

USING THE DELPHI TECHNIQUE TO DETERMIN THE EFFECTIVENESS OF INTERNET ADVERTISEMENTS

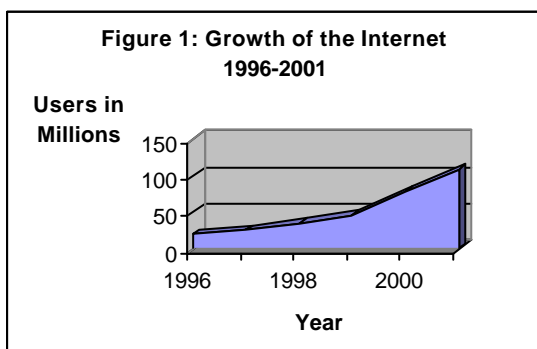
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ABSTRACT

Over the past few years, there has been tremendous growth in the use of the Internet for promoting goods and services. This new technology is enabling companies to reach new markets all over the world. Locating target markets and advertising on the Internet takes a different approach. This paper examines several popular Internet advertising techniques used by marketers to attract the attention of the target market to particular sites. It uses the Delphi technique to determine that banner ads are still the most effective overall.

INTRODUCTION

One of the biggest advances in technology over the past decade has been the vast expansion of the Internet. It had overwhelming growth in the 90's, which has kept expanding into the new millennium [8]. Figure 1 shows the growth pattern in the use of the Internet from 1996 – 2001. The Internet is not only being used as a form of communication, entertainment, and an educating tool but it also has opened new opportunity in the retailing world (e.g., Amazon.com). The WWW is where millions of people converge for things that fit their interests, personality, lifestyle, and demographic characteristics.



By its very nature, the Internet has taken the art of selling and retailing to a whole new level. With the growing popularity of virtual stores, the retailing world has opened up to new promotional techniques. Allowing marketers new ways to inform, persuade, and remind the target market. Now that the "smoke has cleared", it is obvious that the Internet plays an important role in an Integrated Marketing Communication (IMC) program. The primary purpose of this research is to closely examine the four most widely used forms of online

advertising. The secondary purpose is to rates each of the four methods using the AIDA model.

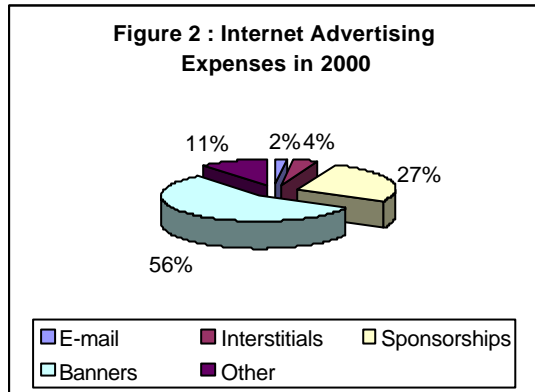
INTERNET PROMOTION

Eight out of ten Internet businesses fail to make a profit [11]. Someone can start a website with the greatest technology, the lowest price, and the best quality but without customers it becomes a complete waste of time, money, effort, and other resources. It takes a good IMC strategy to successfully inform, persuade, and remind target market customers. The site needs to "stand out from the crowd". Traditionally, most marketers use push strategy. Internet technology affords marketers the opportunity to use the *pull strategy*. With the millions of websites available today, competition is tough and gaining sustainable competitive advantage can be difficult. To be successful, it is important to find the promotional strategy that will appeal to your target market.

A successful strategy takes careful planning and consideration of the audience, budget, and the objectives to be accomplished. The first step that needs to be taken into consideration is to set the goals and objective in mind. The purpose needs to be clear from the start. Know the target market: what interests them and why and how much they use the Internet. Create a unified central theme and message that is recognizable to the website. Choose one of the many marketing strategies that best fill the needs of the target market and implement it. The ad needs to unique so as to catch the attention of the target market. The ad needs to be convincing so consumers develop an interest towards the product. The ad must be personable that consumers feel the need and desire to acquire the product. Also, the ad must be unique and appealing so that consumer can recall it and choose the product the next time a similar need arises.

Among all of the elements of the promotional mix, the Internet has had an incredible impact on advertising. It gives marketers a wider market and a new approach in reaching that market. The web provides interactive, demand-based information for both current and potential customers [9]. As an effective IMC tool, a web site can increase a company's exposure, promote brand image, and build brand equity. There are several forms of Internet advertising methods that can be chosen. The four most commonly used ads are banner, email, sponsorship, and interstitial ads. Choosing the best advertising method depends on the target

market and budget. The Internet Advertising Bureau showed that most money was spent on banner ads (56%) and the sponsorships were in a close second (27%) [12]. Figure 2 looks at the amount of money spent by Internet advertisers in 2000 on each form of ads (Strauss and Frost, 2001).



