Patrizio | December 05, 2007

Page 1 of 1

The TJX [security breach](#) is threatening to rank as one of the most expensive lessons in corporate data security policies. With the retailer facing anywhere from \$500 million to nearly \$1 billion in expenses, not to mention a black eye with the public over how their credit card data is secured, this experience should serve as a lesson to other retail outlets on securing their networks. How well they are learning is the question.

The latest chapter in this still-unfinished book is a settlement between TJX Companies and Visa U.S.A. Under the agreement, TJX will pay a maximum of \$40.9 million to fund an alternative recovery payments program for customers affected by the breach. TJX has already taken the charge for the settlement, and by settling with Visa holders, staves off potential lawsuits.

 9 Reasons to Partner With Information Builders: Providing Critical Capabilities for Data-Driven Organizations [Download Now](#)

Additionally, Visa will suspend and rescind a portion of the data breach fines it levied on TJX's U.S. acquirer that remain eligible for appeal. Visa and TJX agreed to the suspended and rescinded fines in part because it would increase the funds available in the alternative recovery program.

Not that the company is in the clear. According to a report from Merchant Link, which provides secure systems for retail

Booking.com

24 of the top 25 Fortune 500 companies are supported by IBM Cloud.

High-performing companies use a high-performing cloud. →

Cesar Park Kenting Neipu Township od ₩18,893 Zarezewej teraz

Howard Beach Resort Kenting Hengchun Township od ₩12,307 Zarezewej teraz

Park Taipei Hotel Daan District od ₩15,587 Zarezewej teraz

Benji Coll Sharing internet business thoughts

Home About me Español

Last Tweets

Search Search

Talking About

- Allstate
- Amazon
- Apple
- Applexus
- China
- Display Advertising
- eBay
- Ecommerce
- Email
- Entrepreneurship
- Facebook
- Google
- Groupon
- Investments
- LinkedIn
- Management
- Marketing
- Media
- Microsoft
- Music
- PayPal
- Pinterest
- Skyape
- Strategies
- Target
- Yahoo

Most Popular

After Summer Thoughts

I haven't written for a while and many things come to mind so I would just like to share some thoughts with you and maybe discuss them over the next few weeks. Seeing how social... Read more →

Online Advertising Market Facts & Figures

Sometimes it is good to analyze the market through the numbers. I would like to share eMarketer and comScore Data Mine's 2012 predictions for the online advertising market... Read more →

The Facebook RTB Opportunity

Facebook announced last week the launch of Facebook Exchange, a complete online advertising platform to buy online display inventory in real time (RTB). According to eMarketer, the... Read more →

Making Display Advertising Like Search Advertising

Search Advertising (SEM) is one of the biggest revolutions in the digital era. When someone asks me which is the best web 2.0 company - not social company - I always answer that it... Read more →

Facebook Goes Financially Social - II

Financial markets can make mistakes. They can even create bubbles and burst what it took them decades to build. But in a single IPO with plenty

Content-related Videos



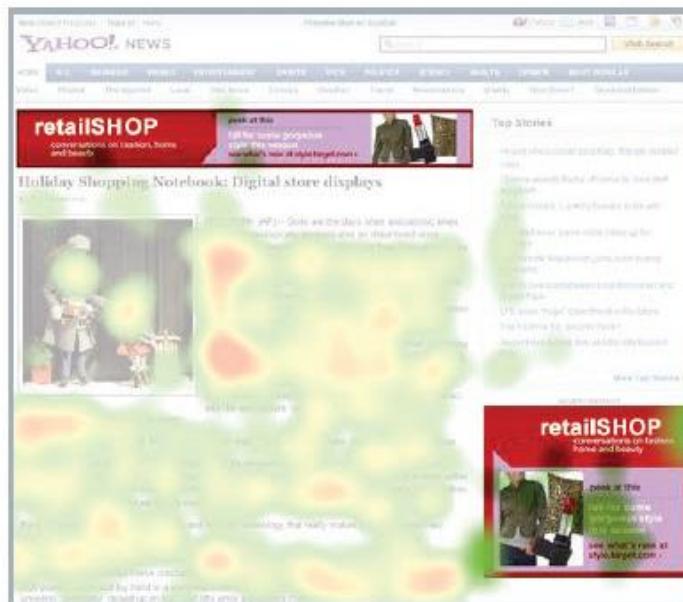


Behavioral Targeting for Customer Segments

- Behavioral advertising can be done on customer segments
 - **Segment**: collection of users that **share one or more attributes** based on their **prior** or **current** online **activity**
 - Attributes may be **demographic**, **market-related** or **interest-related**
- Advertisers with **specific** messages will target given **segments**
- Uses **declared** or **inferred** data on users

