Ads On The Internet Essay, Research Paper

ADS ON THE NET Introduction The Internet is still in its infancy as an advertising medium. Ad spending on the Internet is low compared to traditional media. However, advertising on the Internet is gaining in popularity as advertisers recognize its enormous marketing potential. Through its phenomenal growth rate it should soon emerge as a prominent advertising medium. Internet advertising is best suited for products and services that target those who use it. According to Web user surveys, the typical user is a highly educated, thirty-five year old male, with an average income of about $60,000. Recent surveys do show, however, that user demographics are moving closer to the characteristics of the general population. There are primarily two segments of users: students or recent graduates; and professionals, scientists, and educators. The typical Web user has a large amount of disposable income that represents a large sales potential. This is one of the principal factors that draw advertisers to the Web. Forms of Ads used on the Net There are currently three main forms of ads being used on the Internet. These forms are banners, sponsorships and interstitials. The first form of Web ad, and the most commonly used today, is the banner ad. A banner is basically a tiny billboard or electric print ad. It was originally small and simple, allowing quicker downloading. Recently, a growing number of banners include some type of animation that slow downloads considerably. The latest banners feature pull-down menus that interact with the user to personalize the message. In a sponsorship, the sponsor pays for the right to have his name in a fixed location on a page. The subject matter of the page relates to the sponsor’s product, to build an association. One of the primary functions of the sponsorship is to build a products’ image through repeated exposure. An interstitial is an ad window that pops up onscreen as the user moves between pages or downloads files. The interstitial ad usually incorporates complex animation, and is the most annoying and intrusive form of Web ad. It can drastically lengthen download time, particularly if the user has a relatively slow modem connection. A simpler ad that loads faster, has a higher likelihood of being seen because it will appear before the user clicks and moves to the next page. Geocities – “The Largest Community on the Web” One of the largest sites on the Web is Geocities. Geocities consists of 40 “communities,” or areas. Each of them is based on a different theme, such as: music, television, sports, finance, and politics. This format shapes the site’s content and gives the user a sense of familiarity and comfort. It also creates an advertiser’s dream where users with common interests can easily be targeted. Geocities is not overloaded with graphics or complex, animated ads. This speeds up site navigation and is appealing to users with slow, primitive hardware. Their site features pages that would appeal to a wide variety of interests, but its conservative design suggests they are primarily targeting an affluent audience. The ads found here appear as somewhat valuable and informative and not particularly irritating because, unlike some other forms of media, they can be avoided. Ads used on the Geocities site Geocities major advertisers are amazon.com (books), First USA (credit cards), CD NOW (music), and Surplus/Auction (computers). These advertisers are Geocities sponsors and have ads on every page throughout the site. There are also many other advertisers. They generally appear on pages with subject matter that in some way relate to their product. If you click on Investing, a John Hancock insurance ad appears. Clicking on Health & Fitness brings up an ad that links with onhealth.com. The Shopping page features an ad that links to artuframe.com, which is an on-line art and framing supergallery. The ads change frequently so daily visitors are not facing the same ads repeatedly. The ads used on Geocities are most often banners, and are found at or near the top of each page. The home page has four banners, representing the four major sponsors, placed side-by-side near the center. Many pages feature one large banner along the top. Ads are found on all pages throughout the website. Since the advertising message frequently relates to the subject matter, the ads are more effective. The banners are properly sized and strategically located to gain attention. In an attempt to arouse desire, some of the ads use visual cues that instruct you to “Click Here” to obtain more information. The ad is usually a link; clicking on it takes you to the advertiser’s website where you can learn more about the product. Some ads are animated to increase the likelihood that the ad will attract your attention. Various techniques are employed, including: scrolling text, flashing text, and even revolving the entire banner. However, these sophisticated animation techniques slow processing considerably. The ads that feature pulldown menus can draw a user in with a personalized message. These ads try to involve the user and shift his or her thought process to the advertiser’s message. What advantages does it offer over other media? We are witnessing a tremendous growth in the utilization of the Internet for product information. Advertisers have begun to capitalize on this by incorporating this medium into their marketing mix. The Internet offers several major advantages over traditional advertising methods. Web ads enhance a firm’s technological image. Studies have shown that Internet users view companies that advertise on the Web as high tech, sophisticated, consumer-oriented, and successful. Internet ads are comparatively less expensive than other media. A recent analysis of marketing costs found that conventional marketing is four times more expensive than Net ads. The capacity to measure impact sets the Internet apart from other media. Audience size for television can only be estimated, and impact cannot be determined. The number of click-throughs, page views, and time viewed can all be measured with Web ads. Internet audience measurements are more precise and meaningful than any other media.

