

# The link between ad placement & performance

In this paper, Casale Media demonstrates with the support of hard data captured on its own network, MediaNet, that advertisers need to carefully scrutinize where exactly their ads get displayed to maximize the efficiency of their media spending online.

## **Executive summary**

To advertisers disconcerted by the abundance of channels available to deliver online display campaigns, this study offers simple pointers based on the hypothesis that not all impressions are created equal.

Three criteria relating to the serving of online banner ads were examined: placement relative to the page fold, moment of delivery within a user's session and frequency of exposure.

Significant performance lift was observed for delivery above-the-fold, early session placement and repeat exposure of at least five times, leading to the suggestion that careful review of a supplier's offering in this light may provide an effective way for advertisers to minimize media waste and improve their campaign ROI.

## Introduction

Few would argue with the premise that advertising is all about capturing the attention of one's audience. Yet online, some advertisers tolerate the distribution of their ads to places where they have virtually no chance of ever being *seen*, let alone clicked, remembered or even subconsciously noticed.

This waste of media not only costs in terms of the time and budget devoted to creative production, but it also impacts raw campaign ROI. And in these times of intense competition and economic stress, where the motto "do more with less" increasingly guides spending on everything from corporate entertainment to energy consumption, marketing can not afford to buck the trend.

In an attempt to provide some guidance as to how to avoid such waste, we set out to test the hypothesis that not all impressions are created equal, by evaluating the effect of three ad placement variables (page positioning, view order and frequency) on campaign performance (quantified in terms of click and action rates).

## Methodology

The study findings were compiled using a random sample of almost **two billion impressions** generated during the first quarter of 2011. All impressions sampled went to performance-based campaigns running Flash-based creative. All creative clicked through to simple, one-step actions (e.g. newsletter sign-ups). Click and action counts were recorded by Optimax, Casale Media's proprietary ad serving technology.

Three ad delivery parameters were examined in an attempt to evaluate their influence on the number of resulting clicks and actions:

- Page positioning (above/below-the-fold): advertising delivered above the website fold is visible as soon as the page is loaded, i.e. scrolling is not required. We endeavoured to establish whether or not placement of an ad above the fold resulted in any significant performance lift for advertisers.
- View order: ads are assigned a ranking according to their order of delivery within a user's session, e.g. the very first ad to be delivered is considered to be in "first impression" position. View order relates to where in the "tail" inventory is positioned, e.g. early impressions are considered to be "short tail", while impressions delivered late in a user's site browsing session would be considered "long tail".
- Frequency: this refers to the number of times an ad is shown to a user over a fixed period of time. We examined the data to establish the effect of repeated ad exposure on campaign performance.

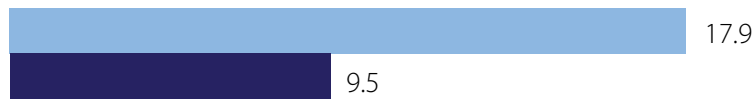
## Results & interpretation

### Above-the-fold is a must for branding

Our analysis revealed that when displayed above-the-fold, ads are almost 7 times more effective at generating a click than ads delivered below the fold. The ratio is virtually identical when considering whether an action was completed. These results support the findings of numerous studies based on eye tracking data, according to which users spend the vast majority of their time looking at information positioned within a page’s initially viewable area.

