CHAPTER 7

Planning for Online and Interactive Communications
Online communications offer a high degree of personalization. Since personalization is one of the cornerstones of customer relationship management (CRM) programs, the Internet is becoming an attractive communications alternative for marketers. The medium is unique, as it allows an organization to listen to customers, learn from them, and then deliver content and services tailored to their responses and actions. These benefits must be considered when devising an integrated marketing communications plan.

In the digital universe, control has shifted from the advertiser to the customer, a situation that marketing organizations must adapt to. It’s no longer about delivering a message, but rather about allowing customers to participate in developing messages and interacting with brands—a concept referred to as engagement. As well, viewers now have unprecedented choice. They can access the Internet by computer, tablet, or mobile phone.

A recent study prepared for the Interactive Advertising Bureau in Canada found that the Internet provides marketers with a “mirror image” of the age profile for users of other major media, particularly when comparing the Internet and television. Thinking strategically, therefore, media planners see Internet communications as complementary to traditional media and expect that, when used together, they will more effectively and efficiently achieve desired communications objectives.

This chapter examines in detail a host of new interactive marketing communications opportunities that should be considered when planning an integrated marketing communications campaign.

**Internet Penetration**

When compared to most other countries, Canada has one of the highest levels of Internet penetration and broadband access. The latest survey conducted by Statistics Canada reveals that 79% of Canadian households have access to the Internet, and over one-half of connected households use more than one type of device to go online (a combination of computer and wireless device). Such high Internet penetration is having an impact on time spent with other media, but it seems that Canadians have seamlessly adopted digital media technologies while maintaining a strong appetite for traditional media.

Canadians spend more time online than any other country, including highly wired societies such as China, South Korea, and the United States. The average Canadian spends about 45 hours a month browsing the Internet, with a majority of that time spent on social network sites such as Facebook. The Internet now ranks a strong second to television in terms of time spent with media on a weekly basis. Time spent with the media is an important factor that media planners consider when making recommendations.

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**Learning Objectives**

After studying this chapter, you will be able to:

1. Assess strategies for delivering effective messages using online advertising
2. Describe the various roles played by online communications in a marketing and marketing communications environment
3. Evaluate the various advertising alternatives that are available online
4. Assess the potential of the Internet as an advertising medium
5. Assess the role of mobile media, video games, and social media networks as alternatives in integrated marketing communications campaigns
to their clients about what media to use. By age category, younger people spend much more time online than older people. In fact, the 18- to 34-year-old group now spends more time online than they do with television. For more insight into who’s spending time with what media, refer to Figure 7.1.

The trend data presented in this section strongly suggest the inclusion of online media in a marketing communications plan. The Internet is an ideal medium for reaching younger Canadians as well as middle- to upper-income households. Just around the corner is the emerging wireless communications market. Mobile media, such as smartphones and tablets, represent additional screens consumers use to access information and watch video content. Soon, wireless communications will be the preferred method of connecting to the Internet, which will enable consumers to be exposed to advertising messages anywhere at any time.

### Online and Interactive Marketing Communications

Based on the data presented in the previous section, it is clear that the Internet is a mass reach medium, much like television, radio, and print. Data from Canada’s Internet Use Survey show that 80 percent of Canadians or 27.2 million people use the Internet for personal reasons. To further demonstrate the reach of the Internet, consider that about 50 percent of the Canadian population are on Facebook, some 17 million people. In comparison, Canada’s most watched television shows, such as *Big Bang Theory* and *Grey’s Anatomy*, average 2.5 million viewers per episode.

In terms of targeting, the Internet is absolutely essential for reaching an audience under the age of 35 years. The Internet is now the number one medium for this age group in terms of time spent with media each week. For more insight into the reach capabilities of the Internet, refer to Figure 7.2.

Factors such as time spent and reach are forcing advertisers to invest more dollars in online advertising; they are shifting funds from conventional media to online, mobile, and social media campaigns. By industry, the largest investors in online advertising include automotive companies, packaged goods companies, financial institutions, and retailers. It is now readily apparent that some combination of traditional media with digital media produces a more effective and efficient media strategy. Some organizations are going a step further. PepsiCo, for example, is transferring a full third of its advertising budget online and is even using the Internet as a primary medium for launching new products. From Pepsi’s perspective, the Internet and social media, such as Facebook and Twitter, are now essential components of its marketing communications mix.

In Canada, net revenues for online advertising total $2.6 billion (2011). The Internet has surpassed daily newspapers and is now second only to television in terms of share of total Canadian media advertising revenue. Advertisers such as Unilever, Molson,
PepsiCo, RBC Financial, Canadian Tire, Procter & Gamble, and McDonald’s have participated in cross-media research programs that have convinced them online advertising deserves an important place in the marketing communications mix. Simply stated, if your target market is online, you had better be there with your advertising message.

The challenge facing marketers is two-fold. First, they must devise a plan that effectively integrates online advertising into the marketing communications mix. In doing so, they must understand certain differences in consumer behaviour that people exhibit when using digital media. Second, they must determine how much to invest (share of budget) in online advertising. For details on how Canadian companies spend their Internet advertising dollars, refer to Figure 7.3.

Unlike any of the traditional mass media, online advertising provides immediate feedback to advertisers regarding how effectively their message reached the target; it automatically gears ads to viewers’ personal tastes, and it generally reaches receptive consumers—at least those consumers who click on the ads. Target marketing capabilities are discussed in more detail in the next section. Beyond targeting, the Internet delivers on the corporate mandate for marketers to be more accountable; since online advertising is measurable, it is attractive to marketing organizations. Finally, the expansion of broadband capabilities and the growing penetration of smartphones and tablets will make video downloading a very attractive option for advertisers who have relied on television advertising in the past.

### Figure 7.2
**Daily Reach of Various Media in Canada**

<table>
<thead>
<tr>
<th>Medium</th>
<th>Adults 18+</th>
<th>Adults 18–34</th>
<th>Adults 35–49</th>
<th>Adults 50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>84.4</td>
<td>78.0</td>
<td>83.3</td>
<td>89.6</td>
</tr>
<tr>
<td>Radio</td>
<td>80.5</td>
<td>75.7</td>
<td>84.2</td>
<td>81.3</td>
</tr>
<tr>
<td>Internet</td>
<td>72.5</td>
<td>86.6</td>
<td>79.7</td>
<td>58.4</td>
</tr>
<tr>
<td>Newspapers</td>
<td>48.3</td>
<td>31.4</td>
<td>43.7</td>
<td>62.8</td>
</tr>
<tr>
<td>Magazines</td>
<td>30.0</td>
<td>22.7</td>
<td>27.1</td>
<td>36.8</td>
</tr>
</tbody>
</table>

Figures represent the percentage of adults reached by each medium.

### Figure 7.3
**Online Advertising Revenues by Types of Advertising**

<table>
<thead>
<tr>
<th>Type of Advertising</th>
<th>$M 2009</th>
<th>$M 2010</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search</td>
<td>741</td>
<td>907</td>
<td>+22</td>
</tr>
<tr>
<td>Display</td>
<td>578</td>
<td>688</td>
<td>+19</td>
</tr>
<tr>
<td>Classifieds/Directories</td>
<td>467</td>
<td>587</td>
<td>+26</td>
</tr>
<tr>
<td>Video</td>
<td>20</td>
<td>37</td>
<td>+85</td>
</tr>
<tr>
<td>Email</td>
<td>13</td>
<td>11</td>
<td>−15</td>
</tr>
<tr>
<td>Video Games</td>
<td>3</td>
<td>2</td>
<td>−33</td>
</tr>
<tr>
<td>Total</td>
<td>1822</td>
<td>2232</td>
<td>+23</td>
</tr>
</tbody>
</table>

Source: IAB Canada, Canadian Online Advertising Revenue Survey, detailed report.
As consumers continue to embrace the Internet and other interactive media as an integral part of their everyday lives, marketers have little choice but to acknowledge that anything interactive is a critical medium to engage consumers and create deeper brand experiences. At the same time, online communications can go further than many other media because they can secure a purchase and make arrangements to have goods delivered. They are capable of closing the loop, from initial awareness to a buying decision, in a very short period, assuming a website has e-commerce capabilities.

Figure 7.4 illustrates how Internet communications link with traditional advertising.

For more insight into the benefits of adding online advertising to the marketing communications mix, see the IMC Highlight: **Nissan Altima Goes with Digital Media**.

