

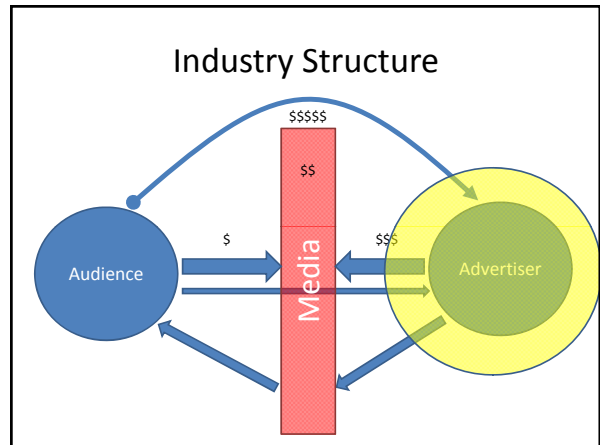
## Internet Advertising

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10/28/10  
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I know I'm wasting half of my ad budget. I just don't know which half.

## 2010 Global Ad Spend

# \$448 Billion



## The Great Divide

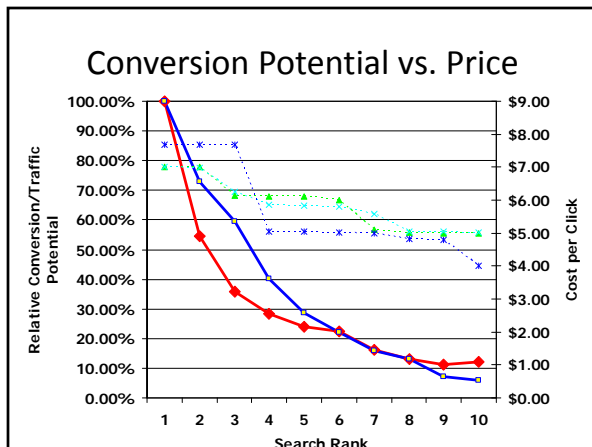
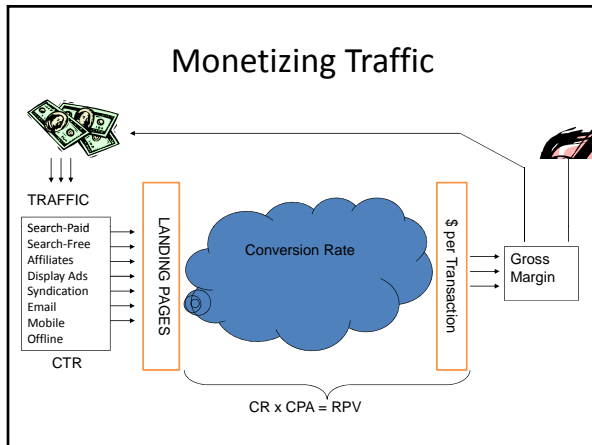
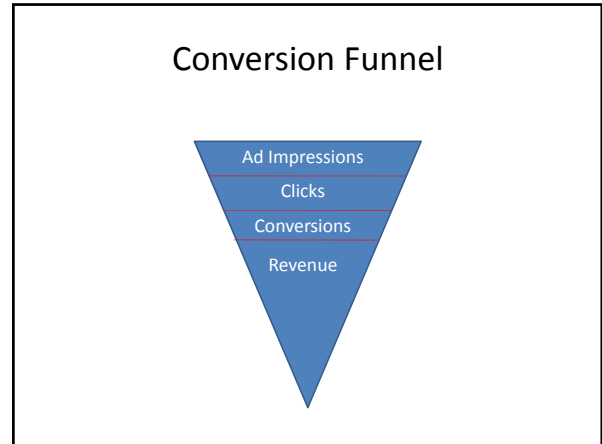
Brand

