

## CHAPTER 9

### INTERNET ADVERTISING

#### **Learning Objectives:**

After studying this unit, you should be able to understand:

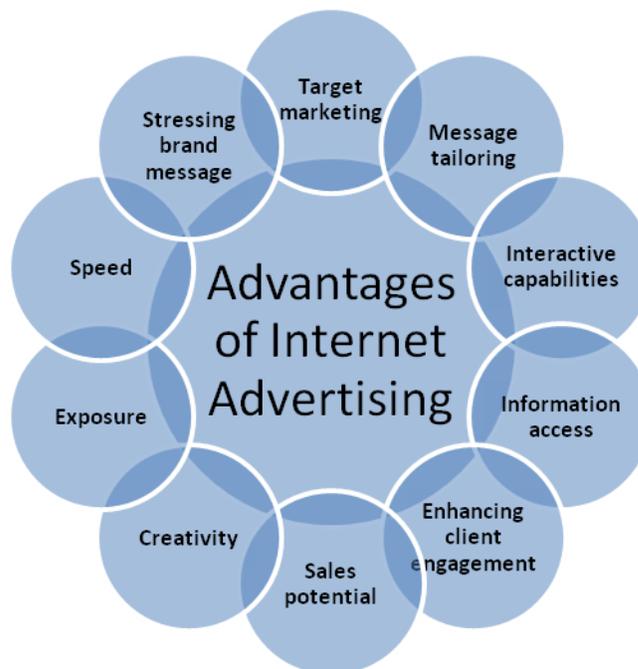
- Concept of Internet advertising
- Advantages of Internet advertising
- Disadvantages of Internet advertising
- Types of Internet advertisements
- Tracking their return on investment
- Online PR
- Difference between online PR and traditional PR
- Conducting online PR
- New and reputation management
- Process of reputation management

Online advertising is an emerging form of advertising which has grown with the rapid development of Internet and gradually becoming one of the most important advertising medium. Berthona, Pitt and Watson (1996) mention Internet as a virtual place where consumers interact with different advertisers. From Internet, advertisers can sustain and enhance the relationship with customers who come from worldwide, and “represent a remarkable new opportunity for businesses to communicate with new and existing markets in a very integrated way.” **According to Smith and Chaffey(2005)**, online advertising is *“the use of a company web site in conjunction with online promotional techniques such as search engines, banner advertising, direct e-mail and links or services from other web sites to acquire new customers and provide services to existing customer.”*

Online advertising can be one-to-many or many-to-many model. Compared with traditional advertising, online advertising has the benefit of being interactive. Through this medium consumers are not passive recipients anymore, they become the partners of the advertiser. If they get interested in online advertising, they will read the advertisement carefully, click on the advertisement, move on to advertiser's website, and get more information about the product, and even place the order online. Therefore online advertising is better referred to as logical and convincing advertising.

### **Advantages of the Internet Advertising**

A number of advantages of the Internet advertising can be cited as depicted in Figure 9.1 and explained as under:



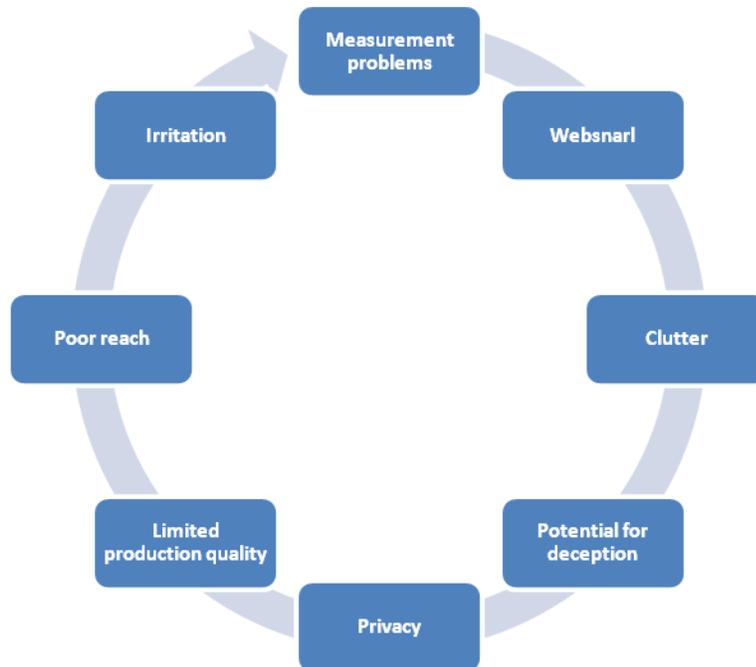
**Figure 9.1: Advantages of Internet Advertising**

