

ONLINE ADVERTISING – A STRATEGIC TOOL FOR THE BUSINESS

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Well designed and directed, advertising is complex communication, a bridge between companies and consumers. To create an efficient advertising campaign, it takes inspiration, professionalism, and passion. New ways of marketing and advertising online prevail over traditional marketing, creating interesting experiences for consumers by means of video images. Interactivity is frequently used in modern marketing. In a new advertising era of Web 2.0 advertising online, organizational management, sales people, or customer relations representatives must take into consideration this explosion of information generated by consumers, and the way they are highlighted by means of brand-related perceptions. Web advertising uses the advantages of today's technology, so that people who create it can use their creativity and passion in moulding the cold clay, thus designing a new world full of color, light, and images.

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The World Wide Web is a global system of sites that are stored on servers that interconnect by means of various links containing images, texts, folders, sounds, video files, flash images etc. The Web began to exist in 1989 thanks to Tim Berners Lee, Robert Caillau and an entire team of specialists from The European Center for Nuclear Research in Geneva by writing papers on what Web actually means, namely an information system that works worldwide by means of hypertext and hypermedia. The main purpose is making information accessible for people⁴⁵³.

On the 6th of August 1991 the first Web page designed by Tim Berners Lee and based on HTML language was posted, which brought about radical changes in Internet. Tim Berners-Lee was considered one of the most important inventors of humanity and received knighthood in 2004. Berners-Lee also created World Wide Consortium – W3C, which is a non-profit organization in control of Web evolution⁴⁵⁴.

The Web generation has developed greatly since the old Web 1.0 to Web 1.5, and now we are dealing with Web 2.0. In Table 1 you can see the evolution differences between Web 1.0 and Web technologies. The most important feature of Web 2.0 that can be successfully used by marketers is the fact that the new Web made the Internet more than a software platform, considering that Internet users control and create their own data or information and they customize the online environment, which can be noticed by other users, as well.

Web 2.0, which is a high level in the development of the World Wide Web encompasses many tools, technologies, and concepts that have been recently designed (for instance, RSS, blogs, podcast, wiki, bookmark systems, LoL (by many users for many other users), web API, web online services, Ajax, Rubz on Rails etc.

Web 1.0	Web 2.0
DoubleClick	Google AdSense
Ophoto (purchased by Kodak and turned into Kodak Gallerz)	Flickr
Akamai	BitTorrent
mp3.com	Napster
Britannica Online	Wikipedia
Personal pages	Blogs
Finding names of domains	SEO (search engine optimization)
Pages that have been visited	Cost per click
CMS (content management systems)	wiki
Directories (taxonomy)	Tagging
Posting	Participating
Stickiness (the ability of a site to attract visitors and make them loyal)	RSS (information syndication)

453 http://en.wikipedia.org/wiki/world_wide_web

454 <http://www.w3.org/>

3 Tim O'Reilly - What Is Web 2.0 Design Patterns and Business Models for the Next Generation of Software, November 2005

Table 1: Traditional Web Vs Web 2.0 technologies

The Web 2.0 platform is strategically positioned in Internet users' minds, as they control the information by means of the services they provide, by means of low costs, and information flexibility. Web 2.0 is actually a matter of attitude, not necessarily technology. It invests and gains the trust of its users, it is entertainment, people can do shopping online, which refers to a new lifestyle without evading normal life. This means that the Web is a collaboration platform.

Web pages are counted in real time on WorldWideWebsize.com. Currently there are about 65 billion Web pages. The .ro domain name defines over 12 billion Web pages according to Google⁴⁵⁵.

Web marketing refers to all the marketing activities online. Considered as the new efficient commercial vector within digital economy, the richest form of new rich media, web marketing is all about marketing strategies, policies in the virtual environment and about marketing activity specific to web sales (websites, virtual stores, e-catalogues, interactive databases, cybermalls, electronic payment, electronic distribution systems, direct marketing, e-business), online promotion and advertising (websites that promote company products and services, online advertising, PR, promoting brands online, campaigns, e-business model designs), online, interactive, two-way global communication. Web advertising ensures information messages, slogans, jingles, teasers. Databases such as e-mail addresses, orders, market responsiveness, online PR, interactive e-mail and web pages, sponsorship, patronage, press release, videoconferences, videomarketing, webzine, online newsletter, online marketing research, focus groups, web chat).

