THE MFA GUIDE

Everything you need to know about the media agency industry.

THE**MFA**
GUIDE

mFA
media federation of australia

3.

MEDIA OPTIONS

PART 1

Screens (TV & Video), Out-of-Home, Cinema, Display (online)

Everything you need to know about the media agency industry.

MEDIA OPTIONS   Part 1

Screens

Viewers can now watch their favourite TV or video content on a number of different platforms, such as on a **connected TV**, **desktop computer, mobile** or **tablet**.

Television

The main players in television are:

Subscription Television (Foxtel)

The main players in television are:

THE**MFA** GUIDE

Television

The marketplace

Television represents significant advertising revenue in Australia, because it has the ability to:

- bring people together in a physical location such as the lounge room;

- have a social impact on lives through discussion around major events and programs via social media, sharing, liking;

- everyone has a favourite program, whether it be drama, comedy, or reality television;

- people love to share/discuss their favourite program with friends and family;

- it is premium quality content professionally produced;

- it is in full screen, with the sound on and watched by a human;

- it is a closed platform, which means the content is in a controlled environment.

- TV reaches a vast amount of people in a short amount of time.

2008

TODAY

The television landscape and the advertising options available within it are constantly changing. Understanding the history and how the television industry has evolved is important in order to understand the developing and future advertising opportunities. As you will see from the below, traditional forms of TV are referred to as **'Linear TV'** and the evolution to screens and future viewing and advertising options is referred to as **'Advanced TV'**.

Television or screen advertising is one of the more complex media channels to plan and buy and we provide you with a topline overview in this chapter on how it works. To learn about the TV advertising market and how to buy in much more depth, you can enrol in the **MFA Television Foundations e-Learning** program.
Details can be found here:

www.mediafederation.org.au/our-programs/mfa-television-foundations

The Past

- Whole households watching television together.
- High reach achieved by advertising in one program,
  e.g. advertising during the program Friends in the past used to consistently reach over 1.8 million people.

LINEAR TV		BROADCAST	Traditional broadcast free to air networks
		CABLE / SATELLITE	Cable or satellite networks via set-top boxes

The Present

- Less co-viewing as people are watching personalised content on different devices – often in different rooms.
- Simultaneously watching television while using the internet on another device.
- Multi-tasking.

LINEAR TV		BROADCAST	Traditional broadcast free to air networks
		CABLE / SATELLITE	Cable or satellite networks via set-top boxes

ADVANCED TV		CONNECTED TV (CTV)	Smart TV connected to the internet, allowing viewers to not only watch broadcast TV live, but also to play games, watch programs and other video-on-demand and access social media.
		TV EVERYWHERE	Viewing via streaming apps created by the TV networks on mobile, tablets and desktop devices, that require viewers to log in for access.
		VIDEO ON DEMAND	On-demand viewing on a connected device.

The Future

- Personalised content. Personalisation is providing the viewer content/experiences that meets their individual requirements and preferences.
- Addressable ads. Addressable TV advertising is the ability to show different ads to different households while they are watching the same program.

Research used for audience measurement

- OzTAM and RegionalTAM are the industry recognised, independent third-party sources of television audience measurement in Australia.
- Television audience 'ratings' are calculated using audience panels to create age and gender viewing demographics, providing minute-by-minute viewing data 24 hours a day, seven days a week, 52 weeks a year. The audience ratings data is available to subscribers on a daily basis.

The audience data collection process

1. A household is recruited onto the panel.
2. The households television sets are monitored, and the following information is recorded:
   - Who is viewing
   - The date, time and duration of their viewing
   - Whether each TV is on/off
   - The television audio signal
3. Every night the data is collected via a Unitam meter and uploaded to a secure website. A Unitam meter is a device that captures, records and stores all information.
4. Results are provided each morning and the overnight data (programs that were watched as they went to air or recorded that day and played back before 2am that morning) is available to OzTAM and Regional TAM subscribers via a secure website.

Panel size

There are 3 TV audience measurement panels in Australia:

1. **METROPOLITAN**　　**5,200 homes**
2. **NATIONAL STV**　　**2,120 homes**
3. **REGIONAL**　　**3,200 homes**

Buying (trading) advertising on Linear Television

While the television landscape continually evolves, the steps required to book television advertising remain constant.

1. **Trading Brief is created** – to understand client and campaign objectives.
2. **Market analysis is conducted** – understanding the current landscape (channel and program performance, programme formats etc).
3. **Media negotiations are undertaken** – secure media pricing position (if not already established) with the media channel suppliers in line with the campaign parameters (budget, timing etc).

Good TV planning and buying is about reaching the right people, in the right places, the right number of times.

Linear Television Considerations

- **Target Audience** – who are you trying to talk to? Predominantly expressed as a gender and/or age demographic e.g., People 25-54.
- **Reach & Frequency** – what % of the Target Audience and how many times they will need to see your advertising message to achieve the desired response?
- **Rating Points** – how many rating points do you need to buy to reach the right number of people? Expressed as thousands or TARPS (Target Audience Rating Point – % of an audience).
- **Markets** – which markets should you advertise in?
- **Cost** – how much will the TV schedule cost and what programs and markets represent the best value return opportunity?
- **Environment** – is the advertising environments compatible and suitable to the advertising message/the brand/ the product?