1. **Target marketing**- a major advantage of advertising through Web is the ability to target specific groups of individuals with a minimum of waste coverage. Through internet advertisements can be targeted to specific customers as per their age, sex, income, education, hobbies, interests and geographic locations.
2. **Message tailoring**- as a result of precise targeting, messages can be designed to appeal to the specific needs and wants of the target audience. The interactive capabilities of the Net makes it possible to carry on one-to-one marketing with increased success in both the business and the consumer markets.

3. **Interactive capabilities-** because the Internet is interactive, it provides strong potential for increasing customer involvement and satisfaction and almost immediate feedback for buyers and sellers.
4. **Information access-** perhaps the greatest advantage of the internet advertising is its availability as an information source 24 X 7. Internet users can find a plethora of information about almost any topic of their choice merely by clicking on the ad. They can gather a wealth of information regarding product specifications, costs, purchase information, and so on. Links will direct them to even more information, if it is desired.
5. **Enhancing client engagement-** marketers aim is to interact effectively with their customers and to improve their experience with their brand. This is made possible through interactive internet ads.
6. **Sales potential-** Internet advertising campaigns focus on growing sales through the brand's website and partner networks. Such campaigns can also simultaneously pursue conversion and branding objectives. The sales potential of this medium is increasing over the years.
7. **Creativity-** creatively designed internet ads can enhance a company's image and positively position the company or organisation in the consumer's mind.
8. **Exposure-** for many smaller companies, with limited budgets, the World Wide Web enables them to gain exposure to potential customers that would have been impossible. For a fraction of the investment that would be required using traditional media, companies can gain national and even international exposure in a timely manner.
9. **Stressing brand message-** many marketers supplement a traditional ad campaign with a digital one in order to increase the likelihood that the message will resonate with their audience and add to their brand image.
10. **Complements IMC-** the net, both complements and is complemented by other IMC media. As such, it serves as a vital link in the integrative process.

### **Disadvantages of Internet Advertising**

While it is a potentially effective medium, the Internet advertising also has its disadvantages as shown in Figure 9.2 and explained as under:



**Figure 9.2: Disadvantages of Internet Advertising**

1. **Measurement problems**- one of the greatest disadvantages of the Internet is the lack of reliability of the research numbers generated. A quick review of forecasts, audience profiles, and other statistics offered by research providers will demonstrate a great deal of variance-leading to a serious lack of validity and reliability.
2. **Websnarl**- at times, downloading information from the Internet ads takes a long time. When there are a number of users, the time increases, and some sites may be inaccessible due to too many visitors. For many users who expect speed, this is a major disadvantage. Broad band is helping to reduce this problem.
3. **Clutter**- as the number of ads proliferates, the likelihood of one's ad being noticed drops accordingly. The result is that some ads may not get noticed, and some consumers may become irritated by the clutter.
4. **Potential for deception**- the Centre for Media Education has referred to the Web as "a web of deceit" in regard to attempts of advertisers to target children with subtle advertising messages. In addition, data collection without consumers' knowledge and permission, hackers, and credit card theft are a number of problems confronting the Internet.
5. **Privacy**- like their direct marketing counterparts, Internet marketers must be careful in not impinging upon the privacy of users.

