

BRANDING OUTSIDE THE BOX

Think brand advertising, and many advertisers still think TV alone. In fact, despite the fact that online media usage now surpasses TV rates, there remains a disparity between media usage and ad spend, with just 6% of media budgets allocated online. TV consumes 43% of ad spending – even in the world of TiVo.

But advertisers are beginning to recognize that the precision, accountability and sophistication of online advertising offers brand marketing possibilities that simply aren't available from TV. Online advertising has the power to turn old-school brand advertising into a new kind of performance-focused, response-based approach to brand-building.

BRANDING WITH ACCOUNTABILITY

Advertisers have long held direct-response advertising and brand advertising to somewhat different performance standards. Branding campaigns seem to live by their own set of rules – with far less accountability or measurability.

But with the tools and technologies available to advertisers online today, this distinction should be put to rest. We live in an era where all advertising can be measured and every campaign can be held accountable for bottom-line results for the advertiser. Call it direct-response or call it branding, advertising's job is to generate business.

Sophisticated creative formats, increased online media usage by consumers, increased broadband penetration and other trends clearly put online marketing on par with TV in its ability to engage consumers at an emotional level. And with its targeting and measurement leadership, it can take branding to a level TV simply can't offer. Online advertising makes it possible to run brand-focused campaigns that are held accountable to specific performance standards as defined by the advertiser – such as lift in awareness or favorability, consumer actions or sales. Indeed, advertisers who can get past the branding-equals-TV mindset have the opportunity to create a whole new kind of relationship between consumers and their brands.

UNPRECEDENTED TARGETING

Targetability is one of the most compelling advantages of online brand advertising. While TV relies on pre-defined metrics that merely approximate who the audience will be, online delivers much more sophisticated ways of reaching a specific audience defined by demographics, behavior and other factors.

An intriguing example of how online targeting addresses longstanding drawbacks to TV advertising is its ability to get around inventory constraints. On television, if a program is sold out, it's sold out – often many months in advance. Online, too, certain content can sell out quickly. The Wall Street Journal reports that websites offering car-buying tips are booked so far in advance - up to 18 months in some cases - that they are selling ads for next year in a process similar to the way network TV spots are sold.

The difference is that with network behavioral targeting, advertisers can reach content-specific audiences even when the content is sold out, because the audience can be targeted on other sites around the network. That means an advertiser can advertise to consumers who have surfed a particular automotive site without advertising on that site itself. This gives marketers already buying space on auto sites the ability to extend their engagement with the desired audience.

THE POWER OF VIDEO

Video enables online advertisers to engage consumers with the same power as TV. According to Lee Westerfield, a media analyst at Harris Nesbitt, video is the fastest-growing major segment of Internet advertising, consuming dollars that would likely have been spent on traditional advertising.

Broadband penetration continues to grow, with over 105 million broadband users in the US in 2005 according to eMarketer. This means more consumers can view video content online, and more websites will be supporting video content. eMarketer estimates that US spending on Internet video advertising will increase by 71% in 2006 to reach \$385 million.

And while TV viewers are increasingly able to avoid commercials via DVRs or channel surfing, the variety of video formats available online gives advertisers more creative and seamless ways to link advertising to content. For example, in-banner ads can run within a box on a web page, or interstitial ads can appear between page displays. Pre- and post-roll formats are especially popular because they run in conjunction with video content that consumers specifically request.

RICH MEDIA

Even without video, online creatives are becoming more compelling thanks to ongoing advances in rich media. By incorporating animation, sound, video and/or interactivity, rich media provides measurable lifts in brand awareness, favorability, purchase intent and message association over non-rich media ads.

Marketers and publishers are recognizing the power of rich media in branding and are embracing it as a more mainstream creative format. eMarketer projects that rich-media spending will reach over \$2B by 2008 - up from around \$1B in 2005.

MONITOR, MEASURE AND OPTIMIZE

Developments such as the rise of video and rich media plus the ability to target with immense flexibility give online advertisers all the brand-building power of TV - and then some. But what really tips the scales is the ability to accurately monitor and measure performance online.

Branding online, marketers know exactly who (from an anonymous demographic or behavioral perspective) saw an ad, how it impacted them, what actions they took as a result and what creative format worked best. Best of all, these findings can be used to easily refine campaigns on the fly. While tweaking a TV campaign can be like turning a barge, doing it online is more like maneuvering a jet ski.

NEXT-GENERATION BRANDING

With new tools and technologies in place and with the undeniable efficiency, precision and accountability of online advertising, brand advertising is entering a new phase. Performance-minded advertisers will be wise to extend their brand campaigns out of the box and onto the Web, where accountable brand advertising is truly possible.