Behavior-targeted Advertising: Personally Relevant Ads

- People spend 25% more time fixating on ads that are **personally relevant** to them versus those that are not
- Pupil dilation increases by 27%, which is a strong indicator of **increased cognition** of the ad



Personally Relevant Ad



Non-Personally Relevant Ad

ADVERTISING TYPES: CONTENT TARGETED ADVERTISING

Content-targeted Advertising

- Scanning the contents of a website for **context** or **keywords** and displaying ads that are related to the webpage

Content-targeted Advertising

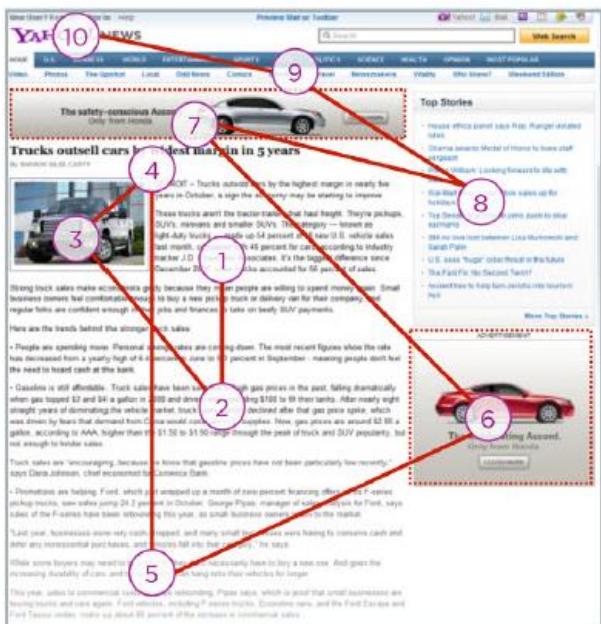
- Scanning the contents of a website for **context** or **keywords** and displaying ads that are related to the webpage
- Easy to manage for both the **owner** of the website and **advertiser**; since the emergence of **Google AdSense** program, advertising has grown exponentially

Content-targeted Advertising

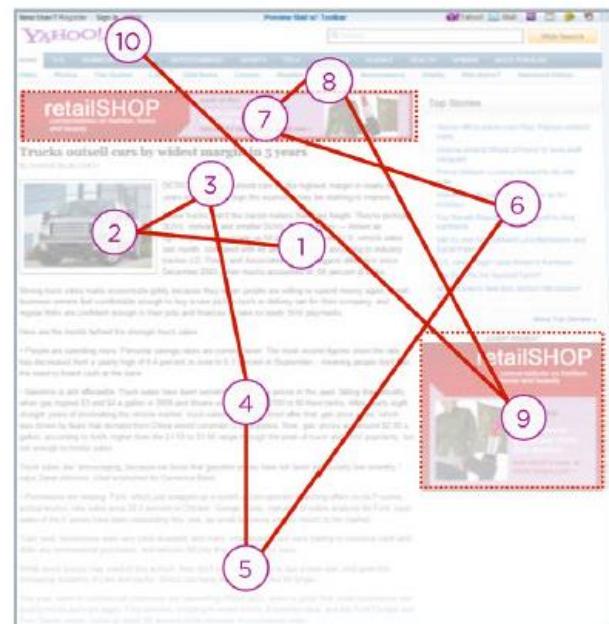
- Scanning the contents of a website for **context** or **keywords** and displaying ads that are related to the webpage
- Easy to manage for both the **owner** of the website and **advertiser**; since the emergence of **Google AdSense** program, advertising has grown exponentially
 - By **inserting JavaScript code** into the webpage, site owners can enjoy the **automatic display of relevant ads** and save the hassle of maintenance associated with affiliated advertising
 - Advertisers benefit as their products or services are advertised on **relevant webpages** without marketing efforts

Content-targeted Advertising

- Time to first fixation increases by 15% when ads are contextually relevant
 - Increases the chances that the ad will be **stored in long-term-memory** and ultimately leads to **higher recall**



