# Intro to Advertising

## November 14, 2012

* **Media Planning Tools**
  + **Enhanced Tracking**
    - Cookies
      * Cookies are small text files that store user information and preferences
      * Visit frequency, ad calls, time of day, clicks, and browser used
      * Many sites use cookies to customize and improve functionality on repeat visits to a site.
  + **Ad Servers**
    - Central source, ad rotation, ad distribution, tracking, ISP identity, behavioral targeting
    - Advertisers can track sales in real time
      * E.g. At the confirmation page of the product buying process, advertisers via cookies match the user back to the last ad they saw or clicked on. They can then credit that specific ad to the sale
    - Behavioral Targeting
      * Advertisers have an agreement with the publisher and he placed a code on his website
      * Computer assigns encrypted ID numbers
      * User profile is generated which stores info like websites visited, time and day, frequency of ad exposure, how close they came to make a purchase, IP address, etc.
    - Impacts of Behavioral Targeting
      * Your internet experience will be more about you
* Measuring the Internet Audience
  + Ad Impressions: When an individual ad is displayed on your website
  + Ad Request: Number of ads actually delivered to a user’s screen (ad server -> browser)
    - Problem: Advertisers have no way of knowing if the user actually saw the ad or not. Also, advertisers would be charged for it.
  + Click Rate or Click-Through-Rate: Frequency with which users try to obtain additional information about a product by clicking on an advertisement
    - Formula: Number of clicks on an ad/number of ad impressions (or number of times the ad is shown)
    - Cost per click (CPC): Pay only for clicks. E.g. If CPC is $1 and ad impression is 12,000 but no clicks then no payment. If you get 10 clicks then publisher gets paid $10.
  + CPM
    - CPM stands for “cost per 1000 impressions”
    - Publisher earns money when the ad is displayed 1000 times
* Internet Advertising
  + Corporate or E-Commerce
    - Websites – Web pages, images, videos, data on web servers
    - Microsites – Singular-focus supplement on a separate page (burton bags)
    - Landing Pages – Gateway to deeper areas of the website (ad or direct)