6. **Limited production quality**- although it is improving, net advertising does not offer the capabilities of many competitive media from a production standpoint. While the advent of advanced technologies and rich media, it is narrowing the gap, the net still lags behind some traditional media in this area.

7. **Poor reach**- while the Internet numbers are growing in leaps and bounds, its reach is still far behind that of television. Majority of Indians do not have an excess to Internet, and are computer illiterate. So the medium is not able to reach to the masses.

8. **Irritation**- Numerous studies have reported on the irritating aspects of some Web tactics. These studies have shown consumers' discontent with clutter, e-mail spam, and pop-ups and pop-unders. These irritating aspects will deter visitors from coming to the websites and looking at internet ads.

Overall, the Internet offers marketers some very definite advantages over traditional media. At the same time, disadvantages and limitations render this medium less than a one-stop solution. However, as part of the marketing communications program, the Internet is a very valuable tool.

### Types of Internet Advertising

Online advertising has the major advantage of immediate publishing of information that is not limited by geographic or time constraints. Online advertisers can customise advertisements making consumer targeting more efficient and precise. For example, AdWords, Yahoo! Search engine and Google AdSense enable ads to be shown on relevant web pages or alongside related search results. On the other hand, consumers have greater control over the content they see, affecting the timing, placement and visibility of online advertisements. Within the scope of Internet marketing, online advertising includes display advertising, mobile advertising, affiliate marketing, search engine optimisation and social networks.



The image shows a banner advertisement on the NBC.com website. The banner is divided into three main sections. On the left, the NBC.com logo is displayed with the text "NBC.com HOME" and a "LOG OUT" button next to the user name "Hello, nbcakampy". Below this is a search bar with the word "search" and a "GO" button. The middle section features the Lipton logo, an image of a Lipton YQ RealAge product, and the text "FIND OUT HOW YOUNG YOU REALLY ARE". The right section contains the "YQ RealAge" logo and a yellow button that says "TAKE THE YQ QUIZ >". At the bottom of the banner, there is a navigation menu with the following items: SHOWS, WATCH VIDEO, SCHEDULE, NEWS & SPORTS, MOBILE, myNBC COMMUNITY, PLAY & WIN, SHOP, and EXTRAS.

Ad formats are changing over the years, reflecting the intense competition for audience attention in an environment where consumer is in charge. Still, some of the important formats, commonly used by advertisers online are discussed as under:

**Display ads**-the ads contain graphics, whitespace and text placed in an interesting manner. These ads are an extension of the traditional banners and they come in various sizes. Such ads are used widely by advertisers because they help in building brand awareness, when viewed by site visitors. Moreover, carefully targeted display ads can generate high click-through rates, such as, a local Facebook **ad** presented only to people with profiles matching the target market description. Rectangles, pop-ups, banners, buttons, and skyscraper display ads occupy various amounts of pixels of dedicated space for rent on web pages. Pop-ups usually appear in a separate window that overlays or is behind the current browser window. Many people are irritated by Pop-ups because users must close them, so this format has declined in use. Newer sizes and formats break through the online clutter and grab the user attention better than the standard sizes, so things keep changing in display ads.

**Rich media Ads**-all ads in this category are interactive in nature as they offer click through option to the consumers. By clicking on the ad, the consumer is transported to the advertiser's website, where the transaction or any other objective is actually achieved. According to Wikipedia editors, rich media ads often use Flash animation and many other elements to attract attention. All of the following formats can be rich media:

1. **Banner ad**-an advertising graphic image or animation displayed on a website, in an application, or in an HTML email. This form of online advertising is older than the search engines themselves. In this case marketers put some sort of banner (usually with a catchy image and headline) on a relevant website. Users who choose to click the banners will end up on marketers website and hopefully will make a purchase. The problem is that these days, web users have developed "banner blindness" so only a small percentage of people actually click on the ad.
2. **Interstitial ad**-the display of a page of ads before the requested content.
3. **Floating ad**- an ad which moves across the user's screen or floats above the content.
4. **Expanding ad**-an ad which changes size and which may alter the contents of the webpage.
5. **Polite ad**-a method by which a large ad will be downloaded in smaller pieces to minimise the disruption of the content being viewed.
6. **Wallpaper ad**-an ad which changes the background of the page being viewed.