Contextually Relevant Ad



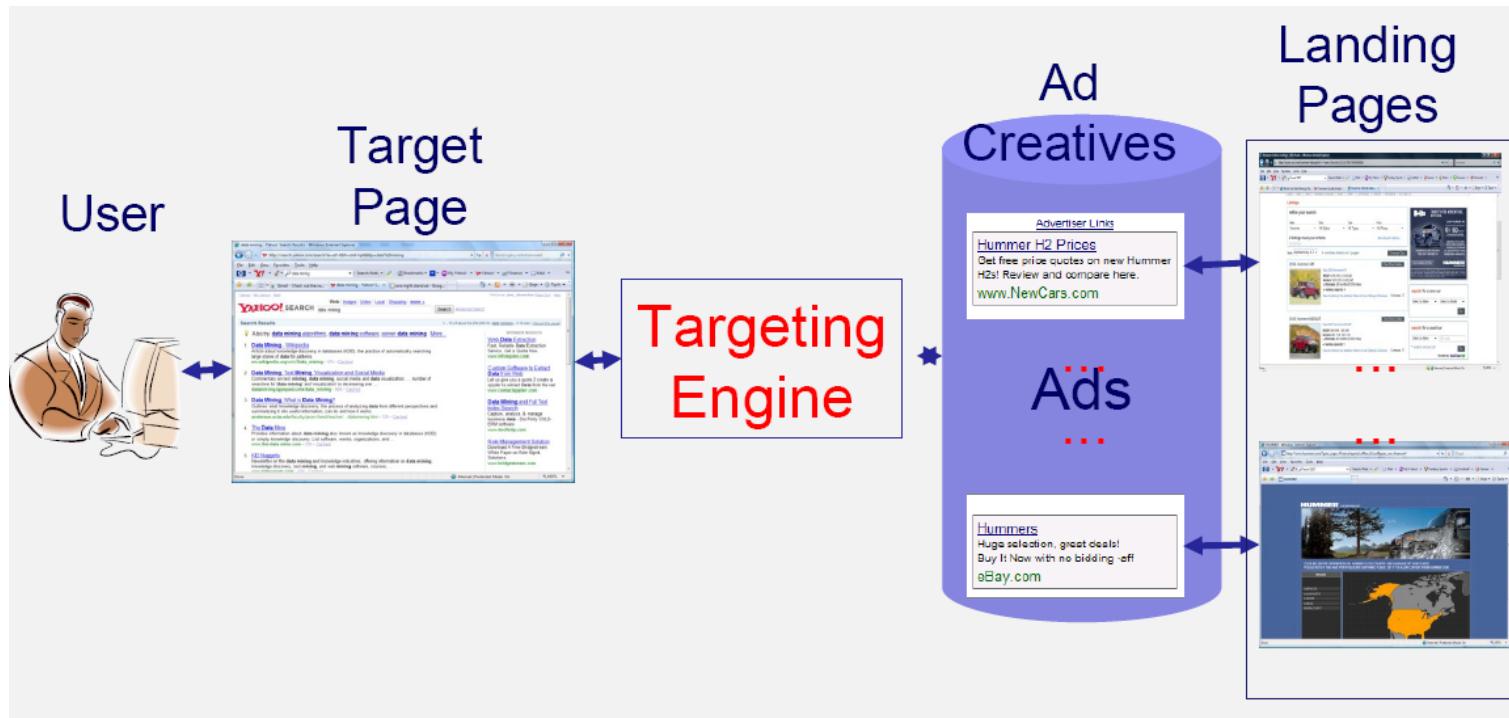
Non-Contextually Relevant Ad

Ad – Page Matching

- The scope of triggering page is often broader than one of ads
 - A Web page can be about several subjects that can be of any type, while ad text is short
 - Ads are more topic-restricted
 - There are usually few terms describing the ad
- Association between the triggering page and ad may depend on topic not mentioned explicitly in the page
 - Low intersection between the vocabularies
 - Possibility of increasing the overlap by adding related words to pages [1] from thesaurus or other sources

FYI: Ad Ranking Using Information Search Technologies

(Berthier Ribeiro-Neto et al., SIGIR2005)



1. View target page as query
2. View ad as a document consisting of several elements (ad keyword, ad title, ad content, URL, landing page)
3. Rank ads based on similarity between the query and ad content (cosine similarity)

Examples of Poorly Placed Contextual Ads

RTE News PDA Edition A-Z THE BOOK OF KELI

RTE.ie News Sport Business Entertainment Television Radio Travel Property Motors Shop RTE

Road Safety Ireland

» News Homepage
» **Road Safety**
 » Road Safety Guide
 » Latest Headlines
 » Related TV & Radio stories
 » Road Deaths in Ireland 2006
 » Your Comments
 » **Road Safety Authority**
 » Publications
 » Statistics
 » Road Safety Issues
 » Road Users Advice
 » Child Safety In Cars
 » Using Audio/Video
 » Email Services
 » Contact us

27 injured, 3 critical after M7 pile-up

Tuesday, 27 March 2007 12:50

A number of people have been badly injured in a pile-up on the M7 in Co Kildare this morning.

27 people are being treated at Naas General Hospital.

A spokesperson said three of those injured were in a critical condition, 19 are described as being in a serious condition and five others have sustained minor injuries.