If the objective of a campaign is to purchase 50 TARPS, the TV buyer needs to buy advertising spots in a selection of programs to build the television advertising schedule. This example shows a television advertising schedule for 50 TARPs. When selecting the TV programs on the schedule, the TV buyer must consider things such as the cost of the program, the rating performance of the program, the program environment, compatibility to the product and strategy, and the program's ability to deliver against the communication objectives, such as building reach or building frequency.

Television Schedule Example

MARKET: Melbourne   **TARGET:**   People 25-54

NETWORK	DAY	TIMESLOT		COST	TARP	CPT
NINE	Sunday	1800	1830	$11,350	9.1	$1,247
SEVEN	Sunday	1800	1830	$10,350	8.5	$1,218
TEN	Monday	1700	1800	$5,300	4.8	$1,104
SEVEN	Monday	1930	2100	$6,250	7.2	$868
TEN	Tuesday	2030	2130	$5,875	5.3	$1,108
SEVEN	Thursday	1930	2030	$4,850	4.8	$1,010
NINE	Friday	1800	1830	$8,460	6.4	$1,322
TEN	Saturday	2030	2230	$3,750	3.9	$962
				$56,185	50	

Schedule Reach and Frequency: **55% reach, 1.5 average frequency**

A TV buyer will review the Cost Per TARP (CPT) of each program to assess the relative cost efficiency.

CPT = Program cost / TARP

Markets

In Australia, television advertising is bought by market.

METROPOLITAN (often referred to as METRO) MARKETS: Sydney, Melbourne, Brisbane, Adelaide and Perth with Seven, Nine, Ten and SBS operating in these regions.

REGIONAL MARKETS: Northern NSW, Southern NSW, Victoria, Queeensland, Tasmania, WA, Darwin, Griffith, Mildura, Central, Spencer Gulf, Mt Gambia/Riverland. Depending on their size, regional markets will have one to three commercial free-to-air channels, plus SBS.

To achieve national coverage on free-to-air TV, you must purchase advertising in each TV market.

METRO (OzTAM)
- Sydney
- Melbourne
- Brisbane
- Adelaide
- Perth

Regional Markets

Northern NSW	Nothern Rivers, Tamworth/Taree, Newcastle
Southern NSW	Orange, Dubbo, Wagga, Wollongong, Canberra
Victoria	Albury, Bendigo, Ballarat,, Shepparton, Gippsland
Queensland	Cairns, Townsville, Mackay, Rockhampton, Maryborough, Toowoomba
Tasmania	Hobart, Launceston
WA	Regional WA

Solus Regional Markets
- Darwin
- Griffith
- Mildura
- Central Satellite
- Spencer Gulf (Port Lincoln, Port Pirie & Broken Hill)
- Mt Gambier/Riverland

PayTV is a national operator (FoxtelMedia represents Pay TV), so one advertising spot purchased on PAYTV will be televised across all markets.

The ABC is also a national broadcaster, but is non-commercial.

Zones/Dayparts

Television advertising is broken out into different 'zones' or dayparts. These are:

PEAK TIME (sometimes referred to as Prime time):
Sunday - Saturday   **1800-2230**

OFF PEAK AREAS (times outside of Peak), including the following:

Women's Daytime	**Mon-Fri**	**0900-1600**
Fringe	**Mon-Fri**	**1600-1800**
Late Night	**Sun-Sat**	**2230-2400**
Breakfast	**Mon-Fri**	**0600-0900**
Weekend pm	**Sun/Sat**	**1200-1800**

Peak time generally has the highest viewing programs achieving the greatest audience reach, but is also the most expensive daypart to advertise in. The Off Peak dayparts tend to have lower viewing and less expensive advertising rates.

A TV buyer will determine the best combination of zones to achieve their campaign objectives within their budget parameters.

Commercial Lengths

The standard commercial lengths used for TV advertising – or Television Commercials (TVCs) – are:
15 seconds, 30 seconds, 45 seconds, 60 seconds, 90 seconds.

> **The most common commercial length used is:**   **30 seconds**   **followed by:**   **15 seconds**

- **'Pull throughs',** which are generally seen on live sport where a message is scrawled across the bottom of the screen.
- **'Advertorials'** where a product/service is talked about during the program.
- **'In program'** where a product is placed within the program.
- **'Billboard'** usually includes a voiceover of "this program is brought to you by" and features snippets from the brand's commercial and a logo. A billboard is usually inserted directly before a program goes to and from a commercial.

Rates and Rate Cards

Each television network has an advertising rate card for each market/station, with a rate/cost to advertise by program. Every program has a specific rate (as negotiated by the agency) and the costs are higher in the peak zones and for the more popular and therefore high-demand shows. Rates also increase during the winter months when audiences are higher and at the end of the year in the lead-up to Christmas when airtime demand is higher.

Generally, an agency and/or client negotiates a rate arrangement at the beginning of the year based on the television network/station market rate card. Discounts are negotiated based mainly on size of budget, seasonality of spend and advertising demand.

Rates are set for
30 second
commercial spots with...

a **15 second** spot generally costing **60%** of a 30 second rate
a **45 second** spot generally costing **150%** of a 30 second rate
a **60 second** spot generally costing **200%** of a 30 second rate

Programming

The television network/station releases program formats outlining the programs they will be running during the year. These formats are generally at the beginning and middle of the year for agencies and clients to plan their TV buys.

Television program formats can change throughout the year, depending on how a program is rating (e.g. if a program doesn't rate well, it can be 'axed' and a replacement program scheduled).

Video (on demand)

The video market is growing at a rapid pace and with this comes some complexity, as not all Video On Demand (VOD) is the same and only some VOD provides an advertising opportunity. There are lots of ways to describe how we watch video within the video ecosystem. Here is a short description of the forms of video watched on demand.