7. **Trick banner**-a banner ad that looks like a dialogue box with buttons.
8. **Pop-up**-a new window which opens in front of the current one, display an advertisement, or entire webpage.
9. **Pop-under**-Similar to a pop-up except that the window is loaded or sent behind the current window so that the user does not see it until they close one or more active windows.
10. **Video ad**-similar to a banner ad, except that instead of a static or animated image, actual moving video clips are displayed.
11. **Video game ad**-ads appearing in online games.

**Contextual ads**-ad servers, such as Facebook or Google's double click, maintain an inventory of ads from clients and serve them into websites as appropriate users are viewing particular pages. For example, a user searches for fashion garments on an electronic retail site that works with double click, users might get the ads for fashion garments on their email page. This is called offering specific ad targeting based on profile information. This is good for micro-segmentation for marketers and good for users who receive relevant ads at the precise moment they want information. This process is also the basis for Google's Ad Sense program, where online marketers can bid for keywords and have their ads appear on Google search engine result pages or web sites allowing them. This makes contextual ads, the largest category of online advertising included in the category of keyword search.

**E-mail advertising**- it is one of the least expensive type of online advertising. It is just a few sentences of text embedded in the firm's content. Advertisers purchase space in the email sponsored by others. They generally prefer sending e-mail newsletters to them informing about the product. It is one of the oldest method used till date. This makes it much simpler to reach an audience that wants to read the email with their website content information included.

**Sponsorships**- also called advertorials. They try to integrate editorial content and advertising messages. This practice pleases advertisers because it gives them additional exposure and creates the impression that the publication endorses their product. Sponsorships are important on the web because display ads are generally overlooked by users, sponsorships allow great interactivity because many firms build synergistic partnerships to provide useful content.

**Mobile advertising**- as we all know, smart phones and cell phones are acquiring high penetration rates. Mobile internet usage is growing day by day. More and more people are accessing internet through their mobile devices. In order to take the advantage of this popular

medium, advertisers can use various formats available to them for mobile advertising, such as, . display ads of banners, short message service(SMS), video ads, voice ads etc.

### **Social Network Advertising**

Social network advertising is a form of online advertising found on various social networking sites such as Facebook, Instagram, Twitter etc. Advertising on such networks can take the form of direct display ads posted on social networks. Facebook and Instagram does have its advantages as it uses an advertising system that is very simple to implement and offers a wide scope of coverage. Only Facebook and Instagram users that are within the specific demographic selected will be able to see the advertisement. This helps to narrow down the specific target audience, who will be interested in advertisements and helps marketers in not wasting their money on people who are not going to be interested in what their website has to offer.

### **Affiliate Marketing**

Whether it is for physical products or in digital information products like e-books and other courses, affiliate marketing is a great form of online advertising. In this case marketers affiliate with other websites and promote their goods from there. The major advantage is that they don't actually have to pay their affiliates a commission until the sale is made. If marketers succeed in promoting their affiliate program in the appropriate marketplaces, then these affiliates can do most of the legwork for their associates like using pay per click advertising, and ultimately driving traffic to their product in a number of ways.

### **Pay-per-click (PPC) Advertising**

Pay per click advertising is a new form of advertising online. In this case, a relevant text ad with a link to a company page is displayed when the user types in a specific phrase at search engines. A series of text ads usually labelled as 'sponsored links' are displayed on the right-hand side of the search engines, pages. Unlike conventional advertising, an advertisers doesn't pay when the ad is displayed, they only pay when the ad is clicked on which then leads to a visit to the advertiser's website- that is why this is called` pay per click. Most clicks result in a visit to the site, although there may be a small attrition, that cannot be controlled but marketers have to be aware of it.