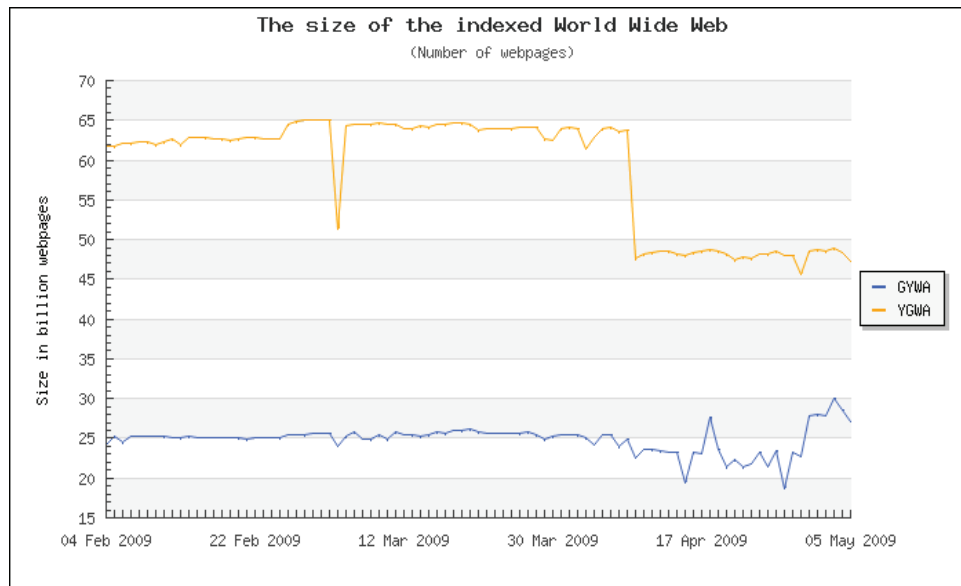


Figure 1: Recent evolution of Internet pages (in billions)⁴⁵⁶

The main features of this media channel are the speed of sending information from source to Internet user, the great quantity of information that can be sent without considering time or geographic barriers or hurdles, hence the accessibility of Internet, its current value and importance, but its perishable status, the diversity as far as information is concerned, and competitiveness, pull strategies (persuading users into visiting websites, interactivity by synchronous or asynchronous communication must also be taken into account and thoroughly analyzed.

Online Advertising VS. Traditional Advertising

The online environment has the significant advantage of being able to provide the means for an interactive dialog that can rise up to the expectations of every consumer. Instead of using a single message for everyone as in mass advertising the online marketing offers the possibility of using interactive and personalized messages that can be sent to every consumer no matter where they are located on the globe, what language they speak and most important it allows them to see exotically the information desired at a specific date and time. Over the internet the companies can develop personalized presentations that are able to satisfy the desires of each client. The database systems together with the advantages of the modern search engines provide the much needed opportunity for the consumer to find the company he desires and the other way around, opportunity not available offline. Personalized

455 <http://www.google.ro/search?hl=en&q=site:.ro>

456 www.WorldWideWebsize.com

messages, one to one selling and integrating the advertisement in a large amount of information are the main rules of the game.

Because of this particular, closer customer, company relation it is essential to invest time, resources and respect into its relation with the customers or it will all be for nothing. By recording information about the interests of each registered consumer, its previous acquisitions, by personalizing the interface for each registered user and approaching him in a personal manner the company can develop a special relation with the particular consumer.

We are currently living in world dominated by virtual global markets that can be seen as local through individualization, when each and every client is understood as a unique individual, with his own personality, needs, life style, preferences and purchasing patterns.

One of the main objectives of marketing over the internet should be the development of a generous data base with detailed information about both current and potential customers. Among other things this database is responsible for the development of competitive products and services that will satisfy the needs of each customer.