There are typically 4 types of Video-On-Demand:

1. **BVOD** – noted as streaming channels within the television main players (e.g. 7 Plus);
2. **AVOD** – VOD service, funded by advertising (e.g. YouTube);
3. **SVOD** – Subscription VOD (e.g. Netflix);
4. **TVOD** – VOD service that charges for content (e.g. Apple Movies).

BVOD (Broadcaster Video On Demand)	TV watched online across Australian Broadcasters (Seven, Nine, Ten, Seven, SBS & Foxtel) is classified as BVOD. It can be watched either Live (via Live streaming) or On Demand and is available via set-top box, personal computer, mobile device or connected TV. It includes TV shows and movies and can sometimes be referred to as catch-up.
AVOD (Advertiser funded Video On Demand)	Any type of VOD (Video on demand) service that is funded by the inclusion of advertising in between programs, movies or clips. This includes both BVOD services and services where the content is more heavily shewed to User-Generated content (UGC) or social video e.g. YouTube, Facebook Watch and tubi.
SVOD (Subscription video on demand)	This is a tpe of VOD service where you have to pay a regular subscription to watch content.
TVOD (Transactional video on demand)	TVOD is typically a one-off or pay as you go for content. TVOD includes movie rental services such as BigPond Movies, Apple movies etc.

Linear TV is still the primary screen for reaching consumers, with only low incremental reach achievable from BVOD and AVOD. This will change as BVOD and AVOD viewing grows in response to consumers' rapidly changing viewing habits and the rapid uptake of new viewing options and technology.

Research used for audience measurement

VPM (Video Player Measurement)

OzTAM's VPM (Video Player Measurement) report was introduced in February 2019 and is separate to OzTAM's TV ratings.

The VPM Report captures minute-by-minute data on participating broadcasters' online TV content played on-demand (BVOD/catch-up) or live-streamed to connected devices such as tablets, smartphones, smart TVs, PCs/laptops and gaming consoles. Participating broadcasters are ABC, Seven, Nine, Ten, SBS and Foxtel. VPM ratings are currently for devices, not individual people viewing, which means demographic details are not available at this point. This will change with the introduction of Virtual Australia, or 'VOZ'. The foundation of Australia's new total television audience measurement.

VOZ is a new world-first television audience measurement tool that aims to provide a more accurate picture of how many people are watching the TV networks' content. VOZ will tell us how many people are watching the TV networks' on-demand services and how this viewing overlaps with Linear TV viewing. For the first time, marketers and agencies will be able to understand the incremental reach that BVOD delivers to their campaigns.

OzTAM publishes daily rolling 7-day and 28-day BVOD/catch-up reports on its website, covering the previous 7 and 28 days of BVOD/catch-up VPM activity. OzTAM also publishes a weekly report capturing the top live-streamed programs each week (preceding Saturday-Sunday).

There are 4 steps in the VPM ratings process:
1. Broadcaster embeds media IDs into the video player library content;
2. Viewer plays the broadcaster's video;
3. OzTAM collects, stores and processes the online video viewing data;
4. OzTAM delivers VPM report.

Buying / Trading Video

Currently advertising can only be bought on BVOD and AVOD.

We are on the cusp of making the previously impossible, possible. **BVOD (Broadcaster Video-on-Demand)** allows us to combine the best of mass reaching broadcast TV combined with the flexibility, agility and targeting capabilities of digital.

BVOD is like Linear TV from a content perspective but very different when it comes to buying advertising. Instead, the BVOD trading process is the same as Digital Video trading.

BVOD can be bought either directly with the broadcaster (Direct Insertion Order (IO)) or programmatically.

An overview of programmatic buying is included at the end of this chapter; however, it is important to note that the majority of BVOD advertising is traded programmatically as this method gives media agencies the ability to decide where and when an ad is shown, who views the ad, how many times and at what price. Programmatic trading is an automation-enabled process that provides improved audience targeting, audience delivery, measurement and analytics.

MEDIA OPTIONS   Part 1

Direct IO or **Direct Trading** is generally used when an ad format cannot be purchased programmatically, or you have agreed on a package deal or sponsorship with a broadcaster as part of a partnership or the network/agency doesn't have the technology to facilitate programmatic buying. In this method, the trader briefs the broadcaster directly with the campaign requirements and the network executes the campaign.

There are two key advertising placements within BVOD:

PRE-ROLLS – an in-stream video ad format that plays before the content has commenced. This format is available across VOD and live environments.

MID-ROLLS – an in-stream video ad format for during the video content. This format is available across VOD and live environments.

Whether trading via Direct IO or Programmatic, there are different transaction mechanics available. BVOD is bought using **Cost Per Thousand (CPM), Cost Per Completed Views (CPCV)** and **frequency capping**.

> **CPM = Cost / Impressions x 1000**
> This is still the most common transaction mechanic for Video Media and can be transacted through Programmatic or Direct IO.

> **CPCV = Cost / Completed Views**

> **Frequency Capping = Restricting (capping) the number of times (frequency) a specific user is exposed to an ad over a particular time frame.** e.g. 1 week/1 view per 30 mins etc. This helps in managing the overall reach of the activity.

The majority of our local broadcasters have invested heavily in both technology and production of quality content to enrich the value of their BVOD offering and grow audience viewing. A growing number of networks require user register/login to watch additional quality content, which allows them to serve relevant messaging by developing behaviour-based segments and activating first-party data.