Advertisement



The Health Service Executive understands that all casualties from the accident on the motorway have now been transferred to the hospital.

It said a total of 23 ambulances, from Dublin, Navan, Kildare, Portlaoise and Tullamore attended the scene. A number of support units and general practitioners also attended.

Looking for a new car?



Ad linked to news article
(example of poorly positioned ad)

Examples of Poorly Placed Contextual Ads

Terrorists kill the man who gave them water

Published on Thu, Nov 27, 2008 at 20:23, Updated on Thu, Nov 27, 2008 at 20:23
section

Tags: Mumbai Blast, Mumbai Terror Attack , Mumbai

E-mail

- [Terrorism : Pursue a certificate in terrorism 100% online. Enroll today.](#)

- [Master's In Security : pursue terrorism! Earn your M.S. degree 100% online. Free Info.](#)

Ads by Google

Mumbai: The terrorists who attacked the Cama Hospital here early on Thursday did not spare the life of even their benefactor who had served them water when asked for.

After killing two security personnel in the terrace of the hospital, the two ultras escaped to the housing quarters of the hospital



STONE COLD: The Indian ultras who attacked the Taj Hotel at around 11pm (IST) killing two security personnel, Rakesh Narkar and R

smh.com.au, Breaking News Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Stop Refresh Home Search Favorites History Mail Print

Address http://www.smh.com.au/breaking/2001/06/25/997520100.html

F2 Issue

Search Email Finance Auctions Cars CitySearch Jobs

smh.com.au

Burn baby. Burn!

iomega

[back to Breaking News index]

One toddler dead, another critical after house fire

Source: AAP Published: Friday June 29, 11:17 AM

A baby has been killed and a toddler critically injured in a house fire in Perth.

The 15-month-old boy died in the fire, and his two-year-old brother is now in intensive care in the Princess Margaret Hospital for children.

Police say they're still investigating the cause of the blaze, that broke out around 7pm (WST) last night.

But they say it may have started from an open fire.

Over 250 sick after eating at Indiana Olive Garden

REUTERS



Reuters Photo: A plate of pasta from the Olive Garden restaurant. It is unclear if the outbreak of E. coli was linked to the restaurant.

RELATED QUOTES

CBO	-40.21	-4.25
YTD	-2457.20	+3.25
YTD P/E	1426.99	+1.54

Get Quotes

Related Data

AP Wirephoto

LOS ANGELES (Reuters) - More than 200 people have reported becoming sick after eating at an Olive Garden restaurant in Indianapolis, Indiana, a county health official said on Friday, a day after an outbreak of E. coli at Togo Bell restaurants was declared over.

The health officials at the Olive Garden at least the third U.S. restaurant chain this month to be linked to widespread customer illnesses.

Seventy customers who ate at the Olive Garden restaurant in northeast Indianapolis between December 9 and December 13 have reported nausea, vomiting, diarrhea, and in some cases fever, said John Attardi, a spokesman for the Marion County Health Department.

FREE
Dinner for Two at
Olive Garden®



Click here to claim!

Get complete info © 2008 The Cardboard Box

Examples of Poorly Placed Contextual Ads

A screenshot of a news article from smh.com.au. The headline is "Qantas emergency landing". A red circle highlights the headline. Another red circle highlights a sidebar advertisement for "Fly To Australia Cheap" which reads: "Save up to 85% on Australia Flights With Our Discounted Airfares! Travolution.com". A third red circle highlights the damaged right wing of a Qantas Boeing 747-400 passenger plane parked at the Ninoy Aquino International Airport.

A screenshot of a YouTube video page titled "Raw Video: Deputy Shown Kicking Teen Girl". A red arrow points to the video thumbnail. Another red arrow points to the bottom of the page where an advertisement for "Become A Police Officer" is displayed, which reads: "SWAT, K9, Narcotics, CSI & More. Online Degrees For Police Careers www.Public-Service.US/PoliceCareers". A large red text overlay on the right side of the screen says "AD TARGETING FAIL".

