

Part Three: Online advertising

Display ads rarely get clicked. So why bother?

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In this four-part series, we'll look at online advertising options for small businesses and how to monitor performance once the campaign is launched

In the world of online advertising, search-based ads rule the roost – Google's \$26.3 billion of revenue in 2009 is proof – but they're not the only game in town.

Search-based ads – the small text ads that pop up when you search a site like Google – work best at capitalizing on the moment a user is searching for something. But they don't do much to raise awareness of your business itself. They won't support your logo, and they won't leave any lasting visual impression.

That's why there's still a place for the second kind of online advertising: "Display advertising," or – as you might know them – banner ads. Instead of text links, they're ads in a more traditional vein; rectangular graphics that combine text and images.

Where to use them? Display ads serve a different purpose than search ads. They're meant to be seen more than clicked – which is a good thing, since they're not clicked very often. Typically, only about one in a thousand display ads actually get clicked on – a nice, round 0.01%. As a result, display ads are more often sold by how many times they're displayed – a system called CPM, meaning cost per thousand clicks.

That means that if you're just trying to get customers through the door, display ads might not be the best avenue. Nor will they provide an immediate return. But they work as part of a larger system: If they're seen by the right eyes, they'll build brand recognition and trust, and prime the pump for customers to click on a text ad, or visit a real-world store. They can also inspire users to do a web search, leading them to websites or text ads. The trick is making sure that display ads get seen by the right eyeballs in the first place.

Stay local. Rather than trying to target your ad to a small part of a giant network, the other approach is to buy ads on local websites. Hyperlocal, small-city and neighborhood websites are increasingly popular – for instance, take [SooToday.com](#) in Sault Ste. Marie, Ontario – and run small display ads that are guaranteed to be seen by a local audience. Websites belonging to local newspapers are another worthwhile venue.

It's often hard to run local display ads on large national sites, who don't want to deal with the administrative overhead of ad buys of less than \$5,000 to \$10,000.

Self-serve tools. Another option is in the offing: Self-serve local ads on national properties. [Denneboom Media](#), a Toronto agency, has launched a service that automates the process of purchasing display ads to be displayed on big-name properties. The service recently launched on [The Weather Network's website](#) – a national company, with outlets in thousands of individual markets.

The self-serve model bypasses the fine-tuned but elaborate ad-buying system popularized by Google, aiming to give time-strapped restaurateurs, roofers, caterers, and car-wash owners a simplicity more akin to buying ads in the Yellow Pages.

"Our view is no buzzwords, just tell people how much it's going to cost a month," says Jack Denneboom, the president of Denneboom Media.

Mr. Denneboom says that trials are underway with other national online entities; display advertising on large websites might be in closer reach soon.

DIY display ads. Just as there are self-serve tools to buy search-based ads with sites like Google, the big search sites have started offering do-it-yourself options for buying display ads on affiliated sites.

Google offers a service called the [Google Display Network](#), that offers many of the same features as their search-based ads. The ads aren't displayed on Google itself, but on a network of affiliated websites that run Google's advertising. As for designing the actual ad, Google, like a growing number of players, offers a tool called the Google Ad Builder, which will step you through the process of putting the graphic together.

Microsoft, meanwhile, offers DIY display advertising under the banner of the [Microsoft Media Network](#); the software giant offers a variety of payment methods, including the option to pay on a per-conversion basis.

Facebook. Finally, one of the biggest fish in the display-ad market is the newest-arrived: Facebook, which by some reports is running more display advertising than anyone else. It too has a step-by-step self-serve advertising site, which promises access to Facebook's own secret weapon: its vast reserves of demographic information about its users.

For small businesses, careful targeting is the key, and there's no point in advertising through a big network if your ads are going to appear half-a-continent away. Be sure to leverage targeting tools. Google's, for instance, allow advertisers to aim their ads at – among other things – any given region, postal code, and language, and to specify sites and regions where you specifically don't want an ad to appear. Connected with the right viewers, however, display advertising can give your business' profile a definite boost.

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The series continues with a new post every Monday for the next month. Stories can be found on the [Web Strategy](#) section of the [Your Business](#) website.