**THE INTERNET AND TARGETING**

The reality of the Internet is that consumers voluntarily visit specific websites. To get what they want, they also divulge valuable information about themselves. Smart companies use the Internet as a means of obtaining information for their databases. Once the information is analyzed, it can be translated into specific messages, and marketing offers can be tailored to specific customer needs.

The Internet is much like any other medium. Audiences can be targeted based on demographic and geographic variables, by time of day, day of week, and by behaviour. All websites accumulate data on who visits and how long they visit. Such information aids media planners when they are devising target audience reach and frequency scenarios. In terms of demographics, a popular website like TSN.ca attracts a male audience and is over-indexed for males in the 18- to 24-year age category. On a daily basis, it attracts about a half a million visitors. It’s no wonder that Molson Canadian is a heavy advertiser on this website—it reaches the company’s primary demographic! A website like HGTV.ca has a strong female reach, particularly in the 35- to 49-year age category—an attractive target for any marketing organization in the home furnishing and decorating business.
Nissan Altima Goes with Digital Media

The 2013 launch of the Nissan Altima embraced the concept of integrated marketing communications and included a significant digital media component. The creative for the campaign revolved around the tagline "Innovation that Excites." Naturally, the latest in technological developments are mentioned in the advertising; improvements such as the redesigned suspension; a category-unique, tire-fill alert system; zero-gravity seats; and a 3D driver display. Nissan decided to use "innovation" as a means to differentiate the Altima from competitor brands.

The campaign was launched with a 60-second spot shown on cinema screens and 3D cinema screens. Computer graphics show how the car has evolved from its predecessor. On the digital front, animated banners say things like "Wouldn't it be cool if your car was as smart as your smartphone?" and "Wouldn't it be cool if your car was as fast as it looked?" Print ads use phrases like "Go further. Go faster. Go lighter." Out-of-home ads use short messages like "38 miles per gallon" and "Vroomier," and include a beauty shot of the vehicle.

Nissan sees the digital component of the plan as absolutely vital. According to director of marketing Vinay Shahani, "We know the majority of our customers are leveraging the Internet to do research and perform shopping tasks, so it makes sense to be there. The percentage of digital is much higher than in the past."

To engage consumers with the brand, Nissan offered an opportunity for customers to submit personal essays on why they should be chosen to participate in an Altima driving experience. In a contest format, five lucky people were then chosen to visit the automaker’s proving grounds in Arizona to drive the new Altima. Videos of their driving experiences were produced and placed on Facebook, Twitter, and YouTube.

Nissan has been very active in social media; in fact, Nissan has the highest consumer engagement percentage on its Facebook brand page of any automaker. If "likes" are an important measure of success in social media, then Altima is a clear winner, with more than one million of them. According to Nissan’s director of interactive and social media marketing Erich Marx, "Everybody at Nissan understands that social space is different and quirky, and we are trying to take advantage of that with what we do there."

Vinay Shahani acknowledges that the Honda Accord and Toyota Camry are key competitors and that the objective of the campaign is to gain market share at their expense. He says the Altima buyer is typically younger and more interested in the performance and uniqueness of a vehicle. The all-new Altima meets these buying criteria, and the new marketing communications campaign was designed to connect with the target audience on an emotional level. "We’ll have to wait and see how the market responds," says Shahani.

Once targets are identified demographically, they can be qualified further by geography. Advertisers can zero in on users in specific regions, cities, or postal codes. For example, the Ontario Lottery Corporation (www.olg.ca) reaches Ontario. Toronto.com (www.toronto.com), a site that offers information about restaurants, entertainment, hotels, and shopping, reaches a Toronto audience.
CHAPTER 7 Planning for Online and Interactive Communications

Targeting by daypart is another planning decision. Unlike television, where prime time is night time, prime time online is during the day—when people are at work. Not only is the at-work online audience vast, it comprises a demographically attractive group of individuals who have higher-than-average incomes, education, and tendencies to shop and buy online. To demonstrate the impact of daypart targeting, Best Buy ran a three-week campaign on Yahoo! Its ads ran Monday to Friday between 5 am and 11 am in Ontario and Quebec. The campaign generated a 200 per-cent conversion lift (consumers who took action based on the advertising) over previous campaigns.9

Unlike other media, the Internet is a medium that allows marketers to target customers on the basis of their behaviour. In its simplest form, behavioural targeting means delivering ads based on a consumer’s previous surfing patterns. An individual’s surfing behaviour is tracked by placing a cookie, which is a small text file uploaded to a consumer’s web browser and sometimes stored on that person’s hard drive. The cookie can be used to remember a user’s preferences. By tracking preferences, an organization can directly tailor messages to reach specific consumers.

When targeting based on behaviour, the reach component of an advertising campaign is less important. In mass media campaigns, advertisers typically want to reach as many people as possible at a frequency that will motivate some kind of action. Behavioural targeting online allows an advertiser to reach fewer people, and the actual results can be measured and evaluated immediately.

To demonstrate the impact of behavioural targeting, an automotive insurance advertiser targeted consumers who recently visited automotive sites in order to generate leads. Two different plans were used: demographic targeting and behavioural targeting. The demographic targeting option resulted in 183 million impressions and generated 47 leads per 1 million impressions. An impression or ad view is defined as a measurement of responses from a web server to a page request from a user’s browser. When behavioural targeting was employed, only 6 million impressions were made (at much lower cost), but those impressions generated 116 leads per 1 million impressions. Behavioural targeting produced three times the number of leads that demographic targeting did.

Behavioural targeting is ideal for reaching consumers when they are researching a purchase. The sheer amount of research done online by consumers is reason enough for a company to be actively engaged with consumers through online communications. A user who sees something of interest (that is, an advertising message that creates awareness) can obtain information immediately by clicking the ad. Therefore, well-designed, well-placed, and well-targeted messages are useful tools for consumers who engage in online product research. The potential of the Internet is huge—it is becoming the medium of choice for companies wanting to reach their target audience in a cost-efficient manner.

Beyond reaching people efficiently, an organization can complete a sale online. In terms of securing action, the Internet is very similar to direct response advertising (discussed in Chapter 6). Online storefronts such as those for Sears and Chapters/Indigo fall into this category. Finally, the Internet deals with the concept of mass customization. Mass customization refers to the capability of personalizing messages and, ultimately, products to a target audience of one—the ultimate form of targeting! The marketer has the potential to deal with each customer individually. For example, Dell Computer does not produce a computer until it hears directly from a customer. Once the exact specifications are determined through a process of interaction at the Dell website, a unique computer is produced and shipped directly to the consumer.

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**behavioural targeting**
A means of delivering online ads based on a consumer’s previous surfing patterns.

**cookie**
An electronic identification tag sent from a web server to a user’s browser to track the user’s browsing patterns.

**impression (ad view)**
An ad request that was successfully sent to a visitor. This is the standard way of determining exposure for an ad on the web.

**mass customization**
The development, manufacture, and marketing of unique products to unique customers.
Online and Interactive Communications Planning

Interactive communications refers to the placement of an advertising message on a website, usually in the form of a banner, rich media ad, video ad, sponsorship at a website, or an ad delivered by email. Advertising messages may also be communicated through other electronic devices such as cell phones, tablets, and video games.

When devising an interactive communications plan, decisions about which medium to use are largely based on the communications objectives and the budget available. Refer to Figure 7.5 for a visual review of the interactive planning process. The first step in the process is to establish the objectives. The second step is to evaluate the various media options strategically. Will it be an online campaign, a mobile media campaign, a video game campaign, a social media campaign, or any combination of alternatives? Once the strategy is determined, the next step is execution. Here, decisions are made on specific media, how much to spend, and how to schedule media activities during the year.

Online and Interactive Communications Objectives

Online advertising performs the same or similar roles as traditional media advertising. It can help create brand awareness, build or enhance brand image, generate sales leads, provide a means to make a purchase, improve customer service and communications between customers and the company, and acquire meaningful data about potential customers (as in database management).

Creating Brand Awareness

Given the amount of time and the frequency with which consumers go online, there is ample opportunity for a company or brand to develop advertising that will generate brand awareness. The most obvious way to achieve awareness is to advertise on a web portal where the reach is extremely high. A portal is a website featuring several commonly used services, such as news or searching, and serves as a starting point or gateway to other services, such as shopping, discussion groups, and links to other sites. These sites are among the most visited sites on the web and include Facebook.com (880 million unique visitors monthly); Youtube.com (800 million), and Yahoo.com (590 million). These are sites that people are automatically routed to when they launch their browser.

