

# Ad serving

**Ad serving** describes the technology and service that places advertisements on web sites. Ad serving technology companies provide software to web sites and advertisers to serve ads, count them, choose the ads that will make the website or advertiser most money, and monitor progress of different advertising campaigns. Ad servers are divided into two types: Publisher ad servers and advertiser (or third party) ad servers.

## Overview

An Ad Server is a web server that stores advertising content used in online marketing and delivers that content onto various digital platforms such as; websites, social media outlets and mobile apps. An Ad Server is merely the technology in which the advertising material is stored and is the means of distributing that material into appropriate advertising slots online. Ad Serving technology companies provide software to websites and advertising companies to serve ads, count them, choose the ads that will make the website or advertiser the most money and monitor the progress of different online advertising campaigns. The purpose of Ad Serving is to deliver ads to users, to manage the advertising space of a website and, in the case of third party ad servers, to provide an independent counting and tracking system for advertisers/marketers. Ad Servers also act as a system in which advertisers can count clicks/impressions in order to generate reports which helps to determine the ROI for an advertisement on a particular web page.

There are separate Ad Servers that Publishers and Third Party (eg. Advertisers, Marketers) use. Essentially, there is no difference in the technology that the Ad Servers provide the key difference being the accessibility of data in order for optimized tracking and convenience. Advertisers and Marketers will use a centralized Ad Server that will enable them to draw progress reports on-demand and update their creative content in one place rather than using Individual Publisher Ad Servers in which they will have to manage content across multiple Servers with different Publishers. Without this centralized hub which controls advertisers' rotation and distribution of content across the web, there becomes issues around tracking and management of advertising material. If an advertiser had to make contact with each individual Publisher whose Ad Server they are using, this would mean multiple sets of data to track and would also mean they need to update their creative content for each individual channel. This provides less-accurate, less-timely, and ultimately inconvenient results for advertisers. Publishers have separate Ad Servers to communicate advertising material across their domains only. This enables convenience for the publisher, as they will have access only to the advertising content they require for their publication rather than sort through an Ad Server containing all the advertising content in which Marketers/Advertisers are using.

## History

The first central ad server was released by FocaLink Media Services and introduced on July 17, 1995,<sup>[1]</sup> for controlling the delivery of online advertising or banner ads. Although most contemporary accounts are no longer available online, the Weizmann Institute of Science published an academic research paper documenting the launch of the first ad server.<sup>[2]</sup> The original motherboard for the first ad server, assembled in June 1995, is also preserved.<sup>[3]</sup> Focalink re-launched the ad server under the name SmartBanner in February 1996.<sup>[4]</sup> The company was founded by Dave Zinman, Andrew Conru and Jason Strober, and based in Palo Alto, California. In 1998, the company changed its name to AdKnowledge, and was purchased by CMGI in 1999.<sup>[5]</sup> The AdKnowledge name was subsequently purchased by a company in Kansas City in 2004, which now operates under the brand name AdKnowledge.

The first local ad server was released by NetGravity in January 1996<sup>[6]</sup> for delivering online advertising at major publishing sites such as Yahoo and Pathfinder. The company was founded by Tom Shields and John Danner, and based in San Mateo, California. In 1998, the company went public on NASDAQ (NETG), and was purchased by DoubleClick in 1999. NetGravity AdServer was then renamed to DART Enterprise. In March 2008 Google acquired DoubleClick. Google has continued to improve and invest in DART Enterprise. The latest version of the product was renamed and shipped as DoubleClick Enterprise 8.0 on September 28, 2011.<sup>[7]</sup>

Another central or remote ad server was introduced by David Stein at Burst Media in January 1996 for controlling online advertising or banner ads. The ad server/ad management platform was renamed AdConductor and is still used by the company today. The company was founded by Jarvis Coffin, David Stein and Bob Hanna, and based in Katonah, New York. In 2006, the company went public on the London Stock Exchange's Alternative Investment Market (BRST) and in 2011 was acquired by Blinkx .

## Functionality

### Common functions

The common functions of Ad Serving are as follows; to upload advertisements and rich media, to traffic ads according to differing business rules, to target ads to different users, or content, to tune and to optimize based on results and to report impressions, clicks, post-click and post-impression activities and interaction metrics. All of these functions are an integral part of running an online advertising campaign in making sure that the advertising content is being displayed where it is intended and to whom it is intended for. It also helps with analysis to see just how effective the campaign is doing and whether or not the content is generating the desired results. Ad Serving also offers more advanced functions for more sophisticated advertising campaigns. Advanced Functions include: frequency capping, sequencing ads (also referred to as surround sessions), search engine optimization and targeting (See Ad Targeting and Optimization below). Frequency capping is limiting how many times a user will see the content. Advertisers are also able to limit ads by setting a cap on money-spending.

## Ad targeting and optimization

One aspect of ad-serving technology is automated and semi-automated means of optimizing bid prices, placement, targeting, or other characteristics. Significant methods include:

- Behavioral Targeting - Using a profile of prior behavior on the part of the viewer to determine which ad to show during a given visit. For example, targeting car ads on a portal to a viewer that was known to have visited the automotive section of a general media site.
- Contextual Targeting - (also known as Semantic Marketing) refers to the optimum ad placement as a result of analysing information from the entire web page where the ad is being served. This concept was introduced as a way of improving the 'keyword approach' to ad placement where issues surrounding ambiguity in relation to a word's meaning in the prescribed context. The concept of analysing the 'entire' webpage in order to promote relevant advertising material is to benefit both the viewer of advertising content and the source of the ad. Keywords (or Adwords) are not always relevant in the context in which the word is intended. Therefore, by analysing the entire page rather than just the keyword, the ambiguity is removed and a more relevant and accurate ad is promoted into the advertising slot on the web page.
- Creative Optimization - Using experimental or predictive methods to explore the optimum creative for a given ad placement and exploiting that determination in further impressions.

## See also

- Comparison of ad servers
- Affiliate marketing
- Compensation methods
- Contextual advertising
- Internet marketing
- Landing page
- List of advertising networks
- Pay per click
- Pay per play
- Website monetizing
- View-through rate

## References

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