The future of TV planning and buying may well include an array of trading methodologies, from a single spot booked via a self-serve pay-as-you-go website, through to programmatic purchasing, leveraging data and automation to drive advertising efficiency and effectiveness.

Out-Of-Home

Main Players

LARGE FORMAT	oOh!	JCDecaux	QMS	goa billboards
AIRPORT	oOh!	JCDecaux		
STREET FURNITURE	JCDecaux	oOh!	QMS	
RETAIL	oOh!	Westfield SCENTRE GROUP	valmorgan outdoor	SHOPPER MEDIA GROUP
TRANSIT	APN OUTDOOR	MOOVE MEDIA AUSTRALIA	GO TRANSIT MEDIA GROUP	TORCHMEDIA. S&J media group

Marketplace

Outdoor advertising or out-of-home (OOH) is available nationally, but is more predominant in metropolitan areas because of their higher population density. Not all local councils are accepting of outdoor advertising, however, and the coverage varies from one local council to another.

While static advertising signs previously dominated OOH, we have seen rapid growth in OOH digital signs in recent years. Initially, OOH digital sites were mainly in internal environments, such as shopping centres and airports. More recently a combination of advancements in technology, capital investment and working closely with councils has allowed the traditional large static OOH signs to convert to digital signage at a rapid pace.

OOH is a broadcast advertising channel, with the largest, most diverse and growing audience.
- OOH advertising reaches more people than any other advertising channel – 93 % of the Australian population living in and around the capital cities.
- In the past nine years, OOH advertising audiences have grown 31 % vs 20.4 % population growth.
- OOH advertising reaches all people, including light, medium and heavy consumers of other media channels.

OOH advertising travels with us on our journeys through three key environments: roadside, transport and retail/lifestyle/other.

Formats
Roadside OOH

Roadside OOH livens up our time on the road, it points us in the direction of the next food stop on family road trips, and gives us something to consider while waiting at traffic lights.

Appearing in proximity to roads, this form of advertising includes:

- Billboards
- Bus/tram shelters
- Bus/tram externals (wraps)
- Kiosk
- Phone booths
- Free standing panels
- Public toilets
- Bicycle stations
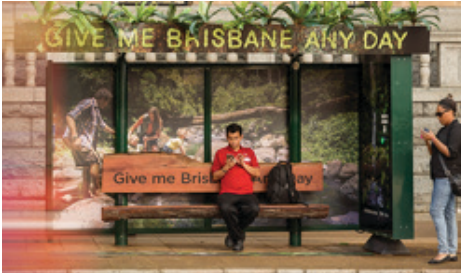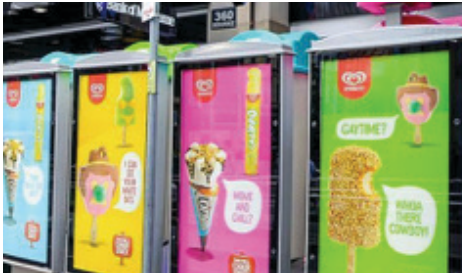
Large Format Digital

Transport OOH

Offering an entertaining break from the monotony of repeated journeys, this form of OOH advertising is a perfect medium to drive online action, whether it be a direct search, or to download an app.

Formats include:

- Train wraps
- Rail platforms and concourses
- Bus interchanges
- Bus/tram internals
- Airport external billboards
- Airport internals
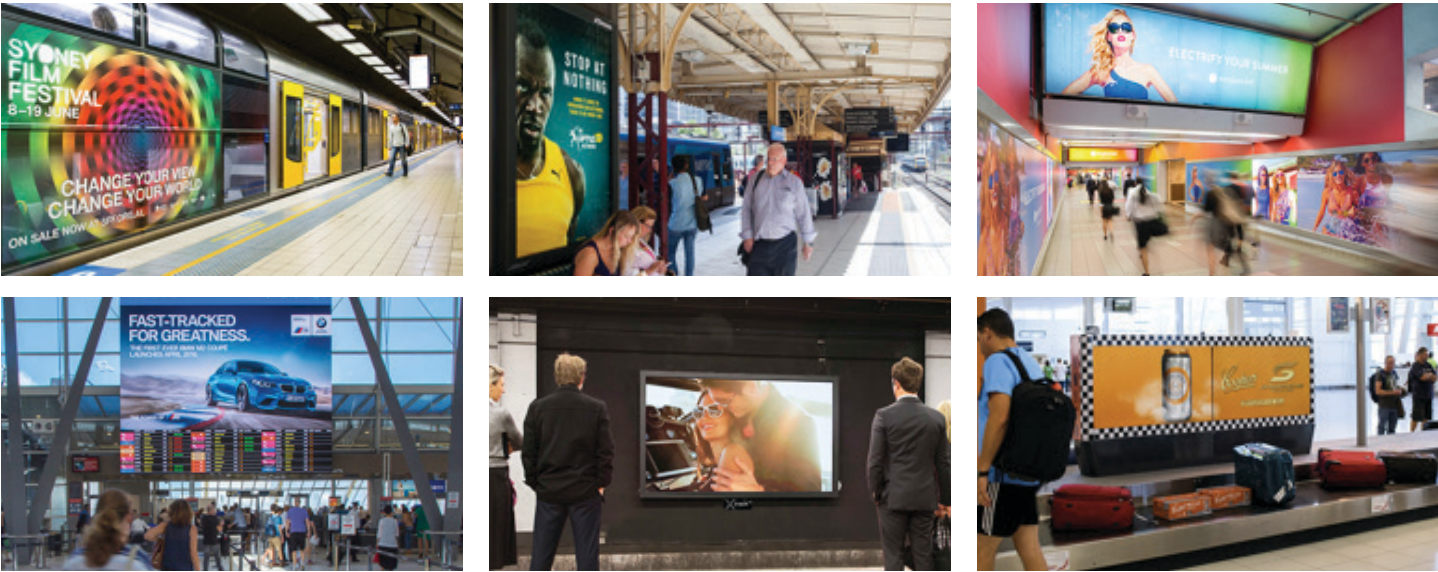
Retail/Lifestyle/Other OOH

