

Are Retailers Missing Valuable Conversions With Limited Display Campaigns?

Contributed by eMarketer
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Unique users typically see a campaign only once or twice

As the holiday season approaches, retailers around the world will be revving up their online display campaigns.

But will they be planning the most effective executions?

According to campaign management firm MediaMind, about a third of all online display advertising by the retail industry occurs during November and December. But most campaigns reach individual web users only a single time.

MediaMind reported just 17% of users saw a campaign four or more times, compared with nearly 60% who only saw it once. These low frequencies are common for direct response campaigns, but retailers could be missing out.

Not only do display ads have an important branding effect, but retailers are also missing the sweet spot for optimal conversions.

Conversion activity does drop off among users exposed to a campaign dozens of times, but only 41% of conversions occurred among users exposed to a display campaign just once.

A second exposure boosted cumulative conversions by 18 percentage points, and it took five exposures to account for 80% of all conversions.

“The results indicate that the conversion rate is highest at the first and second exposure that users receive,” said the report. “However, only after four exposures, the conversion rate drops below the average conversion rate for the entire campaign. This indicates that online retailers should not be hesitant to increase frequency to the target audience, rather than scaling the campaign for more users.”

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