Mobile Ads Six Times As Effective As Standard Banners

Contributed by eMarketer
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Channel, location, size and placement all matter for display ads

The telecom industry is one of the biggest spenders on online advertising. Between 2010 and 2011, telecom ad spending climbed by 7% to $3.62 billion and eMarketer estimates the industry will spend close to $4.6 billion on online ads by 2015.

New research suggests the industry has unlocked some key findings in order to achieve high user engagement with its display ads.

Perhaps due to the substantial resources telecom marketers are devoting to online advertising, the industry is enjoying higher-than-average user engagement with its ads. Research from ad solution provider MediaMind (formerly Eyeblaster) suggests that ad placement, banner sizes and the time in which users view ads have an impact on engagement metrics.

According to MediaMind, for every 1 million impressions, web users â€œdwellâ€• on 70,000 telecom ads and click on 1,800. MediaMind defines dwell rate as impressions that are intentionally engaged with by touch, interaction or click, and by this metric the telecom vertical outpaces nearly all other categories thanks to a dwell rate of 7.5%.

Telecom is tied for second-highest vertical in terms of engagement, and trails only the sports category.

MediaMindâ€™s research suggests that ad placement, size and format all influence a consumerâ€™s engagement with an ad. For telecom, MediaMind found that ads work best when placed on pages in the travel, technology, homepage, news, entertainment and finance categories.

For rich media ads, IM and lifestyle placements were especially effective. Moreover, larger banner ads tended to perform better than smaller ones, and 300x600 and 300x250 were the best performing banner sizes.

MediaMind also found that users are more likely to convert after the first few times they view an ad. After the third impression, conversion rates plummet. Research also consistently shows that users convert at a much higher frequency after viewing mobile ads.

Mobile ads for telecom achieve six times the performance of browser-based standard banners, according to MediaMind.

Although engagement rates for telecom are best-in-class, analysis of DoubleClick data by comScore indicates that clickthrough rates for telecom rich media ads are not quite as noteworthy.

According to comScore, telecom CTRs come in at around 0.07%, compared to 0.15% for the automotive industry, the segment with the highest CTRs.

Examination of telecom display ads reveals that factors such as placement, format, size and frequency do influence a userâ€™s decision to engage or convert.

Marketers from all industries should make note of telecomâ€™s findings in order to create highly relevant ads that consumers will want to engage with.

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