Typically found inside buildings, this type of OOH advertising is usually a digital screen offering dynamic advertising that keeps us entertained while we sweat out that last lap on the elliptical or advertises the newest dishwashing powder on our way to the supermarket.

Formats include:

- Shopping centres
- Universities
- Office buildings and lifts
- Cafes
- Petrol stations
- Convenience stores
- Gyms and sports clubs
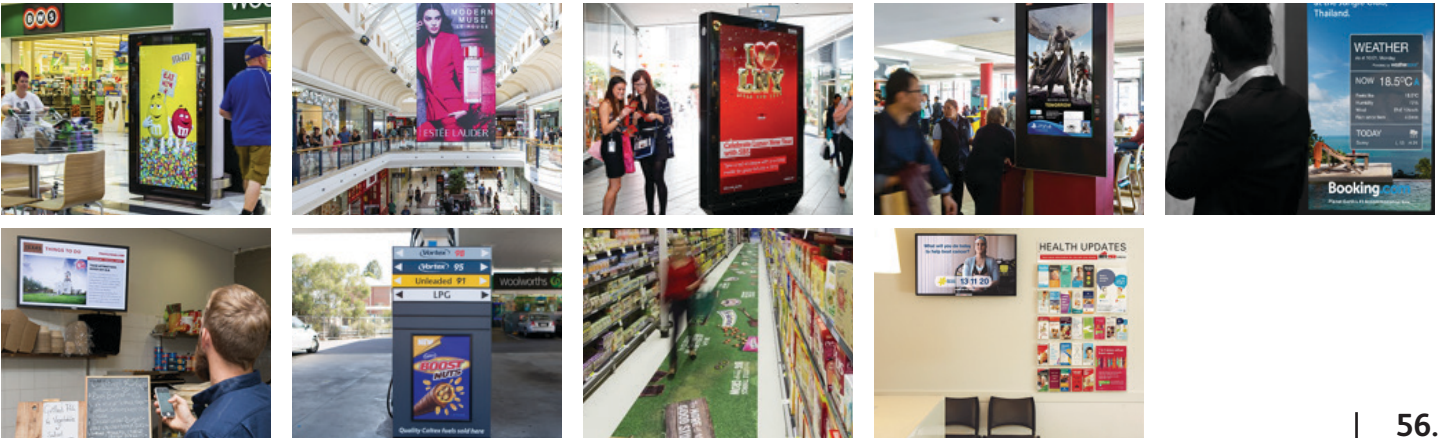
The financial impact of the COVID-19 pandemic saw OOH net revenue year-on-year decrease **39.4%** in 2020 to $566.5m, down from $935.5m for 2019. The demand wfor immediacy and flexibility continued to drive growth in digital out-of-home (DOOH), now representing **56.1%** of total OOH revenue, up from 55.8% in 2019.

Additional information about OOH can be found on the OMA website:

www.oma.org.au

Technology advancements have also allowed OOH to be innovative in the way it can be used beyond the advertising face. There are now ways to target consumers through gender recognition (detected by cameras in screens), consumer engagement through interactive screens, creative optimisation through serving ads in real time and data gathered through Beacon technology to geo-target consumers.

Research used for Audience Measurement

Australia's quantitative audience measurement currency for out-of-home media is called **Measurement of Outdoor Visibility and Exposure (MOVE)** and covers major OOH environments, including roadside, airports, rail/bus stations, public transport vehicles (including buses, trains, trams and light rail) and shopping centres.

MOVE provides audience measurement results for more than 78,700 OOH advertising faces within the five Primary Coverage Areas (PCAs) of Sydney, Melbourne, Adelaide, Brisbane and Perth (2020 data release). PCAs extend beyond the metropolitan boundaries of each of these cities and match the audience rating areas for television as defined by OZTAM. MOVE users can access 112 target audience demographics to measure their campaigns.

MOVE simplifies the planning and buying of OOH media by producing audience measurement results for any combination of formats or tailored packages. As well as providing results numerically, an inbuilt mapping functionality visually displays the reach of a campaign against the chosen demographic and market(s).

The MOVE website has a vast amount of information about the usage of the tool and the methodology:

www.moveoutdoor.com.au

MOVE
Measurement of Outdoor Visibility and Exposure

In addition to MOVE, each OOH operator is likely to have proprietary research that provides further insight into the environments their signage is located within.

Buying Outdoor

The **Outdoor Media Association (OMA)** is the peak industry body that represents most of Australia's Outdoor Media Display companies and production facilities, and some Media Display asset owners. The OMA has a wide range of resources available to help assist with the planning and buying of outdoor, including research and the directory of outdoor member companies.

