

AD UNITS

Paul Miller - 2.7.02

What is the basis for variations in unit cost?

Advertising on the web does not differ much from advertising in any other media. People still want 'good numbers'. It is a simple principal; the sites that offer good numbers can charge more. The sites that can offer good numbers in large amounts can charge even more. Targeted demographics are what media buyers know. They feel more comfortable with online publications that can produce these numbers and generally are willing to pay more.

Why does one ad unit cost more than another?

There are two determining factors to the differentiating ad unit costs, one being technology and the other being targeted demographics. First, the more technology an ad requires, the more expensive it is to support. The flip side is, many times, the use of better technology in an advertisement usually increases its effectiveness. Second, when a publication identifies a target with a higher propensity to buy, they can charge more for access to those people. In turn the advertisements that run geared towards that demographic tend to do better than the random pull generated from run-of-site advertisements.

What are the incremental costs among various ad units?

Incremental costs include size, interactivity, presence and targeting. Advertisement sizes vary a great deal. The more space an ad takes up, the more one pays. Interactivity is playing more of a part in online advertisements. As an Internet community, advertisers are just now grasping on the potential of future advertisements. Incremental costs also include the placement of the advertisement on the web page. The top of the page has proven itself as a more memorable placeholder than the bottom of a page. Targeting is of a great deal of importance on the Internet like any other medium, but it is expensive and laborious. The difference between the Internet and traditional media is that once a prospect is targeted, he can then be followed and tracked. You can learn 90% of what you know about your customers from 10% of their interactions. The NYT is an example of different targeting/pricing schemas.

Many advertisers maintain disclaimer like this to maintain their image and reputation that maintain in the brook and mortar world on the Internet.

While advertisers have creative liberty designing their ads, The Wall Street Journal Online mirrors the "Advertising Acceptability" guidelines of The Wall Street Journal print edition and reserves the right to decline any advertising; for example, ads mimicking "alert" windows or false computer message screens. Sales executives and Advertising Services staff can provide more detailed information. Additionally, ads with a white or transparent background must include a 1 pixel-wide border, and animated ads may loop no more than 3 times maximum.