To create brand awareness and awareness of a brand’s promise, a variety of advertising alternatives are available. Among the options are banner ads, rich media, and sponsorships (all options are discussed later in the chapter). Recent research indicates that Internet advertising works best when utilized as part of a media mix. To illustrate, when Dove launched a new line of skin care products, a media mix of magazine, outdoor, television, and online advertising was employed. Key findings of the Dove study provided insight into how various media can work together in a synergistic manner. The key findings were:

• The addition of online and/or outdoor advertising to a combination of television and magazines improved awareness scores by 33 percent.
The combination of television, print, and online was especially effective in increasing brand attribute scores among a very specific female target group versus television alone.

Online advertising outperformed television in terms of raising purchase intent; however, the combination of television, magazine, and online maximized purchase intent an astounding 47 percent higher than what was achieved by using television alone.
If the objective is to create brand awareness, and ultimately purchase intent, the data mentioned above strongly suggest the inclusion of online advertising in an integrated marketing communications plan.

BUILDING AND ENHANCING BRAND IMAGE
If the objective is to have the public perceive the brand in a positive manner, online communications must present a message and image consistent with and comparable to any traditional form of communication. Whether it be an online advertisement or brand/company website, it is important that the message and image projected be in keeping with the overall company image and its other forms of marketing communications.

It is common for consumers to be routed to sub-pages on a website (for example, a brand page) as they search for the information they are after. Therefore, the brand page must comply with the brand’s image and persona. Since it is common practice to include website addresses and Facebook addresses on traditional forms of advertising, it makes good sense to have an integrated message in terms of look, appearance, and style across all media. Such a practice helps produce a synergistic effect for the total communications effort.

Companies in the telecommunications, automotive, and financial services industries are masters at matching message strategies among traditional and non-traditional forms of media. Automotive sites in particular do an excellent job of creating and building an image for a new car model. When an interested consumer or tempted car buyer first sees a new car in a print ad or on television, he or she almost automatically migrates to the Internet for more information. (see Figure 7.6).

OFFERING INCENTIVES
The Internet is a good medium for implementing a variety of sales promotion activities. To encourage consumers to make their initial online purchase, price discounts are commonplace. Canadian Tire, for instance, offers unique and special deals online as a means of getting people comfortable with online buying. Once they realize it is a safe and convenient way to buy, they go back for more. Companies that are active with customer relationship management programs are capable of delivering incentives to customers in their database by using email advertising.

Contests and sweepstakes are popular online promotions. Typically, they encourage consumers to buy for the first time, or they encourage brand loyalty (repeat purchases). Regardless, the true benefit to the company is the names and information that are collected through entry forms. For the chance of winning a prize, it is surprising how much personal information an individual will divulge to a marketing organization. This information can be used either to start or expand a database.

GENERATING LEADS
In a business-to-consumer or business-to-business marketing situation, the Internet is a useful medium for generating leads. As already indicated, consumers willingly disclose information when entering contests. Consumers and business people will also leave the same vital information when they are searching for information online. The stumbling block in retrieving the information they want is the transfer of personal or business information. However, online visitors are known to give out more details about themselves, or the business they are part of, so that they may retrieve
An Integrated Approach to Message Strategy Across All Media Has Greater Impact

Source: Courtesy of Mercedes-Benz Canada Inc.
the information they are searching for. Business sites often request information such as company size, number of employees, type of business, location, postal code, email address, and so on. It’s a fact of life in doing business online. This type of information, once analyzed and mined (data mining), can be used to identify potential targets (one-to-one marketing) and to customize messages and products that are suited to that target. It’s the start of CRM.

PROVIDING CUSTOMER SERVICE
In any form of marketing, offering good customer service is crucial. Satisfied customers hold positive attitudes about a company and are likely to return to buy more goods. Again, the Internet plays a pivotal role. It can be an efficient and cost-effective way of providing service, assuming a company’s website is well organized. Service demands by customers tend to be high. Therefore, any frustration a customer experiences when searching for service on a website will only compound the problem. Speed of service is a primary benefit offered by the Internet. It goes without saying that customers should have quick and open access to service information. Carefully indexed FAQs (frequently asked questions) or key word searches are common ways to access online information quickly.

For specific questions and concerns, email is another good option. Of course, response time for handling email has unfortunately become a real issue. Making customers wait a few days for a response is not the type of service they expect. Successful online businesses don’t forget that online activities must be backed up by a human component. They must pay close attention to inbound sales, order tracking, out-of-stock issues, deliveries and returns, and all the service issues associated with these tasks. All of these activities are part of a good CRM program.

CONDUCTING TRANSACTIONS
In Canada, the business-to-business market is booming with online transactions, but the business-to-consumer market lags behind the United States, even though Canada is one of the most connected countries in the world. As of 2010, Canadian consumers purchased $15.3 billion worth of goods and services online, a figure that is double that of 2005. Some 13.2 million Canadians used the Internet to make an online purchase in 2010. The busiest group of online shoppers are the 25- to 34-year-old age category—people with money, good credit ratings, and a high degree of comfort with online buying.

Having a website with e-business capabilities is important today. While shoppers remain concerned about security aspects of the Internet, they are using their credit cards online. Companies such as Canadian Tire, Sears, and Chapters/Indigo use the Internet to communicate effectively with shoppers, and they have combined e-marketing and e-business with their traditional methods of conducting business. Canadian Tire recently launched a new online tire store that allows customers to quickly compare tires for their vehicle on the basis of brand, price, type, size, load range, mileage rating, and speed rating. If the tires are purchased online, they are shipped to the store nearest the customer at no additional charge, where they can be picked up or installed. Some businesses remain skeptical about the Internet and are not making the necessary investment to tap into the Internet’s potential. Businesses that do not make the investment risk losing business to those businesses that do.
Online and Interactive Communications Strategies

As indicated by the increase in advertising revenues from year to year and the amount of time consumers spend online each week, advertisers must embrace online communications from a strategic perspective. Today's media planners are technologically savvy; they recognize the value of online communications and other forms of interactive communications, and make appropriate recommendations when devising an integrated marketing communications strategy.

From a media strategy perspective, the Internet and other forms of interactive communications offer high reach and frequency, though advertisers have to be careful about budgets when the various cost models are evaluated (see later section of the chapter for cost models). At portal sites such as Google and Yahoo, the number of unique visitors on a daily basis is incredibly high. In contrast, niche sites that focus on a particular interest, hobby, or activity reach smaller numbers of people, but they are more targeted. Both scenarios may be considered when devising an online media plan.

There are a variety of creative opportunities available to online advertisers. In terms of advertising, the options include search advertising, banner advertising, rich media ads, video ads, sponsorships, and email advertising. Beyond the Internet, an advertiser may consider mobile communications opportunities, advertising in video games, and social media networks. As with other media, the planner must evaluate the alternatives and devise a media selection and rejection rationale for the online and interactive components of a media plan.

Prior to examining the various online advertising alternatives, some basic terminology should be understood. All terms relate to how Internet ads are measured for strategic variables such as reach, frequency, and engagement:

- **Impression (Ad Views):** An ad request that was successfully sent to a visitor. This is the standard way of determining exposure for an ad on the web.

- **Frequency (Online):** The number of times an ad is delivered to the same browser in a single session or time period. A site can use cookies to manage frequency.

- **Clicks (Clickthroughs):** This refers to the number of times that users click on a banner ad. Such a measurement allows an advertiser to judge the response to an ad. When viewers click the ad, they are transferred to the advertiser’s website or to a special page where they are encouraged to respond in some way to the ad.

- **Click (Clickthrough) Rate:** The ratio of clicks to impressions. It is calculated by dividing the total number of clicks by the total number of impressions. For example, if during 1 million impressions, there are 20 000 clicks on the banner, the clickthrough rate is 2 percent. A high click rate indicates the banner ad was effective in its purpose.

- **Unique Visitor:** The number of unduplicated (counted only once) visitors to a website over a course of a specified time period. Visitors are determined by cookies, a small text file stored in a user’s browser.

- **Visit:** A sequence of page requests made by one user at one website. A visit is also referred to as a session or browsing period.

A site’s activity is described in terms of the number of unique visitors, the time they spend visiting, and how often they return to the site. A site that can report, for example, that it had 8 million page views, 100,000 visitors, and 800,000 visits last month would be...
doing very well. It means that the average visitor returns to the site 8 times each month and views 10 pages on each visit. That’s incredible “stickiness” (most sites don’t do that well)!