The average potential web client usually has a higher education and a bigger income than the standard offline client, also he is less tolerant with aggressive advertising that appear without being required on his computer screen. This is one of the main reasons why the internet marketing must adapt the standard marketing strategies to the specifics of the virtual environment. In a time of speed the company must reply instantly the information required by the client in order to establish a good relation with him and gain his trust. In the virtual environment the client requires supplementary information mostly when he is ready to make the purchase and the decision of doing so depends only on the quick reaction from the company and the usefulness of the information received.

The cyber consumers can also be attracted by using classic advertising techniques based on rational and emotional type messages. In the virtual environment many of the limitations of the classic environments are no longer a problem, the potential of using multimedia technologies and the relatively endless advertising space open the door for the future in advertising. Online marketing also offers another huge advantage due to the possibility to counter and monitor every move the users do on specific web pages which leads to a better understanding of the consumer, his behavior and his needs.

In the online environment there are several types of clients belonging to specific online user segments:

a. The cyber buyers: professionals that spend much of their active time online and are focused mostly on the places specific for their businesses. They are required to take complex acquisition decisions based on collecting large amounts of data in record time. The virtual technology is the perfect solution for their needs and often a new business is based on this modern environment and the initial investment proves itself profitable in relatively short time.

b. The cyber consumers: home users dependent on online commercial services. They are the gold mine that the entire commercial and the entertainment industry desire to exploit. Both marketers and various services providers must find ways to make the online shopping more and more enjoyable in order to overcome the attractiveness of the local shopping centers.

c. The cyber navigators: use the online technology in order to extend their knowledge, to test their abilities and to have some fun. They are usually young people with entrepreneurial spirit, highly dynamic and tough to satisfy. Even if there is always the risk that they will browse away if the site background is not fashionable their impulsiveness and vulnerability to advertising together with the joy of browsing make them the perfect online segment.

Online Advertising Models and Tools

The most efficient instruments used in order to communicate the promotional message and various information throughout the virtual environment are:

-Specific bidirectional communication instruments: the users are seen as development partners (as in Wikipedia, YouTube, MySpace, Hi5, Twitter, Face Book, LinkedIn, Second Life, Amazon) and this collective intelligence is a highly appreciated resource on the web;

-Viral marketing: the best method available for the exponential increase in spreading the message based on the encouraging people to communicate and use the message in their day to day life, making the initial sender irrelevant;

-Flexible mobile internet access: the possibility of accessing the internet anytime anywhere from various devices (mobile phones, mp3-players, PDA...) allowing the users to interact with the multimedia portal provided by the company;

-The impact of virtual communities and social networks over the interpersonal communications both personal or business oriented from a simple emitter receiver system to a more advanced virtual network of friends and businesses regardless of culture, geographic space, country ... (ex. www.match.com, www.linkedin.com, www.myspace.com, www.rise.com).

There are 10 basic types of banners recently adopted by the online advertising industry: square like, skyscrapers, island banner, extendable banner, overlay ad, video banner, sticky ad, extravagant ads, floating ad and leader-board⁴⁵⁷.

In his book „*Unusually Useful Web Book*”⁴⁵⁸ June Cohen identifies and classifies the main types of ads used on the internet into 12 categories: banners, buttons, pop-ups, leave-behinds, rich-media, links, text, endorsements, sponsored links, product placements, video ads and interstitials.

Other authors like I. V. Ruff and B. Grigore in the book entitled „*Relațiile publice și publicitatea online*”⁴⁵⁹ (PR and online advertising) use a different classification that divides the online ads in: rich media (interactive and multimedia), text links, sponsorships, advertorials, and various types like video ads, news, screensaver.

On the other hand, the Internet Advertising Bureau, one of the most important online advertising associations, offers a more complex approach on the subject, especially for the banners. The standard for the online banners, measured in pixels, is:

-Full banner: 468x60

-Full banner with vertical scroll bar: 392x72

-Half banner: 234x60

-Vertical banner: 120x240

-Square button: 125x125

-Micro-button: 88x31

The banners come in various shapes and sizes and in different places of the webpage. A fact worthy to be mentioned here is that the banners are technically measured in pixels but the IAB uses another measuring unit named the IMU – Interactive Marketing Unit. From the technical point of view the banner is a static or animated image, square or rectangle like form of various sizes. The banner type ads can contain the name of the company, a specific brand, slogans, logos, and other promotional messages. The banners act as a permanent lighthouse for the people browsing the webpage and also as a access door between them and the company.