Pay per click advertising is an excellent alternative for companies who have the financial resources and can make an investment in order to bring targeted traffic to their websites. Like SEO traffic, Google AdWords is considered targeted because people are actually typing in

keyword phrases that are relevant to the products and services they are searching for before clicking on their advertisement. This can bring a flood of traffic to the online business very quickly, and this is an excellent choice as long as marketers are able to turn it into profit.

### **Online PR**

The **Collins English Dictionary, 12th edition (2014)** describes 'public relations' as *'the practice of creating, promoting or maintaining goodwill and a favourable image among the public towards an institution, public body etc.'* In order to maintain goodwill and image of an organisation, it is becoming important for them to take the help of various social media sites. Moreover, in the 21st century, public relations goes beyond promoting goodwill and has the responsibility for responding to or defending the goodwill from the events, actions or stories that might damage its reputation or brand which is discussed online. Up until the last decade, newspapers, television and radio used to be the only medium used by press and consumers to convey product reviews. Internet technology and its use have led to PR being made available to marketers beyond the close-knit society that is: off-line public and press relations.

It has also diluted the PR's role as the 'gatekeepers of access' that representatives of offline media had over the dissemination of information. Prior to the Internet, the organisation's PR staff or agents would have a list of journalists to whom they could pass their carefully prepared releases. It was at the mercy of those journalists whether they would like to publish that press release or not, from where the general public might read it. Nowadays, however, the release can be made available to the general public from the company's website itself, which will undoubtedly help spread the message further and faster. The online team can also get the attention of those publishers and bloggers that are prominent in the marketplace or environment relevant to their story. Effective press-releases require targeting to the segments that are receptive to the messages sent by marketers. If they get that right, they are going to benefit from both the PR exercise and the incoming links to their website.

According to the **Direct Marketing Association**, *"as marketers gain a better understanding of their ROI, they have begun to allocate more resources to online site development and customer engagement than to promoting their websites as the way to increase their profitability. Improving the customers' experience online is now a priority."*

## **Difference between online PR and traditional PR**

Ranchhod et al. (2002) identified following differences between online PR and traditional PR listed as under:

1. **The audience is connected to organisations-** previously there was detachment- PR people issued press releases which were distributed over the newswires, picked up by the media and then published in their outlets. While initially the communication channel was unidirectional. The institutions communicated and the audience consumed the information. While, in online PR, there is two-way communication. the audience can also convey their viewpoint to the institution and vice versa.
2. **The members of the audience are connected to each other-** with online PR, a company's activities can be discussed and debated over the Internet, with or without the knowledge of that organisation. Everybody is a communicator and the institution is just a part of the network.
3. **The audience has access to other information-** often in the past, the communicator was able to make a statement where it would be difficult for the average audience members to challenge. While, it takes a matter of minutes to access multiple sources of information over the Internet. Any statement made can be dissected, analysed, discussed and challenged within hours by interested individuals. In the connected world, information does not exist in a vacuum.
4. **Audience pull information-** previously there were limited channels in terms of television and press to share the information with people. But today there are many sources and channels of information from which audiences can pull the required information. Moreover, it is easier for public relations practitioner to make a message stand out through various possible sources.

## **Conducting Online PR**

The various activities which are performed for conducting online PR are listed as under:

1. **Communicating with media online-** communicating with media online uses the Internet as a source to disseminate the press releases through e-mails or through website.
2. **Link-building-**link-building is a key activity for search engine optimisation.
3. **Online events-** online events are designed to generate user interests and draw traffic to a site. Companies can hold seminars, workshops and discussions online. They use forthcoming events as legitimate reasons to send e-mails to potential as well as existing clients. Holding online events in which clients get to 'talk to' senior or prestigious people may be seen as one more

valuable reason for being a client of particular organisation. It also saves considerable time and cost compared to holding or attending a physical seminar.