**Stickiness** (or sticky content) refers to the notion that the website has a compelling reason for users to stay for a longer visit or to come back frequently for more information. Offering relevant and interesting content is a key factor in getting visitors to return to a website.

Among social networks, Facebook dominates in terms of visitors (reach), time spent, and stickiness. In Canada, for example, 60 percent of the population (20.4 million people) have a social networking profile, and 85 percent of those people (17.3 million) have a profile on Facebook. Visitors to Facebook spend an average of 6.5 hours on the site each month. Keeping users coming back is a constant challenge for Facebook, and to do so they constantly introduce new features such as the timeline interface rolled out in 2012.

**SEARCH ADVERTISING**

With **search advertising**, the advertiser’s listing is placed within or alongside search results in exchange for paying a fee each time someone clicks on the listing. This is also known as **pay-per-click advertising**. Google, for example, offers a service called AdWords, which allows companies, for a small fee, to have a link to their website when a user searches for a word that company has specified. For example, if a user types in outboard motors and Yamaha has bought that term, an ad for Yamaha would appear on the screen. Google sets advertisers against one another in auction-style bidding for the highest positions on the search page. If Yamaha bid the most for the word, it would appear first on the listing of ads. Other manufacturers such as Johnson, Mercury, and Suzuki may also appear lower on the list if they paid for the word. When a consumer clicks on the sponsored link, that consumer is immediately directed to the advertiser’s webpage where detailed information is provided. Presently, search advertising ranks first in terms of revenue among the various online advertising options.

**BANNER ADVERTISING (DISPLAY ADVERTISING)**

A **banner** refers to advertising on a website, usually placed by a third party. A standard banner ad resembles an ad on an outdoor board or an ad that stretches across the bottom of a newspaper—it stretches across a webpage. Not much copy can be included in a banner. The combination of brand name, short message, and visual must convince the user to click on the ad, which links to another website.

The industry, through the Interactive Advertising Bureau (IAB), has established standard ad sizes to reduce costs and inefficiencies associated with planning, buying, and creating online media. The size of an ad is based on Internet Measurement Units (IMU), an expression of the width and depth of an ad. Refer to Figure 7.7 for a visual illustration of the four ad sizes established in the initial standardization phase.

- **Rectangle Ad**: A larger, box-style ad (180 × 150 IMU) that offers more depth than a standard-sized banner.
- **Big Box**: A large rectangle (300 × 250 IMU) that offers greater width and depth to an ad.
- **Leaderboard (Super Banner)**: An ad that stretches across the entire top of a webpage (728 × 90 IMU).
- **Skyscraper**: A tall, slim, oblong-shaped ad that appears at the side of a webpage (160 × 600 IMU).
Advertising research conducted by the IAB has concluded that larger formats, which are naturally more visible and provide more creative freedom, are more effective than smaller, standard-sized banners across all campaigns. Because of their size and better performance, they command a higher price. Cost must be factored into the equation when an advertiser decides to use online advertising.

Given the interactive nature of the medium and the behaviour of Internet users who like to avoid ads if possible, the results achieved from banner ads have fallen short of expectations. The average click rate for a banner ad is now 0.09 percent, meaning only one person in a thousand actually clicks on an ad, even though the ad, by its presence on the page, made an impression on the person. Consequently, advertisers are migrating toward video advertising (a TV style of advertising online) and sponsorships as a means of reaching their target market more effectively.

**RICH MEDIA**

*Rich media* are banner ads that include animation, sound, video, and interactivity. There are several inside-the-banner rich media options. An *expandable banner* employs multiple panels that are launched when the banner is clicked on. A *video strip* shows a strip of video in the banner space but, when clicked on, expands to reveal the video and audio in a full-sized panel. A *push down banner* slides advertising out of the way to reveal additional content rather than covering it up.
There are also some outside-the-banner options. A **floating ad** moves within a transparent layer over the page and plays within a specific area of the page. A **window ad** downloads itself immediately and plays instantly when a page is loading. A **wallpaper ad** is a large image that replaces the web background. Such a variety of styles can grab the viewer's attention in different ways. They can also irritate the viewer if they are too intrusive.

**VIDEO ADVERTISING**

Video advertising is a smaller but fast-growing component of online advertising. Advertisers are comfortable with online video ads because they are similar to television advertising—they offer the opportunity to connect with consumers on an emotional level. Now that more television shows are being streamed online, as well as news and sports highlights, there are some good opportunities for advertisers—streamed video content includes commercial breaks! The CTV Network offers popular shows from its main network on CTV.ca as well as many of its cable channels that include TSN, Comedy Network, MTV, Discovery, and Bravo, among others.

Video ads are delivered by a process called streaming. **Streaming** involves continuous delivery of small packets of compressed data that are interpreted by a software player and displayed as full-motion video. Having shows available online is a reflection of the on-demand nature of the present television market. People want to watch shows when and where they like rather than abide by preplanned network schedules. Online shows include video ads. **Pre-roll ads** refer to ads at the start of a video, **mid-roll ads** refer to ads placed during the video, and **post-roll ads** appear after the video. When TV-style ads are embedded in programs or on news and sports highlight clips, it ensures an ad is viewed. To view the desired video content, viewers have no choice.

For an illustration of how various online advertising alternatives work together, see Figure 7.8. The figure includes a banner ad and video ad for the Suzuki Vitara. When the banner ad is clicked, it links the viewer directly to a full-motion video commercial for the vehicle.

The challenge for the advertiser is to effectively adapt offline creative strategies to the online environment. Shorter messages that are of less-than-perfect visual quality can be effective. Simply duplicating the quality of television commercials is not the answer, though many advertisers do this to save money. In terms of objectives, many advertisers are shifting video ads away from brand awareness and toward brand engagement, as evidenced by a 2011 survey conducted by eMarketer. In this way, marketers can use video ads with social sharing and other calls to action as a springboard to additional engagement on social networks, their website, or mobile apps.¹⁴

**SPONSORSHIPS**

An **online sponsorship** is a commitment to advertise on a third-party website for an extended period. Advertisers are attracted to sponsorships on the basis of web content. If the content of a site is particularly interesting to an advertiser’s target market, visitors are apt to visit the site frequently. For example, investors in the stock market frequently visit BNN.ca, which broadcasts business news online, and sports junkies frequently visit TSN.ca. Brands that are closely linked to the content of these networks pursue sponsorships. TSN, for example, runs various sports contests during the year. Kraft Canada sponsors the annual Kraft Celebration Tour on TSN and TSN.ca. Each year, Kraft and TSN go on the road to visit 10 towns in 10 days. A TSN live sportscast and numerous community events occur in each town. The winning communities, as voted by the public, each receive $25 000 to upgrade local sports facilities. Refer to the image in Figure 7.9.
In sponsorship arrangements such as these, the sponsor benefits from the popularity of the website and the traffic it draws (high reach and frequency). TSN is one of the busiest websites in Canada and is a key site for reaching a young male audience that visits regularly. Consumers trust the sites they visit frequently on the web, so a brand associated with the site through a sponsorship could be perceived more positively. The Kraft sponsorship on TSN.ca. described in the previous paragraph demonstrates this principle.
Email Advertising

One of the most promising applications in online advertising is permission-based email. Permission-based email is sent to recipients who agree to receive information in that form. In other words, people actively subscribe to the email service. This form of advertising is relatively inexpensive, response rates are high and easy to measure, and it is targeted at people who want information about certain goods and services. An offshoot of email advertising is sponsored email. With sponsored email, the email includes a short message from a sponsor along with a link to the sponsor’s website.

Email is an attractive opportunity for businesses of all sizes. It is less expensive than direct mail, and allows for greater frequency of distribution and an incredible level of customization. Email also delivers good return on investment. Email typically costs a marketer a fraction of a cent to send, and, when compared to other online advertising formats, delivers a good return. According to the Direct Marketing Association, email produces $40.56 for every dollar spent on it; mobile $10.51; social media $12.71; and display ads $19.72. Email is an efficient method of delivering new product information and information about promotional offers.

Email advertising is similar to direct mail advertising, but at the same time it is very different. Email advertising programs operate from a list contained in a database and target customers specifically interested in something. This type of advertising generates
higher responses—and that is attracting advertisers’ attention. Unlike other forms of online advertising, sending messages by email seems quite acceptable to Internet users. Users can subscribe and unsubscribe to email lists as they wish. How often a marketer communicates with customers by email is an issue. “Many experts say there is a fine line between sending emails to customers on a consistent basis and crossing into annoyance marketing territory.”