Examples of Poorly Placed Contextual Ads

← → C Secure https://www.arukumachikyoto.jp/bus_search_result.php?agency=200&mode=search&value=chioin-mae&lang=en ⚙ ☆

Google Cloud Platform WITH Google BigQuery

Top > Bus and Train Info > Bus Timetable / Bus Stop Information > Bus Stop List

Kyoto City Bus chioin-mae Search

No result

Post-production, simplified.
Learn more
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Grand Canyon Helicopter Tours!
Papillon Grand Canyon Helicopters

PAGE TOP

Bus and Train Voteran Top Page Map Search City Bus Route

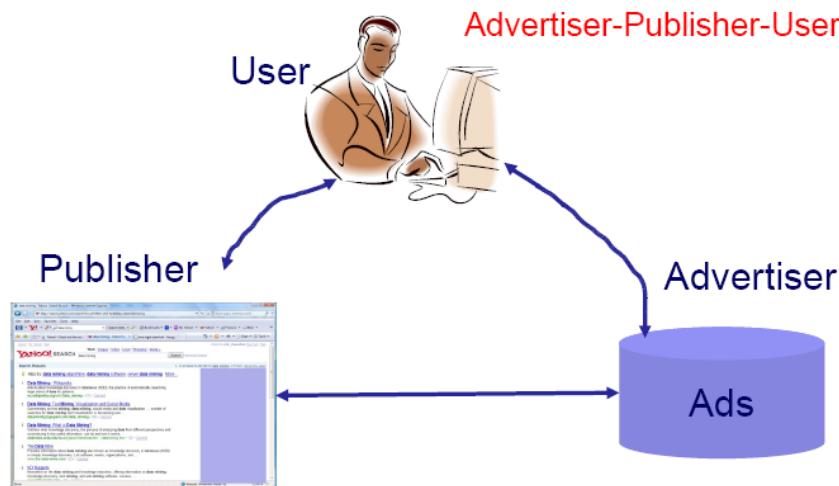
ADVERTISING TYPES: SEARCH ADVERTISING

Search Advertising

- Method of placing online advertisements on websites that show results from **search engines**

Search Advertising

- Method of placing online advertisements on websites that show results from **search engines**
- **Advantages**
 - Can display a **deeply targeted ad** for a **user searching for a certain keyword**
 - Displaying ads on a website that attracts many users, such as a search engine, **increasing the chance that the ad is seen**



Sponsored Search Advertising

- Directly related to user queries therefore less intrusive relative to other forms of advertising
 - Ads displayed in response to user-originated search behavior result in advantage for advertisers
 - Keywords and the ads are typically matched

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 - Keywords and the ads are typically matched
- Websites listed at the top of the organic search results and the paid listings will triple their click-through ratio [1]
 - Three times more people visit a website listed in both places due to a “second opinion effect”
 - Searchers are encouraged by the fact that a website is listed in both the organic listings and the paid listings

[1] B. Hartzer, “Balancing Paid and Organic Search Engine Listings”
<http://www.billhartzer.com/balancing-paid-and-organic-search-engine-listings/>

Examples of Search Ads

Web Images Videos Maps News Shopping Gmail more ▾

 toyota X Search

About 721,000,000 results (0.16 seconds) Go to Google.com Advanced search

▶ [Toyota: The Official Site - Compare Our Wide Range Of Cars.](#)  Ad
Visit The Official Site Today.
www.toyota.co.uk
Latest Offers Your Local Toyota Centre
Compare The Range Book A Test Drive

[Toyota UK - New cars, Used cars, Reviews and Test Drives | Toyota UK](#) 
The official website for Toyota UK. View all new and used Toyota cars. Learn more about information for Toyota Owners, service and maintenance and Toyota ...
www.toyota.co.uk/ - Cached - Similar
Used Toyota - Toyota Used Cars RAV4
See the range Find my local centre
Hybrid Synergy Drive Hilux
Find Your Local Car Dealer Yaris
[More results from toyota.co.uk »](#)

[Used Toyota - Toyota Used Cars | Toyota UK](#) 
Search our National database of 1000s of cars for your desired Approved Used ...
www.toyota.co.uk/cgi-bin/toyota/bv/frame_start.jsp?id... - Cached - Similar

[The New Toyota Prius - The Original Hybrid Car by Toyota | Toyota UK](#) 
Motivated by performance, and inspired by environmental breakthroughs, the ...
www.toyota.co.uk/cgi-bin/toyota/bv/frame_start.jsp?id... - Cached - Similar
⊕ Show more results from toyota.co.uk

Examples of Search Ads

Web Images Videos Maps News Shopping Gmail more ▾

Sign in |

Google used car japan

About 181,000,000 results (0.24 seconds) Go to Google.com Advanced search

Everything

- Images
- Videos
- News
- Shopping
- More

Search near... Enter location Set

The web

- Pages from the UK

Any time

- Latest
- Past 24 hours
- Past week
- Past month
- Past year
- Custom range...

used car japan

▶ [Low Price Japanese cars - Largest online usedcar market place](#) Ad
More than 100,000 stocks.
www.tradecarview.com