4. **Blogs and RSS**- blogs give an easy method of publishing web pages which are best described as online journals, diaries or news or events listings. Business blogs are created by people attached with an organisation. They can be useful in showing the expertise of those with an organisation, but need to be carefully controlled to avoid releasing damaging information. Really simple syndication (RSS) is an extension of blogging where a blog, news or any type of content is received by specialist reader software such as RSS reader. It offers a method of receiving news that uses a different broadcast method to e-mail, so is not subject to the same conflicts with spam or spam filters. RSS feeds can be offered so that both traditional and social media journalists can monitor content and write about it on their own sites and blogs.

4. **Managing how your brand is presented on third party sites**- 'maximising favourable mentions' implies minimising unfavourable mentions of your company, brands, products or websites and on other third party websites. So, online reputation management is an important part of online PR.

5. **Create a buzz**- these days some of the companies move news, which includes information or announcement about their brand online through various portals. Since users access news through online medium, some of the companies prefer releasing news about their brand through their websites. They can also send them electronically via e-mail or web to media firms for publishing. They also make them social media friendly so bloggers and others can write about the news. The resulting brand publicity is the result of the companies' marketing public relations strategy.

6. **Social media**-various social media platforms, such as Facebook, Instagram, Twitter, Pinterest and Snapchat etc. have added another interesting dimension to online PR. People can post photos of just about anything, including a product malfunction, and an online PR crisis can develop within hours. At the same time, there are many positive ways also to build a buzz online using PR. Viral marketing, customer-created ads, and other ideas can help companies build a buzz. Companies can provide engaging, fresh content on websites and their social media pages to draw traffic and repeat visits. They can create exciting videos and let them go viral.

To conclude, web addresses should be coated for all on-line PR activities to complete the campaign objectives in driving traffic to the site. It can be rightly said that, whether companies

use online advertising or online PR activities, it all depends on the return on investment (ROI). The amount invested in these activities have to be realised by companies than only they continue with such decisions. The ultimate measure of success for a campaign is defining the return on investment that it brings. Without a predefined and well-planned measurement framework in place, the investment does not make any sense. Beyond simply measuring the uplift in social engagement (increase in followers, likes, comments, etc.), brands also need to invest in brand tracking, conversion tracking and sales measurement to be able to quantify the impact of the advertising or PR campaign.

### **New and Reputation Management**

It has been a common practice for an organisation to keep track of how its brands or products are depicted in the media and is being perceived by consumers. Prior to the Internet, companies used to keep track of local newspapers, television channels and radio news and current affairs programmes to note as to what kind of information about their brand is being shared by people around. However, these days there are various social media platforms, where the company's product is being discussed and both the positive as well as negative feedback can come into circulation. Negative issues might arise online in a number of ways, including:

- ❖ **Detrimental feedback** on forums or review sites.
- ❖ **Cyber-bashing** sites.
- ❖ **Negative blog posts**- or damaging comments added to posts that originally take a neutral or positive stance.
- ❖ **Logo infringement**-bids on trademarked terms in pay per click advertising.
- ❖ **Negative social network** groups

So, it is possible that a negative product review can go viral in days damaging the goodwill or prestige of the organisation. There are various softwares available to the PR professionals to track what is being said online. The process can be carried out in-house or out-sourced to the specialist firms.

### **Process of Reputation Management**

Either way an effective reputation management process would include the following:

1. **The collection of data**-this could be from various online platforms, such as, blogs, forums, review sites and message boards for user generated content, news and magazine sites and PR newsletters of professional journalists.

2. **In the process stage** useless data or irrelevant information should be discarded. Useful data is processed into logical groups for analysis.

3. **The data is analysed** in the light of its relevance, popularity and the influence of its author or the web presence that hosts it. Reports and then developed that can be made available to the decision makers.

4. **Action**-an immediate action is generally required in online problems, as such messages spread like fire. The reputation management team is generally authorised to react fast and take an immediate action.