When preparing an outdoor buy, you will need to be aware of the additional charges on top of the media cost that some formats require:

- **Installation** – the cost of the panel to be installed;
- **Upload fee** – the cost to upload the digital creative;
- **Production / Printing charges** – the cost to print the static panel. This part of the process may be managed by the creative agency, in which case it may have a separate budget.

Installation and upload costs will be quoted in the media proposals. Production costs will be provided when requested from the suppliers.

The OMA provides the following categories for outdoor signage. The OMA reports the revenue and share* (%) of revenue for each of the categories:

- **Roadside Billboards** – large format static and Digital (44%);
- **Roadside Other** – street furniture, taxis, bus/tram external panels (27%);
- **Transport** – including airports (15%);
- **Retail/Lifestyle/Office Tower / Other** (13%).
  Share of revenue based on 2020 OMA Reported numbers

Cinema

Main Player

v a l m o r g a n

Marketplace

Val Morgan manages approximately 98 % of all advertising for all cinema complexes across Australia in metro and regional markets and the remaining 2 % is controlled by individual independent cinemas. Val Morgan manages 1800 screens Australia-wide, in over 300 locations.

On average cinema attendance reaches 1.9 million weekly admits, delivering an engaged and captivated audience for brand-based campaigns. Based on Val Morgan research, cinema delivers 6x the engagement of TV with a lean-in experience unlike other media channels.

Research used for Audience Measurement

Since 2013, Val Morgan has offered the cinema audience measurement tool Cinetam to help media planners to accurately and effectively plan and measure cinema effectiveness across demographics. With the largest audience panel size in Australia at 450,000 (based on Hoyts memberships), Val Morgan is able to provide audience insights on upcoming films, pre-campaign R&F estimates, optimisation across campaign activity and post-campaign analysis of audience visitation and demographic breakdown.
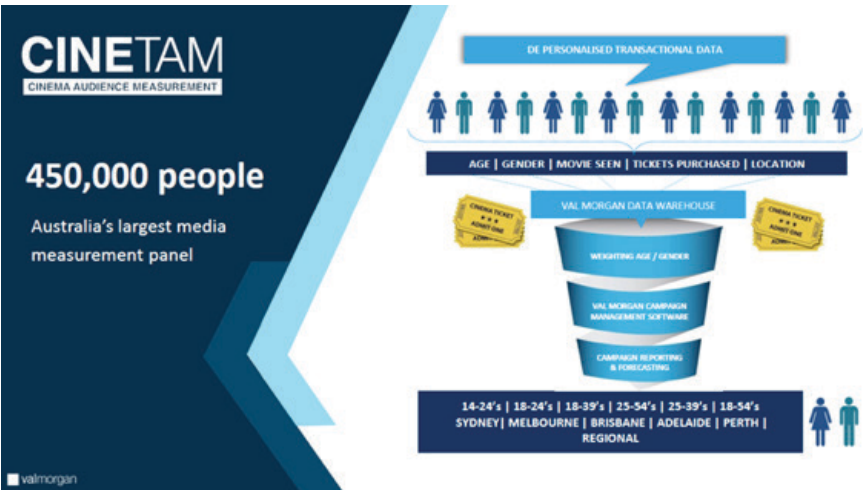
Buying Cinema
There are four ways to buy cinema:

1. Movie Mix
- The cost-effective option to deliver a target audience with flexibility across programming and geographical placement.
- Programming will be optimised week to week to ensure delivery of the highest-reaching movie titles through the campaign for the selected demographic.

2. Follow Film
- Alignment with a particular film property and its audience; consider this a form of movie sponsorship.
- This is the only package that allows for category exclusivity, ensuring competing clients can't advertise on the same screen.

3. Target Audience Package
- An aggregated cinema buying option where Val Morgan guarantees to the advertiser delivery of an agreed level of audience against the advertiser's target audience and within a set budget and timeframe.
- This approach provides advertisers with greater cost efficiency and an opportunity to reach a set Cost Per Thousand (CPM) target within the campaign, with all programming at Val Morgan control.

4. Roadblock
- Dominating all cinema screens in the Val Morgan network across an individual week.
- New innovation to build reach quickly and create mass awareness of your ad in the cinema environment.

Placement can also include in-foyer screen presence via Digilites. Digilites are 50-inch HD digital displays, vertically positioned in high-traffic areas of cinema foyers and concourse areas. Advertising is available in 15 second increments, with the playlist restricted to a maximum of 3 minutes. The network is currently in 100 cinema locations, with 290 Digilites installed in key cinemas in metro centres.

Further cinema advertising opportunities exist via the Brandfit department, including sponsorship, with live in-cinema activation experiences involving live performances that may extend a creative idea from a commercial or engage the audience using product sampling opportunities.

Moonlight Cinema is also an option that is available to use over the Summer months, commencing in December each year and finishing in March. Advertising options include on-screen buys, activation nights and principal, national, state and Gold Class sponsorships. There is also the option of aligning with certain distributors for bigger movies throughout the year. Advertising options for associating with these bigger titles are on a case-by-case basis.