*Do ads delivered above-fold get better traction?*

Above



Below

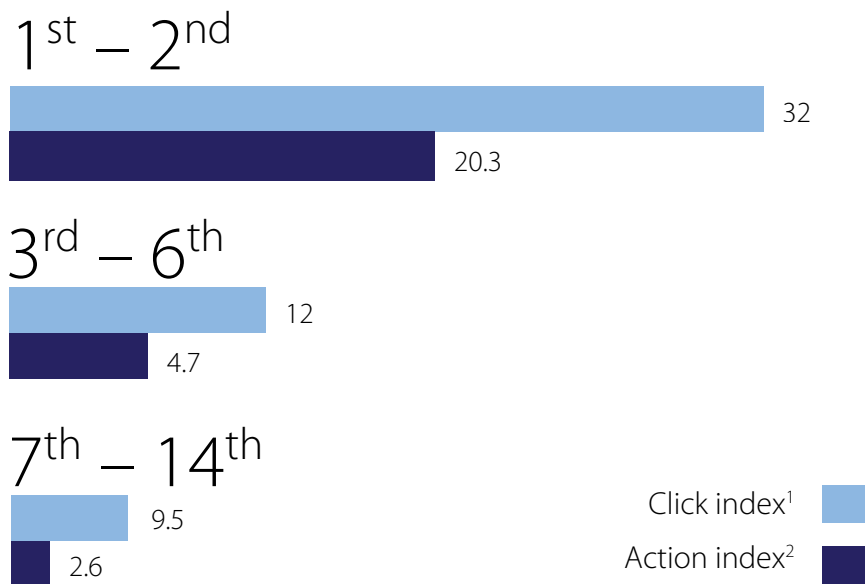


Page position	Impressions	Clicks	Actions
Above fold	1,728,347,297	3,094,349	164,169
Below fold	54,087,739	14,264	742
Unknown	120,402,698	17,705	772
<b>Total</b>	<b>1,902,837,734</b>		

### The early bird catches the worm

We segmented the view order of the impressions sampled for this study into eight different tiers ranging from 1<sup>st</sup>-2<sup>nd</sup> position to 255<sup>th</sup> and beyond. The data corresponding to each tier shows that both click-through and action rates decrease rapidly as users progress through their online journeys: ads ranking in 3<sup>rd</sup> to 6<sup>th</sup> position see their click and action rates plummet compared with ads showing as 1<sup>st</sup>/2<sup>nd</sup> impressions (almost 3-fold and more than 4-fold respectively).

*Do ads shown early on perform better?*



View order	Impressions	Clicks	Actions
1 <sup>st</sup> – 2 <sup>nd</sup>	655313282	2095995	133175
3 <sup>rd</sup> – 6 <sup>th</sup>	398362243	479545	18841
7 <sup>th</sup> – 14 <sup>th</sup>	286068413	271858	7468
15 <sup>th</sup> – 30 <sup>th</sup>	202354583	162232	3305
31 <sup>st</sup> – 62 <sup>nd</sup>	123788168	67707	1124
63 <sup>rd</sup> – 126 <sup>th</sup>	47171268	14327	216
127 <sup>th</sup> – 254 <sup>th</sup>	10865305	2231	36
255 <sup>th</sup> +	4424035	454	4
<b>Total</b>	<b>1,728,347,297</b>		