Similar to direct mail, the success of an email campaign depends on the quality of the list. The lists are called **opt-in lists**, an appropriate name because consumers agree to have their names included. There are two kinds of opt-in lists. A **first-party list** comprises people who have specifically agreed to receive email from an organization. A **third-party list** is composed of names and addresses compiled by one company and sold to another.

In the age of database marketing, the compilation of an in-house list is essential. Sending email to customers and prospects who specifically request it will almost always work better than using a rented list. Online promotions and contests sponsored by companies are another way of securing names and addresses. However, organizations should be careful how they distribute names to other organizations. There’s a saying these days: “Permission rented is permission lost.”

Although email advertising is attractive, that third-party list is what promotes spam. **Spam** is unsolicited email, even from reputable sources, and third-party lists can result in people receiving mail they do not expect. The use of the Internet to send large volumes of email has infuriated many consumers, forced employees in organizations to waste precious time deleting junk email, and hurt the business of legitimate Internet marketers. Email also opens up opportunities for viral marketing. **Viral marketing** is a situation where the receiver of an online message is encouraged to pass it on to friends. A research study in the United States reports that 89 percent of adult Internet users share content with others via email. Should an organization pursue a viral campaign, the goal is to create content that people feel compelled to pass around. Advertisers also have to be wary of the degree to which bad news about a company or brand can spread virally. As is often said, “Bad news travels fast, even faster online.”

One of the key objectives of email advertising is to establish and maintain a relationship with customers, and ultimately generate sales. As shown in Figure 7.10, Staples sends email offers to customers in its database. Typically, these mailings include financial incentives to encourage customers to take action within a certain period.

**WEBCASTING (WEBISODES)**

**Webcasting** or **webisodes** involve the production of an extended commercial that includes entertainment value in the communications. While consumers are using digital video recorders to skip television ads they don’t like, they are using the Internet to tune in to commercials they want to see—an interesting phenomenon!

Mercedes-Benz Canada devised an integrated campaign to reach a younger audience, which included online webcasting and mobile applications. A spy-themed movie, entitled **Drive & Seek**, features a James Bond–like character and his female accomplice eluding police—by employing fancy driving maneuvers in a C-Class coupe—to deliver a mysterious suitcase. Viewers participate in the movie by using keyboard sequences to drive the action. The mobile application included a contest that used GPS technology to guide users to one of 10 virtual briefcases in their vicinity. When they approach the briefcase, the driver will see a 3D rendering of the car espousing the latest technological advancements. The grand prize for one of the top 125 game players was a new C-Class coupe. Refer to the image in Figure 7.11.
Webisodes are a form of online entertainment; used effectively, they present a great opportunity to develop a better relationship with consumers. Under the guise of entertainment, people will watch as long as the content is enjoyable and engaging. It isn’t necessary to camouflage the brand—people expect the brand to play a key role. The Mercedes webisode demonstrates how consumers will engage with a brand, either online or through a mobile device.

**COMPANY AND BRAND WEBSITES**

Traditional media communications and online communications encourage users to visit a company or brand website. Clicking on an ad automatically takes you to the website. The purpose of the ad is to attract attention; once the person is at the website, the purpose is to deliver more meaningful and detailed information in an entertaining manner. The website provides an opportunity to tell a story. A company cannot tell or show as much through traditional media as inexpensively as it can on the website. Advertising in the traditional media should provide a website address or Facebook page address and encourage potential customers to contact those sites for additional information.
Information on a website must be presented in such a manner that effectively combines imagery with information. For example, Toyota Canada overhauled its website to tap into the consumer’s online information-gathering process. According to David Brimson, national manager for public relations and marketing, “Consumers are increasingly turning up at retail with an almost predestined vision of what they want. We have
to ensure that we provide the best knowledge and information to help them make decisions.” Toyota’s website was redesigned from a consumer’s perspective. Consumers move from the welcome page, to different car models, to information areas such as safety and colour choice, to a car configuration page, and finally to a price quote. 19

Organizations also establish microsites that serve unique purposes. A microsite is an individual webpage or series of pages that functions as a supplement to a primary website. For example, Unilever has a corporate website in which all brands may have a page. However, for new product launches or high-profile brands, the company will create a microsite with its own address. For example, Axe, a very popular grooming product line, has its own microsite that encourages males to “Get Clean. Get Styled. Get Noticed. Get Close.” All it takes is a visit to the AXE.ca website. Similar content is also available by following Axe on Facebook, Twitter, or its YouTube channel. Axe is a leading brand, and web communications have contributed to the brand’s success.

For a summary of the advantages and disadvantages of the various forms of online communications, refer to Figure 7.12.

**Mobile Media**

The screen is small, the audience’s attention span is short, and the environment—a park bench or a busy subway station—is variable. Yet the possibilities of mobile marketing are capturing the attention of advertisers. In 2010, there were 25.9 million mobile

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**FIGURE 7.12 Advantages and Disadvantages of Online Marketing Communications**

**ADVANTAGES**

- **Targeting Capability**—Advertiser reaches individuals based on browsing behaviour and preferences.
- **Broad and Flexible Reach**—The online audience is growing rapidly; since ads can be bought by the impression, you can buy as much or as little of the audience as you desire.
- **Timing**—Messages can be delivered 24 hours a day, 7 days a week.
- **Interactivity**—Messages encourage consumers to interact with brands while online (performing a task, playing a game, and so on).
- **Tracking and Measurement**—Detailed information on who saw an ad, in what context, and how many times, is available immediately.
- **Transaction**—Assuming e-business capability at a website, an online purchase can occur.

**DISADVANTAGES**

- **Low Click Rates**—Average click rates of only 1 percent are common, which significantly reduces the number of visitors to a website (the intended action).
- **Advertising Overload**—Too much advertising clutter on a webpage reduces the potential impact of any ad appearing on the page.
- **Consumer Frustration**—The barrage of unexpected banner ads and unsolicited emails frustrates, even harasses, consumers; advertisers must deal with their wrath.
- **Too Measurable**—A marketer can be overburdened with the amount of data available from an online advertising campaign.
subscribers in Canada, and 45 percent of them (approximately 11.6 million people) had a smartphone. By 2011, mobile advertising had reached $82 million, almost four times what it was just two years earlier. According to former IAB Canada president Paula Gignac, mobile ad growth is driven by several factors: the penetration of smartphones; Canadians’ willingness to complete online transactions; and the ability to deliver location-specific messages; not to mention it’s a 24/7 medium. Thus far, the consumer packaged goods industry, retailers, telecommunications companies, and automotive companies are leading the charge to mobile advertising.

Earlier in the chapter, the issue of time spent with the media was discussed. People spend most of their time with television (40 percent of the average adult’s media time); the Internet ranks second (23 percent of time). Mobile only represents 7.5 percent of the average adult’s time, but it is growing at a much faster rate than all other media. Time spent with a medium is an important consideration when devising a media plan.

Smartphones such as the iPhone, BlackBerry, or Google’s Android typically offer many features: send email messages and access the web; take photographs and videos; download applications; and play music and video games. Therefore, marketers can reach consumers through text messaging, video messaging, downloaded applications, and online video games—and they can do so in a highly targeted manner.

Through mobile media, an advertiser can reach targets where they are located at any point in time—a concept referred to as location-based targeting. Essentially, a person’s location information (available through GPS chips in smartphones) is factored into a marketing communications effort. Let’s assume that a fast-food restaurant such as Dairy Queen or A&W knows where you are; they can instantly send you an incentive (coupon) to encourage you to visit a nearby location.

Let’s examine the primary means of communicating with consumers through mobile media.

**TEXT MESSAGING**

Text messaging refers to the transmission of text-only messages. The popularity of electronic devices such as the iPhone and BlackBerry has allowed text messaging to emerge as a popular communications tool. Believe it or not, Canadians send 186 million text messages a day. Texting is popular because of its speed, portability, and low cost.

Marketers interested in reaching younger targets are experimenting with text messaging, running promotions that include “call to action” short codes. Codes are usually mentioned in other media used to create awareness for the promotion. Cell phone users can punch in their codes to participate in contests, download free music, and get ring tones and prizes.

Marketers must consider some potential drawbacks of a text message strategy. Too much commercial contact via text messaging could ultimately backfire on the advertiser. If the messages are too intrusive, they could be perceived much like a telemarketing call and have a negative impact on brand image. Further, wireless companies must be careful about renting their databases to commercial interests without having an opt-in from their customers. Opt-in means customers agree to allow calls or messages to be sent to them.

