

Online advertising

With Yahoo! and Google announcing higher than expected profits, has advertising on the Internet finally come of age?

1 What kinds of advertising methods does your company use? Which are especially effective?

TV	cinema	newspapers / magazines	outdoor (billboards, posters etc)
Internet	word of mouth	direct mail	directories

2 Complete the table with these figures: *over 5 hours / over 10 hours / around 17 hours*. Check your answers by scanning paragraph one of the article below.

Average time spend using media (Europe): hours per week		
Newspapers:	TV:	Internet:

The growth of online advertising

Online advertising has finally come of age. Companies like *American Express* and *Nike* now use the web in much the same way as other, more traditional methods of advertising. It is predicted that by 2009, the money spent on corporate online advertising will have doubled to over \$16.1bn a year in the US. Why? According to one research firm, Europeans spend twice as long online (over 10 hours a week) than reading newspapers. While this is still significantly less than watching TV (around 17 hours a week), the growing opportunity for online advertising cannot be ignored.

Both *Yahoo!* and *Google* have recently reported higher than expected profits due to the latest phenomenon – Paid-Search Advertising. When a web user enters a specific search term, an advertisement appears, usually on the right hand side of the search results page. With advertising online, companies can monitor their budget more effectively, since they only pay a fee when somebody goes on to click on the advertisement, to get into the company's website.

Online advertising has come a long way from the popular banner advertisements and annoyingly intrusive pop-ups. It is becoming more sophisticated and creative. *Coca Cola Belgium's* relaunch of cherry cola was done exclusively online, targeting the young 15 to over 20s. Often people do research online before buying offline, especially when purchasing travel tickets and holidays. Motor manufacturers, such as *BMW*, *Volvo* and *VW*, have used the Internet to great effect by tying in adverts to exciting online promotions.

The importance of Internet marketing was underlined recently by UK High Street chain *Marks & Spencer's* announcement of an alliance with *Amazon Services Europe* to run the online side of the business. *Amazon* already runs e-commerce sites in the US for a number of retailers. One thing then is clear – in the future, advertisers will have to dedicate a larger and larger proportion of their media mix to the web in order to achieve their goals.

3 Read the whole article. Which methods of online advertising are mentioned?

4 Find one word in each line that does not collocate with the word in **bold**.

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|---|--------------------|-------------|----------------|---------------|-----------------|-------------------------|
| 1 | (a) to create | (b) to make | (c) to run | (d) to place | (e) to design | an advertisement |
| 2 | (a) global | (b) online | (c) television | (d) marketing | (e) paid-search | advertising |
| 3 | advertising | (a) agency | (b) campaign | (c) Internet | (d) executive | (e) methods |

5 Your design team has a budget of £1 million to create a three-month promotional campaign for one of the products below. You wish to launch in a new country. Decide on your 'marketing mix' from the methods in exercise 1. Be ready to describe your ideas for the advert(s), and explain why you would / would not use online promotion.

A new line of clothes

A new computer game

A new car

An exotic holiday