So, ultimately it is the responsibility of the PR people to handle such situations effectively. They should always be ready with the prepared web content, PR releases, blog content, email messages, and FAQ pages to spread positive word-of-mouth through various social media platforms from time to time. Another aspect to be taken care of is that the online PR needs to be complemented successfully by offline PR as there are various problems which can be handled effectively only offline. So proper coordination between the two is must.

It is important to find out the various possible sources from where online PR news releases, blogs or emails can be sent to the consumers. Except their own website, it is important for PR people to identify the exact source from which they should transmit their release carefully keeping in mind the source's readers. It is equally important for marketers to carefully prepare releases keeping in mind the fact that their release should benefit the SEO of the organisation, therefore they should also be written with key word inclusion as a priority. Moreover these releases should be directed to all, including the journalists as well as the common consumers. While doing the reputation management, it is important for the companies to weigh the cost-involved with the potential damage to see whether it is worthwhile. They should also monitor the web carefully and decide clearly whether they will be able to manage reputation in-house or would like to outsource it.

A final point worth mentioning is that it's not only their own brand or organisation's online reputation that is worth tracking- rather equally important is to find out as to what people are saying about their competitor's reputation. It might not be very ethical but at times, when the competitor's public image is tarnished because of some news, the organisation can take the advantage of such slip and benefit a lot. For example, recently Yippi noodles took the advantage of the drop in the sales of Maggi noodles due to the controversy which aroused.

## LET US SUM IT UP

- Online advertising is the use of a company web site in conjunction with online promotional techniques such as search engines, banner advertising, direct e-mail and links or services from other web sites to acquire new customers and provide services to existing customer.
- There are number of advantages of internet advertising, such as, specific messages, target marketing, 24\*7 interactivity, and enhanced client engagement.
- Internet advertising suffers from certain disadvantages also, such as, clutter, intrusion in privacy of users, poor reach and irritation factor.
- Online advertising includes display advertising, mobile advertising, pay per click advertising affiliate marketing, e-mail advertising, sponsorships and social networks.
- Online public relations is defined as the practice of creating, promoting or maintaining goodwill and a favourable image among the public towards an institution, public body etc. with the help of internet.
- Online PR is carried out through various media options, online events, blogs , RSS, and various social media platforms.
- It is important for an organisation to keep track of how its brands or products are depicted in the media and is being perceived by consumers
- On various social media platforms, the company's product is being discussed and both the positive as well as negative feedback can come into circulation
- An effective reputation management process involves collection of data, process, analysing and taking appropriate action.
- While doing the reputation management, it is important for the companies to weigh the cost-involved with the potential damage to see whether it is worthwhile.

## QUESTIONS FOR REVIEW

1. "Online advertising represents a remarkable opportunity for businesses to communicate with new and existing markets in a very integrated way", do you agree with this viewpoint, support it with logical explanation and examples.
2. Critically examine the significance of advertising through internet. Support your viewpoint with real life examples from the corporate world.
3. What are the various types of ads given on the internet? explain
4. "Pay-per-click advertising benefits the e-marketers as they are paying only for those ads which are clicked," do you agree.
5. "In order to face the cut-throat competition in the markets, marketers have to support their offline advertising with the online ads," give your perspective on this and support this with logical explanation.
6. "Public relations goes beyond promoting goodwill of the company and has the responsibility for responding to or defending the goodwill from the events, actions or stories that might damage its reputation or brand," explain the concept and significance of public relations in the light of this statement.
7. What are the various activities conducted to manage the online PR? Which one you think should be most effective?
8. "Handling PR through traditional way is different than handling it online," do you agree, explain.
9. Social media platforms are making the job of handling PR more difficult and challenging. How?
10. How is managing news and reputation of companies becoming difficult? What are the various reasons because of which a company's reputation can get damaged?
11. Explain the process of reputation management. How is it so significant?
12. Write short notes on the following:
  - (i) Blogs and RSS
  - (ii) Creating a buzz
  - (iii) Mobile advertising
  - (iv) Social media advertising
  - (v) Affiliate marketing