[Japanese used cars. Used Japan car exporters. Used Japanese car ...](#)
tradecarview - Used Japanese Cars Exporter. Japanese used cars and used trucks. Buy Japan cars online, Import used cars from Japanese Car Auctions.
Toyota - Nissan - Honda - Mitsubishi
www.tradecarview.com/ - Cached - Similar

[Used Cars from Japan. Used Cars Exporter](#)
Buy Used Cars from Japan Partner. Japanese used and damaged cars. Japan Partner is one of the leading used/damaged cars exporters. We have widest selection ...
Check Manufacture Year - Advanced Search - Left Hand Drive - Used Cars
www.japan-partner.com/ - Cached - Similar

[A Japan used cars export company with internet showroom of ...](#)
Japan used cars exporter and a online Japanese vehicle showroom. We ship Worldwide to private and car dealers. Order from our stock or we can arrange to buy ...
www.ridhaa.com/ - Cached - Similar

[Japanese used cars - Used Japanese car imports direct from ...](#)
Japanese used cars exporter. Exporting used Japanese car imports direct from Japanese used car auctions.
www.japanesusedcars.com/ - Cached - Similar

Ads

[Japanese Used Cars](#)
Buy Japanese Used Cars
Top Quality, Affordable Prices
www.ramadbk.com/JapaneseUsedCars

[Used car japan](#)
Used Car Japan on eBay for less.
Used car japan. Bid now!
ebay.co.uk is rated
www.ebay.co.uk

[Japan Used Cars](#)
Looking for used cars from Japan?
Buy it now Japan cars on Autowini!
www.autowini.com

[See your ad here »](#)



Web Images Video Local Shopping News More ▾

kyoto

Search

Options ▾

QuickApps

SafeSearch - On

10,700,000 results for kyoto

Trending Searches

kyoto protocol

kyoto protocol 3

Related Points of Interest



Kinkaku-ji



Heian Shrine



Ryoanji



Yasaka Shrine

Also try: [kyoto protocol](#), [kyoto restaurant](#), [kyoto companion](#), [more...](#)

Kyoto - Wikipedia, the free encyclopedia

[History](#) | [Name](#) | [Geography](#) | [Demographics](#)

Kyoto) is a city in the central part of the island of Honshū, Japan. It has a population close to 1.5 million. Formerly the imperial capital of Japan, it is now the capital of Kyoto...
en.wikipedia.org/wiki/Kyoto - [Cached](#)



Sponsored Results

Hotels in Kyoto

Book last minute Kyoto hotel. Save & book online with Agoda!
www.agoda.com/Kyoto-Hotels

Hotels in Kyoto

Book your Hotel in Kyoto online. No reservation costs. Great rates
Booking.com/Kyoto-Hotels

Aranvert Hotel Kyoto

Great public bath with panoramic view. Located in center of Kyoto.
www.aranvert.co.jp

In Kyoto

Find In Kyotos at Great Prices.
www.Pronto.com

More Sponsors:

[kyoto](#)

Kyoto Travel Guide <Official>

Kyoto.travel is the first official guide to Kyoto. Please use this site as a gateway to the city, which we have designed to make your visit here that much more enjoyable.
www.kyoto.travel - [Cached](#)

Kyoto travel guide - Wikitravel

Kyōto was the capital of Japan for over a millennium, and carries a reputation as its most beautiful city. However, visitors may be surprised by how much work they ...
wikitravel.org/en/Kyoto - [Cached](#)

Kyoto Protocol Faces Gap After Emissions ...

The world's only treaty that caps greenhouse-gas emissions will face a gap in enforcement after 2012 because its targets expire and an extension can't ...
www.bloomberg.com/news/2011-06-06/kyoto-protocol-faces... - [Cached](#)

Kyoto City Web

Kyoto Travel Information and Travel Guide - Japan - Lonely Planet

Kyoto is the storehouse of Japan 's traditional culture and the stage on which much of Japanese history was played out. With 17 Unesco World Heritage ...
www.lonelyplanet.com/japan/kansai/kyoto - [Cached](#)

Sponsored Results

Hotels in Kyoto

Book last minute Kyoto hotel. Save & book online with Agoda!
www.agoda.com/Kyoto-Hotels

Hotels in Kyoto

Book your Hotel in Kyoto online. No reservation costs. Great rates
Booking.com/Kyoto-Hotels

Kyoto related searches:

[kyoto protocol](#) [kyoto austin](#) [osaka](#)
[kyoto restaurant](#) [hiroshima](#) [tokyo](#)
[kyoto sushi](#) [map of japan](#)
[kyoto map](#) [nara](#)

Yahoo! Search Assist

1 [2](#) [3](#) [4](#) [5](#) [6](#) [7](#) [8](#) [9](#) [10](#) [Next >](#)

kyoto

Search

Ad Ranking

Ad Ranking (1)

Success of an online advertisement compain:
CTR (Click-through Rate) = Clicks / Impressions

Ad Ranking (1)

eCPM (effective Cost Per Mille)

$$ECPM_{Ad} = CTR_{Ad} * Bid_{Ad}$$

$$ECPM_{Ad} = AdQualityIndex_{Ad} * Bid_{Ad}$$

Bid-to-Position Model



ECPM-Ranking Model



Setting a high CPC (cost per click) rate (bid) does not assure an ad the top slot, as **ad quality** is also factored in.

