

The influence of online advertising on search

Consumers are using search
engines as a response
channel to online advertising

How online display advertising influences search volumes

- Twice as many people say they will use search rather than clicking on a banner ad
- Projected searches are split evenly between product and brand searches
- Almost a third of our sample navigate directly to the advertiser's web site

A series of recent industry research is starting to show the direct connection between online display advertising and search activity.

For example, an Atlas survey on the 'halo effect' between display and search discovered an average uplift on conversion rates of 22% on searchers who had recently been exposed to a display advertisement from the same company.

Research using ad-serving data like this has the advantage of using massive amounts of customer data across different companies, but there are some issues with the accuracy of the data – for example, cookie deletion by users can skew the results.

To dig a little deeper we turned to primary research with consumers to ask them directly whether display advertising influenced their subsequent searching behaviour.

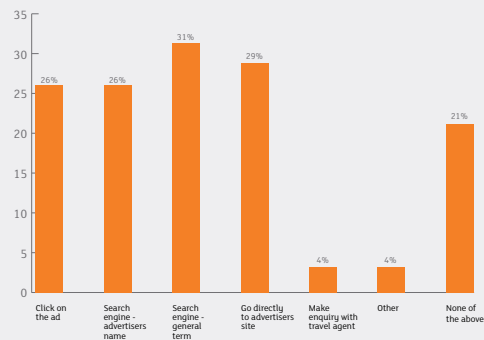
We ran a survey in conjunction with Adviva, the leading advertising network, to assess attitudes to online travel purchasing. Research was conducted and compiled by Nielsen//NetRatings with over 900 respondents.

Research findings

Respondents were asked whether they would click on an ad, do a search or go directly to the advertiser's website if they saw an online advertisement.

Thinking about holiday advertising in general on the internet, if you see an ad for flights or holidays, which of the following actions do you usually take?

Only 26% of respondents said they would click on a banner to respond



We expected clicking on a banner to be the most popular option – but surprisingly only 26% of our sample said that they would click on a banner to respond.

In fact search was the most popular option. This was split between searches for the advertiser's name (26%) or for a general term relating to the advertisement (31%). So more than twice as many people are being driven to a search engine by banner advertising than are clicking directly on the banner!

Retail channels also benefit, with 4% claiming they would visit a high street store having seen a banner.

What's going on here?

At first, these findings seem counter-intuitive – after all, what could be easier than clicking on a banner? Much web activity is task-driven. 'How much is that flight?' 'What's the weather like in Hull?'

Clicking on a banner distracts from the completion of a task, people tend to follow up on the advertisement afterwards. Many consumers seem to be reacting to online advertising rather like they would to ambient media like billboard posters.

Implications of this research

One key implication is in how we judge the effectiveness of online activity. Focusing on the last click before a transaction will often rate search marketing as the most cost-effective channel, underestimating the part display advertising plays.

Alex Burmaster, European Internet Analyst at Nielsen/NetRatings observes, “The unrivalled ability of the Internet to provide marketers with detailed information on direct user response to online ads often means the whole story is ignored. Our research highlights how ‘click-through-tunnel-vision’ ignores the larger or delayed impact that the ad can have on viewer behaviour or perception. After all, you don’t just measure the success of a poster by how many people buy the product advertised from the nearest shop.”

Fiona McKinnon, European Corporate Development Director at Adviva comments: “Display activity gives clients the opportunity to reach large numbers of internet users at a relatively low cost. It’s important to appreciate – as this research underlines – that direct clicks are only one way that the advertising is working.

Consumers are also doing searches, going directly to your web site and even visiting your retail store – all prompted by an online advertising campaign.”

The importance of an integrated approach to search and display

The most striking finding is how many searches are being prompted by online display activity.

Unfortunately for brand owners, the research suggests that more searches are going to generic terms like “package holiday Cyprus” than to the brand itself.

Search needs to be optimised to work with banner advertising, by anticipating searches that are likely to be prompted by the banner and ensure a higher rank for search results.

Summary

Although the speed and accuracy digital marketing enjoys is the envy of other marketing channels, the data alone cannot be trusted to give the total picture. Just as online is influenced by activity in offline channels, different online channels also seem to have a profound influence on each other.

This research strongly suggests that measuring display activity by click through or direct action alone underestimates the impact of that activity. For every click on a banner, our research implies at least two related searches and a further direct visit to the advertiser’s web site.

About the research

Surveys were delivered as a pop up across the Adviva network to Test (exposed) and Control (non exposed) cells. 863 questionnaires were completed in full by male and female respondents of all ages in September 2006.

About Harvest Digital

Harvest Digital is a full-service online marketing agency specialising in media planning and buying, search marketing and online marketing creative.

Formed in 2001, the company is privately owned by staff. Based in London, clients include Tesco, Auto Trader, Thomas Cook, 3M, Tiscali and Shelter.

www.harvestdigital.com

About Adviva

Adviva is the largest CPM focused network in the UK. It places a strong emphasis on building a quality content-driven network providing advertiser's confidence in results in a brand safe online environment. Adviva's comprehensive suite of advertising targeting options include content and channel targeting, behavioural targeting in the form of user profiling as well as keyword contextual targeting.

In order to ensure the quality of the Adviva network Adviva have developed an in-house keyword blocking technology which prevents adverts from showing on pages that have URL's containing inappropriate content. Adviva are the only network in the UK to use this technology as standard across all advertising campaigns.

Adviva is the only UK company to offer proprietary advance targeting technology combined with a comprehensive quality controlled network. Its experience teams ensure the best in customer service through a consultative account management approach.

Established in 2000 and headquartered in London, Adviva expanded in the French and German markets in 2005 with offices in Paris and Munich. It was named the UK's 25th fastest growing technology company in the Sunday Times Tech Track 100 League 2006.

About Nielsen NetRatings

Nielsen//NetRatings is a global leader in Internet media and market research, providing companies with valuable insight into their businesses. Nielsen//NetRatings offers the industry's premier source of actionable Internet data and digital media research on Website usage, online advertising, consumer attitudes and competitive analysis.