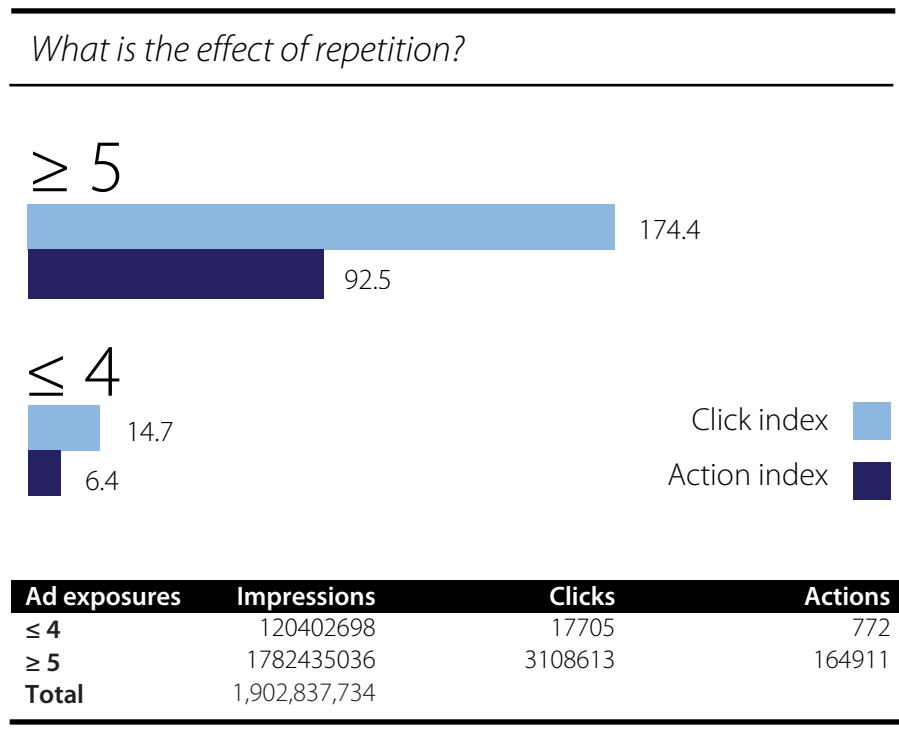
This data suggests quite clearly that as users are exposed to more and more ads within their browsing session, those ads become less and less effective at capturing the user’s attention, to the point of oblivion (a.k.a. banner blindness). The earlier an ad is shown to a user, the more likely it is to be noticed and therefore, effective.

This echoes a common practice in print advertising, where “early” pages, situated near the main editorial content, carry a higher advertising rate. Interestingly, the data above shows that there is still value to

extract even from very low ranking impressions. Although these will makeup some proportion of any inventory, they should be excluded from cases where an advertiser buys and values campaigns based on exposure alone.

### Repetition pays

It has been said that it takes nine times for a marketing message to move a prospect from a state of total apathy to purchasing readiness. The results of this study certainly lean in the same direction, as both click and action rates dramatically increase, almost 12- and 14- fold respectively, for ads that have been shown 5 times and over.



As in offline advertising, several exposures are required to achieve some degree of familiarity and to register with users. However, it is also a well known fact that over-frequencied ads can be counterproductive. To mitigate the effect, "frequency capping" mechanisms may be implemented to limit the number of times an ad is delivered to the same user or "frequency optimization" to determine the optimal cap for a specific campaign.

## Further considerations for branding-focused advertisers

High visibility has its caveats, as we already know from phenomena like “banner blindness” and “over-frequency.” Therefore, paying particular attention to the environment where ads eventually appear is essential to the success of any branding exercise online, as even when visible, impressions can still be wasted:

- **Clutter:** an excessive number of ads on a page create visual noise that even the best creative will have trouble overcoming. Share of voice (SOV) is reduced and hence the chance of being noticed.
- **Engaging content:** users immersed in their experience (e.g. photo gallery) are all the more likely to ignore any secondary content (i.e. advertising).
- **Auto-refresh:** some sites use an auto-refresh mechanism to force a page refresh at regular intervals. While this may help keep static page content current, it has a downside for advertisers, whose ads may be displayed in a vacuum should users step away from their screens while leaving their browsers open.

## Final thoughts

The fragmented nature of the online display advertising industry does not make it easy for advertisers to devise effective plans for their branding strategies online. However, relying blindly on a single indicator, such as a reach table, or technique, such as hyper-targeting, could prove a mistake.

The wisdom to gain from this study is that the basic requirement of getting an advertising message in front of eyeballs should not be taken for granted: Without delivery above-the-fold, early session placement and frequency optimization, campaign performance will suffer.

Diversification might mitigate the risk, but most of all, vigilance should be applied: Only through careful assessment of a potential partner’s inventory acquisition and brand safety policies will advertisers make the most efficient use of scarce resources.

<sup>1</sup> click index calculated as (number of clicks/number of impressions)x10000

<sup>2</sup> action index calculated as (number of actions/number of impressions)x100000