Ad placement is determined by both the CTR and bid price.

Success of an online advertisement campaign:
CTR (Click-through Rate) = Clicks / Impressions

Ad Ranking (2)

What the advertiser pays per click ($CPC_{Ad@Rank}$)

$$ECPM_{Ad} = CTR_{Ad} * Bid_{Ad}$$

$$ECPM_{Ad} = AdQualityIndex_{Ad} * Bid_{Ad}$$

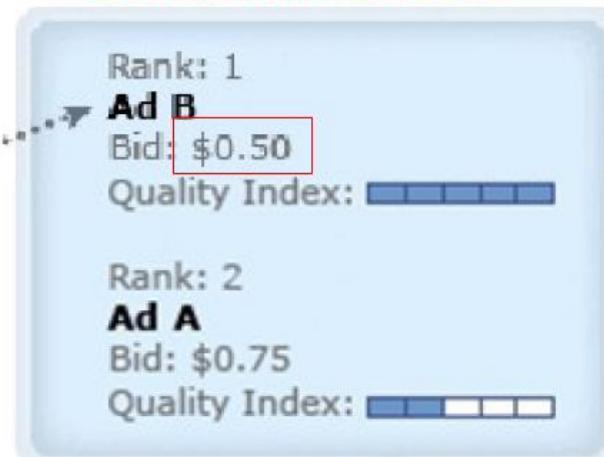
$$CPC_{Ad@Rank} = \text{Min}(Bid_{Ad@Rank}, Bid_{Ad@Rank+1} + \$0.01)$$

2nd Price Auction

Bid-to-Position Model



ECPM-Ranking Model



Ad Ranking and CPC

Select the ad query keywords

1. Ads
Your ad links directly to your website. You select the text for your ad and can change it as often as you like.

2. Keywords
Choose the keywords relevant to your business. Your ads will only be shown to users searching on those specific words.

3. Price
For an individual keyword or a group of keywords, set a maximum cost-per-click (CPC) you're willing to pay. That CPC and your clickthrough rate determine where your ad is shown. If your clickthrough is high, you pay less to stay in a top position. If it's the same as your competitors', you'll pay only a penny more than they do to stay in the top position. If their clickthrough rate is better than yours, you'll have to pay a bit more to stay on top.
Our AdWords Discounter monitors every change for every keyword and automatically adjusts ads accordingly. You don't need to do a thing. It will never charge you more than the maximum CPC you specified and will try to lower your price after every single search.

Defines the ad content (link to the ad website)

4. Position
Your ad's position is based on your (cost-per-click) CPC times your clickthrough rate (CTR). For example, say you're willing to spend £0.26 (or your currency equivalent) per click:

$$\text{Maximum CPC}(\text{£}) \times \text{CTR}(\%) = \text{Rank}$$
$$0.26 \times 2.1 = 0.55$$

But your nearest competitor is only willing to spend £ 0.18 per click and has the same CTR:

$$\text{Maximum CPC}(\text{£}) \times \text{CTR}(\%) = \text{Rank}$$
$$0.18 \times 2.1 = 0.38$$

Our AdWords Discounter will make sure you're charged only £0.19 for the clicks you get -- £0.01 more than the nearest competitor.

To raise your rank, you can either raise what you're willing to pay (CPC) or improve your CTR (see our tips section on how to do this).

5. Budget
Your daily budget is what you are willing to spend per day.

Ad position (rank) is determined by multiplying the CPC and CTR.

If a competitor's maximum CPC is 0.18 and CTR the same, the actual CPC will be set to 0.19

AdWords

Google AdWords Help | Sign out

Jump to previous customer... Open tool...

Ops Control Center Campaign Management Reports Analytics My Account Advanced Search

Campaign Summary | Tools | Conversion Tracking

Campaign Summary > Seattle Condo > Ad Group #1 Search my campaigns: Search 1 of 2 Ad Group(s) Next >

Ad Group: Ad Group #1 5204121

Seattle View Penthouse Paused View History: this ad group
2 Bed, 2 Bath in Fantastic Location Ad Group Approval Bin : Primary | Secondary | All
Mountain Views, Huge private deck www.badros.com/view-condo-fsbo.html

1 of 1 - view all FamilySafe

Feb 14, 2003 to Jan 20, 2006 ▶ Change range

+ Add keywords: Quick add | Keyword tool Edit Keywords | Search this list 1 - 11 of 11 keywords.

