

Brand Advertising Outshines Direct Response In Digital

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Measuring brand advertising still poses a challenge

Direct-response marketing may soon be taking a backseat to online brand advertising initiatives. According to a DIGIDAY and Vizu "State of the Industry Survey," more marketers plan to increase their online branding initiatives in 2012 than they do their direct response tactics.

The survey reveals that roughly half of marketers plan to increase direct-response spending, compared to 64% who plan to increase online brand ad spending.

Drilling down into how much marketers plan to increase their investments, 44% will increase online brand ads by more than 10%. Moreover, 22% will increase brand ads by at least 20%. Although marketers are in fact increasing direct-response spending, the survey indicates that they are doing so to a lesser degree than brand advertising—20% plan to increase online direct-response advertising by 10% or more, and only 13% plan to increase it by 20% or more.

Growing marketer interest in mobile advertising, social media and online video is contributing to the expansion of online brand advertising as a category. According to DIGIDAY, 69% of survey respondents plan to increase their mobile ad spending, 63% plan to increase social media and 57% plan to increase video advertising. For the majority of marketers, investments in rich media advertisements and standard display advertisements will stay the same.

Although the DIGIDAY/Vizu survey did not show a decrease in direct response to accommodate more brand advertising investments, another DIGIDAY survey with Adap.tv indicated that some advertisers may be dipping into display budgets in order to spend more in areas such as online video. According to the survey, 43% of agency advertisers and 24% of brand advertisers said they planned to shift funding away from display advertising to accommodate more spending for online video ads in particular. Broadcast TV and print advertising were the other channels advertisers planned to dip into most significantly.

While brand advertising is experiencing heavy interest and strong growth, marketers are still grappling with developing a set of metrics that prove the effectiveness of online brand advertising tactics. The DIGIDAY/Vizu survey asked marketers how they planned to calculate return on investment for brand advertising. Very few respondents said they used the same metrics as they do in offline categories. Instead, the majority (55%) have added metrics such as brand lift, sales and interaction rates to measure ROI. Clickthrough rates, shares/reports, and dwell time are less popular metrics, but are used by roughly a third of survey respondents.

Marketers told DIGIDAY that developing a set of standard brand advertising metrics would help further their online branding initiatives. The top three improvements respondents said would help them increase resources for online brand advertising were improved clarity around brand advertising ROI, the ability to verify brand advertising created the desired result and the ability to use the same metrics with online brand ads that are used in offline media.

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