The global reach of the Internet gives it an advantage over other media. Geographic location advantages are neutralized. The global marketing of products and services can be done quickly and requires minimal resources. Conventional advertising requires much greater resources and would often be cost prohibitive, especially for smaller firms. The Internet is valuable in attracting initial consumer interest and conveying a brief message. It currently functions as a compliment to traditional advertising. The primary advantage of Internet advertising is its ability to provide detailed information, once initial interest is triggered by conventional advertising. Its real power lies in its capability to interact with the consumer, and to instantly provide almost infinite layers of detail about a product or service. The Internet enables advertisers to efficiently communicate with their target audience. The Internet’s effects on marketing and advertising will be particularly intense because the Internet is changing the basic balance of power in mass communications. Unlike any previous mass media, the Internet is fundamentally decentralized and inexpensive. The Internet makes it possible to give consumers detailed information on products that thirty second television commercials and newspapers could never provide, and at a price the networks and newspapers could never match. As a result, television network and newspaper ratings should continually erode. Still, many advertisers feel that the Internet has some barriers to overcome before it can reach its full potential. Two of its largest barriers are limited consumer access and limited computer capabilities. For example, not all companies target the typical Web user and are not confident they could reach their target consumers through the Internet. These barriers should disappear in time as technology advances and more consumers gain access to the Internet. What does the future hold? Once the infrastructure and hardware are improved by technological advances, the Internet will lead us into a brave new digital world. The computer will be fully integrated into our lives. Ads will be multifaceted, video-intensive, high fidelity, full of product demonstrations and ready to complete the transaction. The most obvious change in advertising will be in what consumers see on their screens. Ads are likely to change in terms of their content, the type of customization they employ, and their delivery to the consumer. The Internet is already changing consumers’ buying behavior, particularly for car purchases. Consumers easily access product information before they purchase a car. The development of new technologies such as virtual reality, combined with a growing consumer preference for material that is directly valuable. The types of ads that evolve may be experiential, transaction-oriented, and have sponsored content. Experiential content will allow consumers to experience the ownership of a product or service. Virtual reality technology will allow consumers to feel as though they are walking down the aisles of a grocery store or test driving a new car. Transaction-oriented content will invite consumers to purchase directly from an ad. Advertising content will be increasingly oriented toward transactions. The ability to immediately complete the sale from the ad will reduce the chance of losing sales to competitors. Use of sponsored content will make it difficult for consumers to differentiate between editorial matter and advertising. Many advertisers will sponsor information resources that include hybrid commercial-editorial content. Banners with streaming video were introduced in 1997, but they were unpopular because of bandwidth limitations and viewer impatience. As technology advances the capabilities of the Internet, miniature video ads will probably be reintroduced and become commonplace. Advanced technologies will enable advertisers to constantly monitor the entire Internet, and customize their advertising accordingly. If the topic of discussion in a chat room relates to an advertiser’s product, a customized ad could be immediately delivered to the participants. This approach would likely meet much resistance, because of its many social and legal issues. Technology is being developed to locate interested users through their searches. Today, advertisers cannot reliably determine how many people are viewing their web ads. Technology is currently being developed that allows advertisers to track exactly how many users are viewing their ads, giving them feedback regarding their effectiveness. Technology is also being developed that observes users’ behavior searching and exploring while on-line. The users’ data will be accumulated and stored in a database. This technology will allow advertisers to specifically target their ads to interested and receptive consumers, and identify web locations for future advertising. As these technologies advance, more advertisers will take advantage of the unique capabilities of this powerful media. In the future, we can expect to see heavy advertising by providers of intangible products. Financial services, insurance services, travel reservations, information services, computer software, computer games, are all examples of products or services that can be wholly or largely distributed through the Internet. Perhaps one day, music and video entertainment will be distributed through the Internet. The Internet is a vast new distribution system for these providers of intangible products. Consumers all over the world will be able to buy these products and have them delivered almost instantaneously. In summary, the strategic implications of the Internet are far-reaching for global commerce and marketing. The Internet will become the major source for product information, replacing the salesperson. Internet advertising will account for a growing proportion of overall advertising expenditures and become an integral part of marketing. It will replace or compliment other forms of marketing, and become as important as television advertising.