Scotiabank entered the cell phone arena successfully. Its initial effort was a contest in support of the bank’s sponsorship of the Canadian Football League. Contest entrants earned the chance to win a VIP Grey Cup Experience and a selection of secondary prizes. Objectives of the promotion were to encourage participation, broaden reach beyond that of traditional media channels, and drive the brand’s association with the sponsorship...
among consumers. The campaign was a multimedia effort with web, email, online media, TV, stadium advertising, and mobile components. A full 20 percent of all entries were through the text short code “Scotia” (726842). The mobile component helped make the contest a success.23

**VIDEO MESSAGING**

Video messaging is the next generation of cell phone communications. Surprisingly, or not surprisingly, people are watching long-form video content on their mobile phones—in fact, some 40 percent of all video viewing occurs on a smartphone. Such a high figure runs counter to conventional wisdom that mobile viewers want “bite-size content.” Apparently, mobile users will watch television shows, sports events, and YouTube videos on their phones. About half of all video viewed on mobile phones are watched in the home.24 These same consumers want the largest flat screen television in their living room!

The sweet spot for mobile users is the 15- to 29-year-old age category, but the industry is growing across all demographics. Teens and young adults have grown up with technology. Mobile phones are ubiquitous among teens and are becoming popular with younger kids. These consumers will carry their mobile behaviour forward, and it will have a dramatic impact on how they learn about and buy products. Already, smartphones are performing like “butlers” for Canadian shoppers, assisting them with everything from finding a retailer’s nearest store to checking product availability and price. A recent study conducted by Solutions Research Group revealed that 8 million Canadians used a smartphone to help them shop in the last month. Further, 39 percent of smartphone users took a picture or video of a product while shopping and sent it to someone for an opinion.25 The influence of the smartphone seems to be everywhere already!

Are mobile ads effective? Recent research indicates that mobile ads are outperforming standard banners on the Internet. MediaMind, an organization that tracks the performance of online and mobile campaigns, reports that the clickthrough rate for mobile banners is 0.61 percent, almost eight times as high as the clickthrough for standard online banners in campaigns that had at least one mobile ad.26 For additional insight see Figure 7.13.

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**FIGURE 7.13** Mobile Ads Have an Impact on Canadian Consumers

A survey commissioned by Bell Media Digital among 1064 Canadians revealed the following about mobile communications:

- 82% of mobile media users said mobile media is a good way to learn about products and brands
- 80% said mobile media could persuade them to investigate products and brands
- 71% said mobile media could change their perceptions of a product or service
- 53% of mobile media users said they could not leave home without their mobile devices

The results of the survey suggested that smartphone penetration in Canada is accelerating and that marketers would be well advised to ensure their brands deliver a high quality mobile media experience to consumers.

**MOBILE APPLICATIONS**

All smartphone suppliers, such as Apple and Google, offer applications that encourage in-application advertising. Apple’s system is called iAd, and it allows for full-screen video and interactive advertising content to be served within an application. The advertisements are wirelessly delivered to the phone. In other systems, it is common for users to be bounced to a company website for the video message. Apple created a new advertising category called Apple Apps. With some 500,000 and counting applications (2012 data), Apple has the means to deliver advertising messages.

There’s a common complaint about applications among consumers, however. They say, “There’s so much choice, but nothing I really want.” Well here’s one that Canadians will love—from Tim Hortons, it’s the Timmy Run application. Timmy Run was initially launched as a web-based application, but there are plans for a mobile extension. The application allows users to take orders for up to 20 people. It makes the run easier and more convenient for those who volunteer on behalf of friends and colleagues. Logistically, when a member of a group initiates a run, everyone in the group is notified by email and given a specified period of time to opt-in. When the time’s up, the runner is notified of the order, which is compiled on one list.

Among media companies, Rogers-owned City (formerly Citytv) launched a video application that allows iPhone, iPad tablet, and iPod touch users to view live and on-demand content on their mobile devices. Regular, scheduled programs are available to mobile users. The application gives advertisers the ability to reach consumers on a greater variety of platforms—online, tablet, and mobile. Pre-roll and mid-roll video ads are sold to advertisers.

**QR CODES**

A quick response (QR) code is a two-dimensional barcode that can be scanned and read by smartphones. Made up of small squares with black and white patterns, the code allows for sharing of text and data. To read the code, a person needs to download a QR code reader, available at various app stores (for example, Tag Reader for an iPhone).

To secure information, a user takes a picture of a code and is then linked to a website, a phone number, or perhaps a YouTube video that offers more information about a product or service. Thus far, Canadian advertisers have enjoyed mixed results when using the codes; their effectiveness in stimulating interest and ultimately a desired action is yet to be determined.

QR codes offer an advertiser several benefits: Additional information is communicated to the customer in a cost-efficient manner; when customers snap the picture, they are instantly engaged with the brand; and the codes are environmentally friendly, since they save on printed materials and potential waste. Refer to the illustration in Figure 7.14.

**VIDEO GAME ADVERTISING (ADVERGAMING)**

Advertising in video games, or advergaming, refers to the placement of ads in commercially sold games or in games played online or on mobile devices. The notion that video games are a male (young male)-dominated activity has somewhat restricted the level of interest in the medium by marketing organizations. However, new data suggest that video games are growing in popularity across both genders and all age categories. Games are becoming an accepted form of family and adult entertainment. That could be an important targeting consideration for a media planner.
From a planning perspective, integrating a brand into games helps achieve several objectives: It can generate positive brand awareness and higher brand preference ratings, as well as help stimulate purchases. The tactic is seen as being more effective than product placements in TV shows, mainly due to the intensity of the behaviour while gamers are playing—they see and recall the brand messages!
Gamers do not seem to mind the presence of ads. In fact, they expect to see ads, and they are receptive to their presence. A study conducted by IGA Worldwide (a game vendor) discovered 70 percent of respondents felt that the ads made them feel better about the brands. Further, brands running ads in games experienced an average 44 percent increase in brand recall among consumers, when compared to awareness prior to seeing the brand in the game.30

With video games, an organization can go in two directions: create its own branded game or place ads in commercially produced games. Many brands have developed their own games for visitors to play at their website. Such games promote interactivity and offer good entertainment value—things people are looking for when they visit a website. In commercially sold games, there is a diverse range of possibilities, including fully integrated opportunities (having a game designed around a brand or brands), interactive product placements, outdoor-style billboards, and 30-second video spots.

Social Media Networks

A social media network connects people with different kinds of interests at a website. Social networking is a bit of a phenomenon—in a very short period it has become a fundamental aspect of the online experience. Social network sites, such as Facebook, Twitter, and YouTube, are among the most visited sites in the online world.

While it is difficult to stay abreast of social media statistics, the latest count for Facebook users is about 900 million worldwide, 158 million in the United States, and 17 million in Canada. Figures like these suggest significant potential for advertisers to reach a large audience. To illustrate how fast things are happening online, consider that social networks are actually reaching maturity—at least the most popular networks mentioned above are Facebook’s user growth rate in the United States is slowing dramatically, and the amount of time people spend on the network is decelerating.31 Like any product, Facebook has to find ways of remaining relevant—it must continuously offer new things to keep people coming back.

With businesses operating in an era of social media marketing, you would think that all companies and brands would be actively devising strategies to engage consumers on social networks. Many have jumped in and enjoyed success, while others have struggled. A study by The Creative Group among marketing and advertising executives found that 71 percent of executives feel it is “somewhat challenging” to stay abreast of social media trends. These executives seem unprepared for the changes that are happening.32

Social media is extremely important today and can’t be viewed as an add-on in a marketing communications strategy. Executives need to understand the medium, even though it is difficult for them to view things through the lens of social media. Another obstacle to moving forward with social media strategies is the uncertainty surrounding return on investment. What is the value of a “like”? Do people actively engage with brands on social networks? What is the impact on sales? Executives need answers to these questions before they commit to the medium.

Social networks fall into two categories. Broad-based sites, such as Facebook, Twitter, and YouTube, offer an interactive, user-created network of friends, personal profiles, blogs, music, and videos. A lot of content sharing occurs on these sites. Niche sites also exist. LinkedIn is a site where business professionals can network. Pinterest lets people post pictures (on a pinboard) of things they love. Users can also browse pin-boards created by other people—a fun way to discover new things and share interests.
ADAPTING TO THE SOCIAL MEDIA ENVIRONMENT

Organizations are operating in an era where consumers have more control over marketing communications. In previous eras, marketers would push their communications on to consumers. In the social media era, the communications process is more participative—the goal is to get consumers talking about brands and promoting brands on behalf of the organization. This shift in control is often referred to as *brand democratization*.