The company can also use the banner as a business card offered to the cyber consumer, promoting its image thou it to millions of virtual surfers from every part of the world.

Video ads and the future of online advertising: the online advertising will receive limited or none damage from the economic crisis not like other types of advertising and marketing as it is mentioned in an article from the published in the economist. The reason for this endurance is that its popularity is growing exponential; enough to equalize the overall descend of the advertising industry. Practically the online advertising is the most economic type of advertising as it can guarantee the results and supervise the entire communicational process. Practically the prices requested for online advertising are more like selling a guaranteed result, a package of benefits, and fewer and fewer marketers see them as advertising costs.

In the USA the online advertising market represents more than half of the global online advertising market and is expected to rise with 8.9% in 2009 as mentioned in the magazine eMarketer. In august 2008 the same marketing research company provisioned a rise of 14.5% for 2009 but the effects of the global financial crisis brought some limitations to its development.

Different online advertising techniques are estimated to encountered the following increases: search engine ads – 14.9%, rich media ads – 7.5% and display type ads – 6.6%. As mentioned above the online marketing advertising industry will continue to increase its profits and popularity even during the financial crisis even if it will follow a more cautious evolution trend.

Another good particularity regarding the online advertising is that the fine line between ATL and BTL advertising serves no purpose as Randall Rothenberg, manager of the Interactive Advertising Bureau SUA said. Therefore, during the crisis the marketers are cutting expenses in advertising especially in th more expensive and less efficient ATL methods (TV, radio...) and to keep the budgets for the less expensive BTL campaigns(promotions, personalized treatment...).

The online advertising joins the specific ATL and BTL actions offering their main advantages for a minimal cost for the company and with a shorter time needed to receive a certain effect from the consumers. According to Forester Research the sustained rise of the online multimedia technology with 70% over the last year makes the online advertising the new pink in communication with the customers.

What really matters in defining online advertising strategies is not the shape of the ads – pre roll or post roll, but the correspondence between them an the needs of the consumer. Not like the text only content offered by the search engines the multimedia content can offer to the user a quite unique experience. It is this experience desired or appreciated by the consumer that intrigues the marketers all over the world and is the key to more efficient and pleasing advertorials and also represents a good indicator for the receptiveness of the consumers. When It comes to

457 Gh. Orzan, Mihai Orzan – *Relații publice online*, Ed. Uranus, București, 2007

458 Cohen, J., *Unusually Useful Web Book*, New Riders Publishing, USA, 2006

459 Ruff, I.V., Grigore, B., *Relațiile publice și publicitatea online*, Polirom, București, 2003

multimedia type messages there are a lot of supplementary subjective/personal reasons in appreciating the advertisement and quite often these are more important than the logical connections.

Therefore, the marketers should use compartmental targeting techniques and develop quality ads that will be more than just a support for a commercial statement. Thanks to the online environment marketers can now interact a closer way with the consumers. The video publishers the better type of publicity will win in the end both the supremacy but also a place in the life of the new society.

The main advantages for the online advertising are the relatively large number of techniques for finding and interacting with the cyber consumers with the desire to make a purchase. Another advantage is that it allows the webmasters to gain financial rewards for developing and maintaining their websites.

In these troubled times this particular type of advertising is becoming more and more popular among various types of entrepreneurs, the simple web presence being a must for the modern day manager that uses the pull type strategy. Many companies are still skeptic about investing in online advertising due to the fact that their performance lever is not a true competitive one and so, their online campaigns will have a chance of success compared to the ever increasing online competition.

In Romania the internet is beyond any doubt a very strong communication channel that can and should be used in brand awareness campaigns, product advertising, ... with a unlimited capacity for surprising the consumer every time.

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