<input type="checkbox"/> Keyword	Status [?]	Current Bid ▾ Max CPC	Clicks	Impr.	CTR	Avg. CPC	Cost	Avg. Pos
Total	Enabled	Default \$1.00 [edit]	456	22,864	1.99%	\$0.46	\$209.47	3.0
seattle apartment	Active	\$1.00	125	5,634	2.21%	\$0.30	\$37.26	1.1
seattle condo	Active	\$1.00	143	2,906	4.92%	\$0.43	\$61.89	1.2
seattle condominium	Active	\$1.00	50	1,296	3.85%	\$0.33	\$16.54	1.3
seattle fremont apartment	Active	\$1.00	2	79	2.53%	\$0.06	\$0.12	1.1
seattle fremont real estate	Active	\$1.00	1	53	1.88%	\$0.81	\$0.81	4.0
seattle fremont condo	Active	\$1.00	2	47	4.25%	\$0.28	\$0.57	1.2
seattle luxury apartment	Active	\$1.00	2	24	8.33%	\$0.09	\$0.17	1.1
seattle fremont house	Active	\$1.00	1	22	4.54%	\$0.54	\$0.54	1.9
seattle luxury condo	Active	\$1.00	4	19	21.05%	\$0.55	\$2.19	1.5
seattle luxury condominium	Active	\$1.00	1	7	14.28%	\$0.18	\$0.18	2.0

OTHER TYPES OF ADVERTISING

Email and Newsletters Marketing

- **Email marketing** is a form of direct marketing which uses email as a means of communicating commercial or fund-raising messages
- **Purpose**
 - Enhancing the **relationship** of a merchant with its current or previous customers
 - Encouraging customer **loyalty** and repeated business
 - **Acquiring** new customers or **convincing** existing customers to purchase something

Email and Newsletters Marketing

- **Advantages**
 - Checking email is very popular on the Web
 - High effectiveness: email marketing is often reported **as second only to search marketing as the most effective online marketing tactic**
- **Disadvantages**
 - **Deliverability** is still an issue: legitimate email servers averaged a delivery rate of 56% (messages rejected, filtered, etc.)

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- Email newsletters
 - Users spend **51 seconds** reading an average newsletter
 - The layout and writing both need **superb usability** to survive in the high-pressure environment of a crowded Inbox

Social Media and Social Networks

Advertising

- World in which consumer is creator and distributor of content
 - Instead of broadcasting **one-way messages** advertisers are compelled to **engage in conversation**
 - Carries risk but needs to be done
 - **Engagement**: constant and free exchange of opinions in which **advertisers are one of the voices**
 - Works as word-of-mouth (e.g., by re-tweeting)
 - Viral marketing, e.g., Coke and Mentos

Instagram Advertising



9:41 AM

Instagram

jaspersmarket Sponsored



Learn More

1,084 likes

jaspersmarket Use our app and get delicious recipes for Jaspers Market's latest produce.

view all 12 comments

Home Search Camera Heart Profile

Photo Ads

9:41 AM

Instagram

jaspersmarket Sponsored



Learn More

1,084 likes

jaspersmarket Use our app and get delicious recipes for Jaspers Market's latest produce.

view all 12 comments

Home Search Camera Heart Profile

Video Ads

9:41 AM

Instagram

jaspersmarket Sponsored



Learn More

1,084 likes

jaspersmarket Use our app and get delicious recipes for Jaspers Market's latest produce.

view all 12 comments

Home Search Camera Heart Profile

Carousel Ads

Video Advertising

- **Linear video ads**
 - The ad is presented before, in the middle of, or after the video content is consumed by the user (same as TV commercial)
 - User watches the ad in addition to the content as the ad takes over the full view of the video
- **Non-linear video ads**
 - The ad runs concurrently with video content
 - Can be delivered as text, graphical ads, or as video overlays:
 - Overlays shown directly over the content video itself
- **Companion ads**
 - Commonly text, display ads, rich media, or skins that wrap around the video experience
 - Typically run alongside or surrounding the video player
 - Can offer sustained visibility of the sponsor throughout the video experience

Game Advertising

- Global, mainstream entertainment medium
 - 67% of US households play video or computer games
 - In 2009, more Americans played video games than went to the movies
- Many components of game advertising have yet to be standardized

Game Ad Placement Types