Once the marketer adapts to this change and sees the benefit of allowing consumers to participate in the creation of brand content, the easier it will be to integrate social media into a marketing communications strategy. For example, if a marketer puts out a call for input based on some broad-stroke direction (for example, request that consumers submit a video and enter a contest), the public may submit some very worthy content that the marketer could use. It is often surprising what a brand enthusiast can do for a brand!

Much of the content on social media networks is created by amateurs. *Consumer-generated content* is content created by consumers for consumers. It is done without provocation and, in many cases, presents the brand effectively. People who do this are often called “brand evangelists” and will do anything to promote their favourite brand—visit YouTube for video examples! For many people, this type of content carries more weight than marketer-generated content.

When a company invites the public to participate in the marketing of its brands, it is employing a technique referred to as *crowdsourcing*. *Crowdsourcing* uses the “collective intelligence of the public at large to complete business-related tasks that a company would normally perform itself or outsource to a third-party provider (for example, an ad agency or production company).” Crowdsourcing capitalizes on the vision, creativity, and enthusiasm people have for the brand.

Harley-Davidson, a famous brand with a unique image, adapted and is using the techniques described above. A recent Twitter campaign was sourced from a member of the brand’s Facebook-based Fan Machine. The fan suggested that having actual Harley riders show off their own chrome would provide instant credibility with new customers. Dino Bernacchi, Harley’s director of marketing, says, “Our fans know how to express our brand. They live it everyday.” Harley riders were encouraged to tweet about who they are and why they ride. The objective of the campaign was to challenge assumptions about Harley riders and showcase the Harley community’s surprising diversity. Bernacchi says, “Many of Harley’s 3.3 million Facebook fans don’t yet own bikes. All it takes is a little push to awaken the hog within.” Since entering the social media arena, Harley’s unit sales have been much higher than the industry average.

Marketers must take advantage of this shift in power. There’s an expression, “Any publicity is good publicity,” that applies here. If consumers can create and upload content that is viewed by millions of people, there must be some benefit for the brand. Moving forward, marketers must find ways to tap into this phenomenon and to strategically add social media to their marketing communications arsenal. It sounds almost frightening to let consumers take charge, but consumer control is the ultimate form of engagement that consumers are searching for.

For insight into what Durex is doing with social media, read the IMC Highlight: *Durex Gets Couples In Sync via Facebook App*.

OPTIONS FOR SOCIAL NETWORK ADVERTISING AND MARKETING COMMUNICATIONS

Several advertising and marketing communications opportunities exist on social networks. Many of the online advertising options discussed earlier are available, along with
Durex Gets Couples In Sync via Facebook App

No laughing now, for this is a serious matter! Durex hopes to get loving couples in sync with one another by offering an application that helps them find the perfect love song for their style of lovemaking. The Facebook application is part of the marketing strategy for the new Durex Performax range of products that are designed to “speed her up and slow him down.” Developing the marketing strategy for a line of condoms sounds interesting, doesn’t it?

The application called “The Durex In-Sync Song Generator” asks a series of questions about preferences for time of day in lovemaking as well as how varied, energetic, and loud one’s routine is. Then, the user sends a request to his or her partner on Facebook to complete the survey, or has the partner fill in the questions at the same time if they are together.

Here’s an example of how it works. If a couple is identified as “Romantic & Racy” (one partner is eager in the evening and the other likes to get naughty at night), the generator selects a song with a titillating tempo and a sensuous sound. Peter Gabriel’s “In Your Eyes” might be the song recommended.

This innovative social media effort is part of a bigger campaign to reposition Durex in the condom market. According to Kevin Harshaw, personal care marketing director for Reckitt Benckiser, “Lovers are a neglected group in this market. Going forward, we want to be the brand of choice for lovers age 25 to 39.”

To achieve that goal, Durex is offering a suite of products to get lovers in sync. The “speed her up” condom has extra ribs and dots for added sensation. The “slow him down” condom has a climax-delay lubricant on the inside. Another condom is touted as the “ring of bliss,” a feather-like design to hit the spot for her. A lot of serious thinking goes into this kind of product development!

The marketing objective for Reckitt Benckiser is to improve market share. Durex (15% market share) is a distant second to Trojan (69% share) in a North American market worth about $430 million. Harshaw hopes for the best when he says, “We’re filling a true need in the market, and we’re coming with true innovation for that target group.”

Other components of the $15 million marketing communications campaign include digital and social media, radio, public relations, and product placement.


IMC HIGHLIGHT

some interesting brand-sponsored opportunities, such as blogs, which allow an organization to publish ongoing information about its brands.

DISPLAY ADVERTISING

Display advertising in the form of banner ads is available on social networks. Consumers are adapting to the notion that advertising is necessary to sustain their social practices and ultimately for the financial survival of a network like Facebook. Given the abundance of information that social networks collect about users, there is a significant targeting advantage available to advertisers. Facebook offers a sophisticated demographic filtering process. For example, if an advertiser wants to reach females 35 to 49 years old who are interested in home decorating and renovations, that target request could be
entered into the Facebook database. The advertiser would know the approximate
number of women fitting the profile and plan a campaign to reach them.

Click rates on Facebook are relatively low—about half that of standard banners
on other websites. Presently, about one click is generated for every 2000 impressions
(the number of times the banner appears on a browser page). Low click rates are
causing advertisers to look at other marketing communications options on social
networks.

BRAND PAGE (FAN PAGE)

Marketers can create their own page on Facebook that users choose to join. Users who
click on a brand’s like button become members of the brand’s fan page. Contests or
other forms of incentives motivate fans to visit the page, resulting in an expanded base
that can be used for future marketing programs.

The value of a “like” is often questioned by advertisers. Presently, many marketers
equate social media success to the number of likes they have, and they implement pro-
grams to build their number of likes. But the value of a like remains elusive. Apparently,
only 5 percent of people who “like” a brand go back to that brand page.35 The limited
consumer engagement with brands on Facebook suggests there may be a disconnection
between the reasons why consumers “like” a brand and the reasons brands think con-
sumers are “liking” their page.36 A prudent marketer must shift his or her way of think-
ing and devise strategies that give “engagement” a priority over “likes.”

In 2012, Facebook announced a new format for business pages. No longer will a
brand page have a static tab as a default landing page; instead, a timeline design will be
in effect. The timeline design forces marketers to frequently post fresh and engaging
content. Specific posts will appear at the top of the page, but they will be removed after
seven days. Marketers will also have to be more engaged since they must post, monitor,
and respond more often on their brand page.37

REFERRALS FROM A FRIEND NETWORK

Referrals from friends have proven to be an important influencer in social media; they
play a role in creating interest in a brand. A news feed about someone buying something
new, for example, could be received by countless numbers of friends. Word of mouth is
often cited as more influential than company-sponsored communication. Too much
word of mouth may not be good, as users become skeptical of the source or see it as
exploitation of personal relationships with friends.

Facebook launched sponsored posts (sponsored stories) that are served to friends
of users who have engaged with a brand. The new format requires marketers to pay for
exposure for their posts—something they might once have gotten for free. Initial reac-
tion has been positive among many Facebook advertisers, as click rates have been about
four times higher than those of traditional Facebook ads.38

COMPANY BLOGS

A blog is a website where journal entries are posted on a regular basis and displayed in
reverse chronological order. Blogs provide commentary on news or particular subject
areas of interest—politics, food, fashion, even marketing-related material! A blog can
include text, images, video, and links to other blogs.

A company blog is proving to be an effective means of presenting relevant information
in a positive manner. It gives an organization an opportunity to be part of the dis-
cussion on matters that are important to customers. People access blogs because they
want the content. With a blog, an organization can communicate with customers in a more relaxed way. With a blog, a brand has an opportunity to develop an online personality that goes beyond what can be accomplished in traditional media communications.

**YOUTUBE CHANNELS**

Everyone views video content on YouTube, don’t they? With that in mind, doesn’t it make sense for an organization to have its own YouTube channel, where it can show some dazzling videos about its brands. On YouTube, a channel is the word used for a user’s profile. Other users can access a channel/profile to find out what videos have been uploaded. You can also subscribe to a user’s profile and be notified when that user uploads new videos to the site.

