Internet Advertising

- Very immature industry
- Rapidly growing but poorly understood

Traditional advertising
- one way communication
- targeting can be difficult

Internet advertising
- potential for two-way communication
- targeting is much easier
Why Advertise on the Internet

- The goal of advertisers is to reach their target audience
  - Television viewers are migrating to the Internet
  - The Internet is the fastest growing medium in history
  - Attractive demographics
- Advertisements can be updated rapidly and cheaply
- Advertisements can be global
- Internet advertising is cheap in comparison with most conventional media
Targeted Advertisement

- Traditionally expensive (researched mailings)
- DoubleClick (www.doubleclick.net)
  - Dynamic Advertising Reporting and Targeting (DART)
  - DART builds a profile of visitors to any of DoubleClick’s client sites
    - Examines client’s server logs
    - attach a unique ID to people who visit any of their sites
    - build a personal profile of interests
Types of Internet Advertising

- E-Mail
- URL
- WWW Banners
- Spot Leasing
- Splash Screen
- Chat Room Sponsorship
E-Mail Advertising

- **Mailing Lists**
  - Very low cost
  - Easily amenable to targeting
  - Build loyalty with special offers
- Very effective when solicited and carefully targeted
- Utterly ineffective when not carefully targeted
- Unsolicited e-mail (spam) is a serious form of network abuse
URL Advertising

- A memorable URL can be a powerful advertising tool in its own right
  - www.lastminute.com
  - www.student.com
  - www.yahoo.com
  - www.hotmail.com
- Much of the associated advertising is free (e.g., search engine listings)
- Well-chosen URLs are self-targeting
- URLs can be valuable commodities in their own right
WWW Banners

- Graphic display on a web page linked to the advertiser’s page

- Types of banners
  - random banner
  - keyword banner

- Economics
  - Banner purchase (charge may be based on display or click-through)
  - Banner swapping
  - Banner exchange
Spot Leasing

- Some sites provide a space on their site that can be leased for a given period of time.
- Not targeted, so only effective on extremely high traffic sites (e.g., major search engines).
- Extremely expensive for high traffic sites.
Splash Screens

- Initial page displayed before access to the main site is granted
- These pages are often expensively-designed with attention-catching effects
IRC chat rooms are commonly used by groups sharing a specialist interest

- Hobbyists
- Political activists
- Self-help groups

Chat servers are often sponsored by advertisers

- Usually the sponsors provide the server as a “service” to the target community

For example, Mattel sponsored Barbie chat rooms(!)
Challenges for Internet Ads

- Many are free
  - No one values them!
- Credibility
  - Users distrust internet ads
    - History of scams, bad customer service, bad products
- “Noisy”
  - Many ads are irritating
    - At best, users tune them out
    - At worst, users leave the website!
      - Some utilities will screen them out – Tivo for the internet!
Jargon

- **Hit**
  - A recorded HTTP request for delivery of a file

- **Click Through**
  - When a user follows a link to the advertiser’s page

- **Click Ratio**
  - The proportion of impressions that result in click through