Banner ads are the biggest online expenditure. This is buying space on another website and creating a link to yours, much like a billboard on the interstate, but just a click away from your site. They are the equivalent of a 15-second spot on TV, a print ad, or a direct mailer, except that the banner ad holds a promise of doing more than advertising an online message [3]. They also have a click through capability, allowing customers to click directly to the site. This form of ad first became popular in the early 90s. Banner ads are fairly inexpensive and many times an animated ad is designed to get the attention of a browser to view your site. It is usually rectangular and consisting of three to four words. Banner ads get attention of the user by giving them a visual to look at. They are also a great way to get some of the traffic from a more popular site. Most of the time the ad put on a site has the same subject matter as the site being viewed. This has been called the greatest direct marketing tool [13]. Banner ads are not as successful today as they once were. Click-through rates are below two percent. Software exists that can block out all banner ads. In response to these recent developments, marketers are scrambling to find innovative ways to use banner ads more effectively. For example, Proctor and Gamble has successfully increased click-through rates by personalizing banner ads. They have hired personnel to communicate directly with consumers who click through on banner ads.

E-mail ads are the least expensive type of Internet advertising being used today. An email ad is a short letter giving information of a firm or website. Advertisers will purchase space in the e-mail sponsored by others [12]. Then they send e-mails to everyone in that account that fits in the target market. This form of advertising is usually more

accurate in identifying and locating the target market because they are found by researching the clients browsing and shopping patterns while on the Internet (using cookies and URL encoding). E-mails allow the marketer to focus on attracting the individual customer depending on their online shopping history. Marketers can use creativity in emails with graphics and moving pictures using HTML. They also provide a click through option to send the customer directly to the site. This is not a very effective form of advertising due to the high usage of SPAM Mailing (unwanted mail). An option exists on many email accounts that will instantly place 'junk mail' in the trash bin and also the option to block send particular email addresses.

Table 1
The Top Four Forms of Internet Advertising

Type of ad	Advantages	Disadvantages	Most commonly used
Banners	Inexpensive, provides a visual and a click through effect	Hard to distinguish from competitors, does not often attract customers	To attract the traffic of more popular sites
Email	Least expensive all of ads	Not very effective	Contact directly to target market
Sponsorship	Inexpensive, connects with similar target markets	Low attention rate	Exchange links between two sites
Interstitial	Provides a visual	Poor installation can cause slow loading	Make product aware

Sponsorships are the mention or publication of one website by another. Many times two sites will exchange sponsorship for each other. It can be in the form of an icon, hyperlink, banner, or button. An icon is a graphic symbol on a site that suggests the purpose of an available function. A hyperlink is an electronic link providing direct access from one distinctively marked place in a hypertext document to another in the same or a different document [10]. A banner or button is buying space on another website to place an ad. Typically, a sponsorship will be listed at the bottom of the page [9]. This combines editorial content and advertising. Sponsorship gives additional exposure and creates the impression that the publication endorses their product. They are particularly suited for the web because in many ways the commercial side of the web is simply a series of firms clamoring after similar targets [12]. Also, sponsorship gives the sponsor greater control over the content of the site.

Interstitials are Java-based ads that appear while content is loading. These ads are becoming less popular over time because they are hard to properly install and lengthen user-waiting time, which is never good. A newer version of interstitials is being created called *superstitials*. These are mini videos using flash technology to make ads more entertaining and fast. They do not load until the page is downloaded completely to prevent slowing down the process.

ANALYSIS OF EFFECTIVENESS

Once the strategy has been implemented, the next logical step is to evaluate its effectiveness. It is important to know that the strategy is reaching your target market. It is equally important that the strategy meet or near its intended goals and objectives. Each method should be analyzed carefully to see which provided the greatest reach or number of people exposed to the advertisement. Banner ads can be monitored through looking at the cost per click per customer. Additionally, traditional measures can be used such as recall, brand awareness, and purchasing interest.

Online advertisers are trying to address larger marketing issues than just making viewers aware of sites. They want to also build relationships with customers and getting them to return. They also want to persuade visitors and viewers to shop more and not just browse. So, when analyzing the promotion effects, marketers should not only consider if people view the site, but also if they are purchasing the products and if so how much are they spending. Web marketers are now realizing the potential lifetime value of the customer to determine how much marketing effort to use.