The principle just described can certainly apply to a company and its brands. Axe, a very popular brand of male grooming products, is all over social media and recently launched a dedicated channel on YouTube: www.youtube.com/AXECanada. Similar to Axe communications in other media, the YouTube channel offers a highly sexualized perspective on topics of male interest. According to Shelley Brown, president and CEO of CP+B (Axe’s ad agency), “Axe is a brand that, as it moves through social space, needs to stay very relevant, very fresh. It needs to be in a state of continual renewal.”

**KEY BENEFITS OF SOCIAL MEDIA MARKETING COMMUNICATIONS**

There are several key benefits available for a marketing organization that engages in social media communications. From a targeting perspective, all age groups are engaged with social networks. Therefore, it is a complementary medium in the marketing communications mix. More specifically, millennials are on social networks in droves: 91 percent are on the Internet, and 86 percent of those participate on a social network.

Now and in the future, social media communications that reach this group are absolutely essential in the mix.

One of the most potent forms of influence on brand decisions is word-of-mouth, a situation that marketers have no control over. As demonstrated earlier in the chapter, a significant amount of word-of-mouth happens among friends on social networks. Perhaps the primary benefit is an intangible one—the fact that consumers willingly engage with brands. While such engagement may not produce an immediate sale, it is part of the relationship-building process that could produce a sale later on.

Despite these benefits, many companies are reluctant to invest in social media communications. The absence of sound metrics (beyond click rates) to determine return on investment is a stumbling block. Erich Marx, director of interactive and social media at Nissan, effectively puts social media communications into perspective for modern-day advertisers. He says, “From an ROI standpoint, are we selling hundreds of cars through social? No. But, you have to be there. It’s not about ROI, it’s about COI—cost of ignoring. It’s too big to ignore.”

**SUMMARY**

A stronger understanding of the role and importance of the Internet and other forms of interactive media in the daily lives of consumers has resulted in more integration of digital media in marketing communications plans. With the younger generation of consumers being avid users of technology, there is little doubt that digital media will play a more dominant role in the future.
As Internet penetration continues to rise, Canada tops the world in Internet usage. Canadians are spending more time online than any other country; the Internet ranks second only to television in terms of time spent with the media. The interactive nature of the medium allows a brand to engage consumers and create deeper brand experiences. The challenge for advertisers is to create useful and entertaining messages that will capture the imagination of Internet users who want to be entertained. Advertisers must also understand that control of the message is in the hands of consumers in social media. The differences in consumer behaviour when using social media must be considered when planning communications strategies.

The Internet is a medium that allows marketers to target customers on the basis of demographics, geographic, and behaviour. Of particular interest to advertisers is the concept of behaviour targeting. By tracking preferences, unique messages are delivered to consumers on an individual basis. As well, there is the capability to design unique products for customers, a concept referred to as mass customization.

Interactive marketing communications refers to the placement of an advertising message on a website in a variety of different formats. The messages are communicated by computer, cell phones, tablets, MP3 players, and video games. Advertising online plays a key role in achieving specific marketing objectives. It will help create brand awareness for the launch of new products and is an excellent medium for building and enhancing brand image. Companies also find the Internet ideal for distributing buying incentives and for promoting contests. In both cases, information about consumers is collected and added to a database for use at a later date. In a business-to-business context, online advertising is a means of generating leads and completing transactions.

There are a variety of advertising alternatives to choose from. Among the options are search advertising, banner ads in static and rich media formats, video ads, sponsorships at other websites, email ads, and webcasting. Video ads are growing in popularity mainly due to their similarity to television ads. Permission-based email is also growing in popularity. Using lists generated from in-house databases or from other sources (rented lists), email advertising represents a cost-efficient way to reach prospects and current customers. Beyond these advertising options, companies also use company and brand websites to communicate detailed information.

As an advertising medium, the Internet provides targeting capability at a very reasonable cost and also offers tracking capabilities that measure effectiveness in a variety of ways (for example, impressions, clicks, clickthrough rates, leads, and purchases). It is also a 24/7 medium, offering ample opportunity for brand and company exposure and engagement with consumers. Some drawbacks of the Internet include low click rates for ads and advertising overload (the sheer number of ads that may appear on a webpage).

Mobile media represent new opportunities to deliver advertising messages. With smartphone penetration growing rapidly in Canada, the potential to deliver messages to consumers while they are on the go, a concept referred to as location-based targeting, represents significant opportunity for advertisers. Marketers are attracted to mobile media based on the immediacy and intimacy they offer. Mobile media advertisers must be careful regarding the frequency of communications with consumers. If the advertiser is too intrusive, there could be a negative impact on brand image. Other mobile opportunities include advertising on applications or using QR codes in other forms of communication.

Video games are proving to be an effective means of reaching all age groups. People are spending more time playing games (often in prime time) than they are watching television. Gamers don’t mind the presence of ads. In fact, they say ads make the game more real. Recall scores for brands that appear in games are quite high.

Finally, social media networks are increasing in popularity due to their social nature and intimate environment. Many advertisers have jumped in and enjoyed much success, while others have struggled to find the right formula. Marketing executives say that it is challenging just to stay abreast of the changes that are occurring in the social media environment, and claim that their lack of knowledge is what’s holding them back. Nonetheless, people are spending considerable time with social media, so advertisers must be there. In the social media era, the communications process is more participative, a situation that advertisers must adapt to. The goal is to get consumers talking about the brands and promoting the brands on behalf of the organization.

Advertising options in social media include display advertising, brand pages, referrals from a friend network, blogs, and YouTube channels. Social media reach all age groups, a key benefit to advertisers. As well, social media encourage word-of-mouth about brands, among friends. The ability to measure return on investment is a common concern that advertisers raise about social media.
KEY TERMS

ad view 197
advergaming 215
banner 204
behavioural targeting 197
big box 204
blog 220
brand democratization 218
click (clickthrough) rate 203
clicks (clickthroughs) 203
consumer-generated content 218
cookie 197
crowdsourcing 218
demographics 195
expandable banner 205
floating ad 206
frequency (online) 203
impression 203
interactive communications 198
leaderboard 204
location-based targeting 213
mass customization 197
microsite 212
mid-roll ad 206
online sponsorship 206
opt-in list 209
pay-per-click advertising 204
permission-based email 208
portal 198
post-roll ad 206
pre-roll ad 206
push down banner 205
quick response (QR) code 215
rectangle ad 204
rich media 205
search advertising 204
skyscraper 204
social media network 217
spam 209
sponsored email 208
sponsored post 220
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streaming 206
super banner 204
text messaging 213
unique visitor 203
video messaging 214
video strip 205
viral marketing 209
visit 203
wallpaper ad 206
webcasting 209
webisodes 209
window ad 206

REVIEW QUESTIONS

1. What is behavioural targeting, and how is it applied in online marketing communications programs?

2. What is mass customization, and how do online communications facilitate its practice?

3. What are the primary marketing and marketing communications roles that the Internet can provide marketing organizations? Identify and explain each role briefly.

4. In the context of online marketing communications, briefly explain what viral marketing is. Is it a worthwhile pursuit for marketing organizations?

5. Explain the following terms as they relate to online advertising:
   a) impressions
   b) clicks
   c) click rate
   d) visits
   e) clicks (clickthroughs)

6. What is banner advertising, and how does it work?

7. Identify and briefly describe the various types of banner ads.

8. What does rich media refer to, and how does it work? What does streaming media refer to?

9. Briefly explain how an online advertising sponsorship works. What benefits does it provide? Illustrate the benefits with some examples.

10. Briefly explain the following email advertising terms:
    a) permission-based email
    b) sponsored email
    c) opt-in list
    d) spam

11. What is a cookie, and what role does it perform in online communications and marketing?

DISCUSSION AND APPLICATION QUESTIONS

1. Identify and briefly explain two advantages and two disadvantages of Internet-based advertising.

2. What future lies ahead for email advertising? Will it continue to grow, or will consumers and businesses turn away from it? Conduct some online research on the issue and present a brief report on your findings.

3. “Persistent invasions of consumer privacy will be the undoing of online advertising.” Is this statement true or false? Conduct some online secondary research on this issue. Report on your findings.

4. Visit some commercial websites of your choosing. Evaluate these websites in terms of their ability to
achieve certain marketing and marketing communications objectives such as building brand image, offering incentives, generating leads, and providing customer service. Are communications on the websites coordinated with any other form of marketing communications?
5. Assess how consumer goods marketing organizations are using social media communications to their advantage. Can it be an effective medium for building relationships with customers?

ENDNOTES


