

Online advertising catching up fast



By Vignyan Arya on Sunday, March 30, 2008

Online advertising had a late start, but is fast catching up with numbers multiplying rather than just adding. Considering the complexities of the web world, advertising on the net is still in the process of maturing despite the internet being active for more than 20 years.

Large brands are still wary of the reach of this grooming medium and media planners confirm by and large, online advertising has confounded big brand advertisers to date. This is clearly evident by the media spend that they allocate to the web world.

Most international brands may invest heavily in the digital presence (websites and cross promotions), but the ad-spend percentage on the internet is still no more than in single digits.

According to Nielsen Online, the web only represented 6.7 per cent of all ad media spending as of October 2007. And if you were to compare the top 20 advertisers in the world to its top 20 online advertisers, they would be very different.

Research and analysis on the subject reveal brands do realise the potential of the internet as a very good direct response medium and it generates better results at a micro target level than at mass targets. Advertisers do want to reach out to as many people as possible but at the expense of their ad dollar.

They conduct vast amounts of research to understand what makes their likely buyers tick and

how best to reach them, often translating research results into psychographic profiles.

These psychographic profiles have proven to be powerful predictive models for buyer behaviour, so the company sets out to find a way to harness the web and marry it to psychographic profiling.

A US-based international research company has defined psychographic profiles based on 20 personality traits, such as spontaneity, self-esteem and modesty among others, and is planning to implement this worldwide. The personality traits are defined and evaluated on the basis of a pre-defined mechanism and can be implemented to any branding exercise from any sector.

After evaluation, once a desired mindset has been established, the advertiser can make a simple ad buy through its network, which then delivers ads to the appropriate mindset users, who are identified via flagged cookies. This puts less emphasis on the creativity of advertisements as the target audience is defined and message conveyed to them in a direct manner as a cookie.

This kind of targeting helps the brand advertiser stack the ad buys with impressions more likely to reach users with an affinity for the brand, thereby reducing waste, increasing appropriate reach and removing the guesswork that comes with demographical targeting.

It may seem same as behavioural targeting, but COO of Mindset Media Sarah Welch clarifies, saying: “Behavioural targeting waits for someone to ‘trip a trigger’, that tells the ad server they’re likely to act, whereas mindset targeting doesn’t have to wait for that trigger to happen.

“Mindset targeting is better to build awareness and seed visibility; behavioural targeting works better at the bottom of the funnel, when you want to reach someone ready to buy.” Personality profiling certainly brings up another whole level of concern.

Welch acknowledged this issue’s sensitivity and that “safeguarding consumer privacy is crucial”. The agency does not use any personally identifiable information from online users to deliver its ads, it offers an opt-out programme for users, who do not wish to participate in its ad network.

Mindset Media campaigns will officially launch in the United States after May and will follow suit with business partners across the board.