Considerations

Pricing

The cost of advertising for any advertiser is based on a market rate card or historical client rate and negotiated based on the level of spend, creative formats and package type (i.e. Movie Mix, Follow Film, TAP or Roadblock). Unlike TV, cinema creative durations do not double in price for additional durations because a longer format is incentivised as it builds a stronger, more impactful creative message.
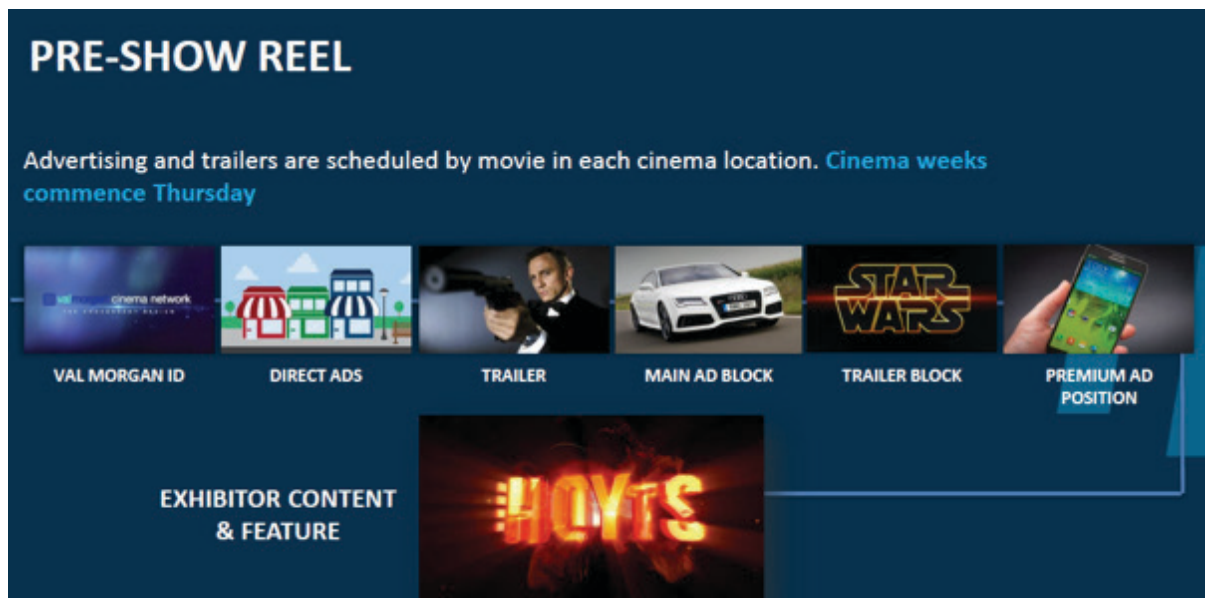
Creative options:
- **15 second**
- **30 second**
- **45 second**
- **60 seconds**
- **90 second**
- **120 second**

Spots are all able to be implemented on cinema pre-screening formats.

Longer-format creative is incentivised to encourage advertisers to create higher impact.

Display (online)

In today's digital age, there are a lot of different ways to advertise your products and services. It does not matter if you are a big brand, a start-up company, or somewhere in between. The incredible world of digital marketing helps even the advertising playing field for everyone. **Simply put, online advertising is advertising on the internet.**

Digital

Internet advertising spend is greater than television advertising spend

- **Internet advertising** is forecast to grow at an average rate of **12%** to reach $10.9 billion in 2021.
- **Search advertising** to grow at an average rate of **11.6%** to reach $4.5 billion in 2021.
- **Social advertising** to grow at an average rate of **15.9%** to reach $2.9 billion in 2021.
- **Banner advertising** to grow at an average rate of **11%** to reach $1.5 billion in 2021.
- **Video** to grow at an average rate of **13.6%** to reach $1 billion in 2021.
- **Classified** to grow at an average rate of **3.9%** to reach $0.9 billion in 2021.

Online advertising has seen continued growth due to better technology and measurement, and now makes up more than 50 % of most advertisers' plans. Online advertising is constantly evolving. Once online ads could only be seen on computers, now they can be seen virtually everywhere – on tablets, smartphones, smart televisions and more.

Advertisers use online advertising for a lot of different reasons:

- to increase sales
- to improve awareness for their brand
- to raise share of voice in the marketplace
- all these objectives all at once

There are different types of online advertising. Generally, we break these up into **Search Engine Optimisation (SEO)**, **Search Engine Marketing (SEM)** and **Display** Advertising. SEO and SEM are covered later in this chapter, here we will cover display advertising.

The benefits of display advertising

One of the key benefits of display advertising is the data and targeting capabilities available.
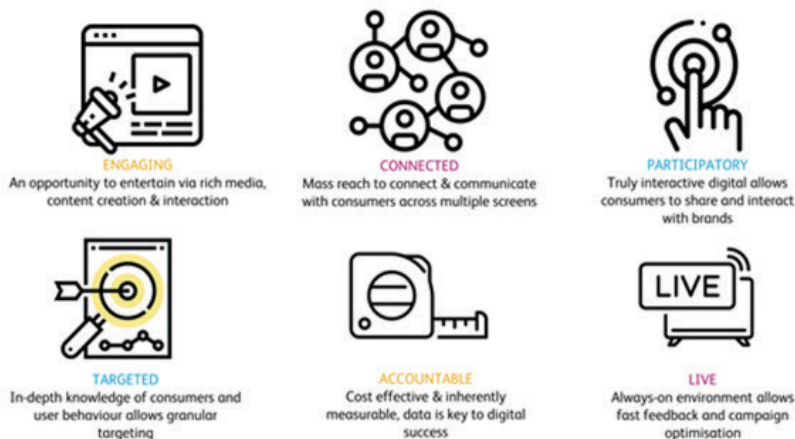
Did you know that you can target people based on products purchased in a supermarket, or which gym they've visited?

There are some unique attributes to digital advertising. Digital is highly targeted with low wastage and provides immediate accountability and optimisation. With instant results a brand can now quickly pivot to what is working, ensuring better results (ROI).