The conversion rate of an online store is the percentage of visitors who purchase from the store. There are four general shopping steps in an online store [7]. Product impression is when a customer views the hyperlink to a web page presenting the product. Click through is a click on the hyperlink and later a view of the web page of the product. Basket insertion is the placement of the item in the shopping basket if interested. Purchase is the complete purchase of the item. Each subsequent effort requires more marketing effort than the previous one. Over 80% of the shopping carts are left abandoned.

The analysis of Internet ads gives quicker responses and provides more feedback. The cost to generate each inquiry should be calculated to determine which is most cost effective. One way of analyzing the communication efforts of each ad can be done by looking at them through the AIDA

model. This model is widely used to determine the ad's influence on getting the customers Attention, Interest, Desire, and Action.

Traditional, marketers have been using this model to determine if their ad is breaking through the clutter of other messages. Messages are most likely to be attended when they are distinctive and relevant to the audience [4]. Each ad should follow these four essential AIDA basics [6]. To know your audience, you must first capture the browser's *attention*. The ad must not only appeal to the target market but also be located where it will reach them. Once the attention has been captured, the ad must keep their *interest* to cause them to stop and research the product. The body of the ad must have cognitive appeal. The body can state the benefits of the product or site being advertised. Use unique features and create a niche. Now the interest needs to turn into *desire* for the product. Desire is needed to convince the browser to do more than look. If enough desire is there, then the customer will then move to the *action* stage. This is the actual purchase of the product. It most directly affects the organization, and can be the hardest step to achieve. That is why many ads include incentives to stimulate a purchase by reducing costs. If the first three steps have been done well, and the browser is qualified, they will more than likely take the action and purchase.

We rated the effectiveness of four of the methods of Internet advertising using the AIDA Model. First, examining each form of advertising and how well it caught the attention, interest, desire, and likeliness to purchase from the site. The Delphi technique along with a convenience sample was used to get some insights into the actual process. Five people were surveyed and asked to rate the four methods discussed in this paper using the AIDA Model. They rated each on a scale of 1-10 to determine how well they met each criteria of the model. Using the Delphi method, the results of the survey were collected and analyzed from all the respondents and later shared with each of them, allowing them to change their response to effect the final results. The technique calls for an iterative process that is done until everyone agrees on a final outcome. This method requires a consensus of the results or sharing of criticism [2]. The results were only changed twice before the entire group agreed on the outcome. They were then ranked according to which had the greatest overall effectiveness in meeting each area of the AIDA Model.

The results and final analysis shows a substantial difference in the attitude of people toward the effectiveness of banner ads and sponsorships against email and interstitial ads. Despite the

criticisms, Banner ads were unanimously rated the best choice with sponsorships coming in second. They attract the least amount of attention, but when it does, it gets fairly high interest, action, and desire. The third were email ads. They have become as undesirable as junk mail sometimes attracting attention, but rarely going beyond the interest stage. Finally, interstitials cannot help but attract attention when leaping on the page in the middle of changing sites, but are easily ignored and considered a nuisance when slowing down a loading page.

Table 2
Rating each of the Online Advertising
Methods using the AIDA Model

Method (In order by ranking)	Attention	Interest	Desire	Action
Banner	8	7	6	4
Sponsorship	5	6	4	5
Email	6	4	3	3
Interstitials	7	3	3	2

CONCLUSION

The Internet has had a drastic impact on advertising as a whole. It is providing both retailers and e-tailers with another approach to reaching the desired target market. This paper examined four very commonly used forms of Internet advertising. Banner ads and sponsorships are the most common of the four and considered to be the most effective. While, email and interstitials, are not as commonly used and are thought of more as a nuisance for browsers. The Web has become an advertising medium for a number of organizations. It offers many benefits to marketers. Organizations of all sizes can establish a basic site for a nominal cost that is accessible to browsers around the world at any time. Marketers use the WWW to combine words, pictures, and even sound and video to reach domestic and global markets [4]. Also, the information at a web site may be customized to the browser's buying history and preferences, allowing marketers a good source of marketing research data. A web site is an investment in the future of your business [5]. It is vital to get involved now while the market is still hot. It is a big market with an array of competition. Before actually promoting your site, spend time on the Internet and see what gets your attention. Try different sites, including competitors for ideas. Remember that the Internet advertising is not everything. Giving customers a reason to purchase and return is a whole other task. Try to create a positive predisposition in all ads to have a positive feedback. This is a great market to begin or expand a business but it needs to have the right approach to be profitable.

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