Compared to more traditional channels to advertise, digital can engage, connects and lets consumers participate! Research has shown this can lead to an increase in brand awareness and consideration leading customers down the marketing funnel onto purchase of a product or service.

There are so many different ways to use digital media, across multiple different touchpoints. From rich media and expanding banners on a homepage, to a shareable video or a targeted email in your inbox.

6 WAYS DIGITAL IS UNIQUE IN ADVERTISING

ENGAGING
An opportunity to entertain via rich media, content creation & interaction

CONNECTED
Mass reach to connect & communicate with consumers across multiple screens

PARTICIPATORY
Truly interactive digital allows consumers to share and interact with brands

TARGETED
In-depth knowledge of consumers and user behaviour allows granular targeting

ACCOUNTABLE
Cost effective & inherently measurable, data is key to digital success

LIVE
Always-on environment allows fast feedback and campaign optimisation

Considerations

When deciding where to advertise, online traders need to consider:

- What the target audience does online
- The total audience of the site
- The demographic breakdown of the site
- Appropriate content environments to fit product/message and overall media strategy
- The creative message
- The advertising format/creative to be used
- How and where an ad is placed
- Does it have a suitable call to action

Buying display advertising

Display advertising is traded in the same way as BVOD – that is, via Direct IO or automated through programmatic. An overview of programmatic trading is included at the end of this chapter. In Display, there are many different cost and pricing metrics. The metric you use will be dependent on your campaign objectives and will be applied to calculate your campaign return on investment (ROI).

Display advertising is generally purchased using one of the following cost metrics to evaluate and buy:

CPM = Cost per Thousand – The cost to deliver 1000 ad impressions.
CPM = Cost/audience x 1000. CPM is a great way to buy when your campaign objective is awareness.

CPC = Cost per Click – The cost for when a user clicks on the ad to go through to the advertisers site.
CPC = Cost/Clicks. Buying on CPC is typically used to drive an online conversion, or drive consideration by pushing the customer to a landing page to find out more information.

CPE = Cost per Engagement -–The price an advertiser pays every time a user actually interacts or engages with the ad (as defined and agreed, e.g. answers a quiz). CPE = Cost/number of engagements. This is a common metric of rich media and other interactive display formats, and helps you quantify your audience's engagement and interest in the ad and content.

CPA = Cost per Acquisition or CPL (Cost per Lead) – The cost for when a user completes an action being conducted. For example, a sale or form being filled in. CPA = Cost/Action.

Sponsorship – Flat fee for section sponsorships and homepage takeovers. Targeted, often high-traffic pages bought by an advertiser for a fixed period of time, or sponsorship of a section. Cost = Daily cost x number of days.

Creative Options and Lengths

There are a number of different creative options and lengths used in Display advertising. The IAB (Interactive Advertising Bureau) creates standardised technical formats and usage guidelines to help buyers, publishers and creative agencies adopt common ad units at scale. However, individual sites may create their own custom or native ad units.

Rates will vary depending on the format, as will the effectiveness of each placement. Typically, a rich media or takeover will perform better, due to the larger real estate it occupies therefore making a stronger impact in the mind of the customer. Choosing the right location/placement is crucial when it comes to how receptive customers will be to your ad. To optimise efficiency, impact and opportunity, a digital buyer will need to choose the right format to suit their campaign objective.

Creativity in digital media is endless. Listed below are some of the main format options available. When choosing creative formats, decisions are often made in conjunction with the creative agency as their resource or budget may only extend to certain formats.

Standard ad units

- GIF or flash format ad units in variety of sizes
- Most common sizes available:
  - **Banner** – 468 x 60 pixels
  - **Island** – 300 x 250 (MREC or Medium Rectangle)
  - **Skyscraper** – 160 or 120 x 600
  - **Leaderboard** – 728 x 90
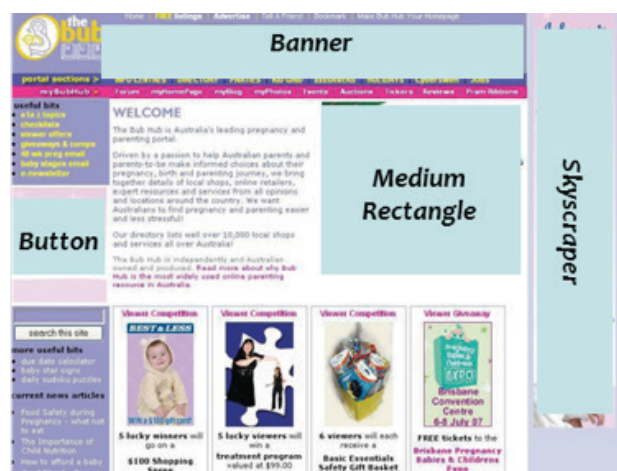
Rich media ad units

More complex and impactful executions.
Examples are:

- Over the page ads (OTPs)
- Ad unit that expands on roll over
- Ad units that are synchronised
- Streaming video or games within creative
- Interactive banners (with upload and download facility)

For more information, go to:

www.iabaustralia.com.au

As with television, online advertising is a complex and ever-changing medium. In this chapter we have touched lightly on advertising on this channel. To learn more about online advertising, the iab Australia website is a good resource or for more indepth training, you could enrol in the **MFA Digital Foundations e-Learning course**.

For more information go to:

www.mediafederation.org.au/our-programs/mfa-digital-foundations