- Emotions
- Indirect benefits
- Banners, TV, stadiums

Direct Response

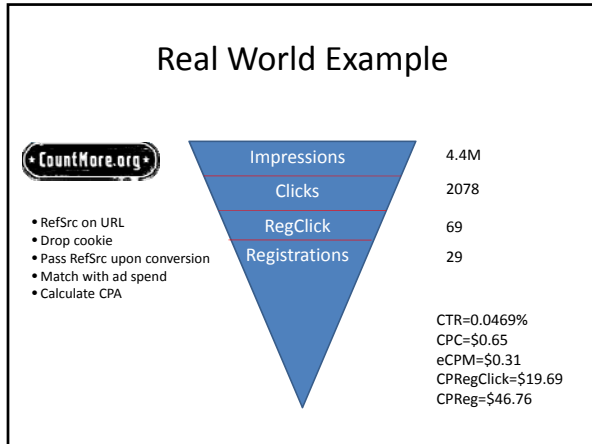
- Transactions
- Gross profits
- Search, coupons, 1-800, radio, mail





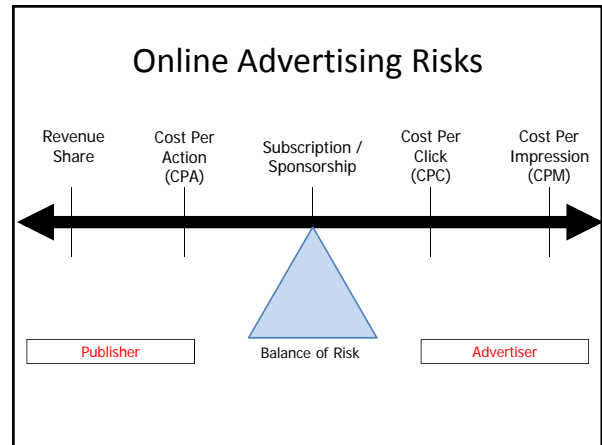
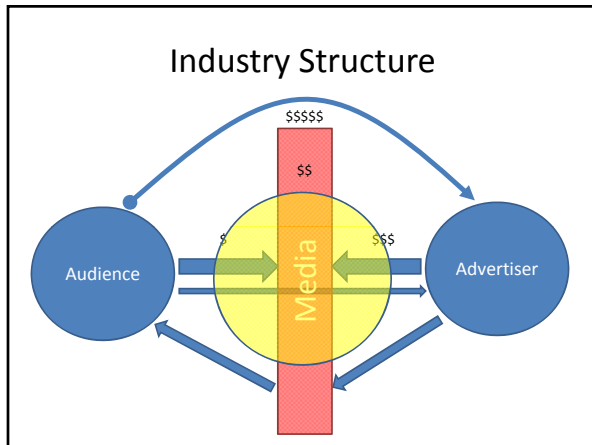
### Real World Example

A screenshot of the CountMore.org website. The main heading asks 'Where does your vote for President count more?'. The page is divided into two columns: '1 Choose your school state' (Washington) and '2 Choose your home state' (Oregon). It includes instructions for voters, such as 'Vote by Mail' and 'Vote by Mail', and provides a 'Vote by Mail' button. The page also features a 'Your vote counts more in Oregon' section with a 'Vote by Mail' button.



### Bid Management

Term	Clicks	CPC	Pos	CR	Leads	CPA	AvgPrice	Revenue	Spend	GM
Nursing School	5,000	\$1.00	1	5%	250	\$20.00	\$7.50	\$1,875	\$5,000	-63%
Nursing Schools	5,000	\$2.00	3	20%	1,000	\$10.00	\$30.00	\$30,000	\$10,000	200%
<b>Total</b>	<b>10,000</b>	<b>\$1.50</b>	<b>2</b>	<b>12.5%</b>	<b>1,250</b>	<b>\$12.00</b>	<b>\$25.50</b>	<b>\$31,875</b>	<b>\$15,000</b>	<b>113%</b>
Optimized	8,000	\$2.43	1	22%	1,760	\$11.05	\$30.00	\$52,800	\$19,440	172%



### RPV Optimization: Problems with Sort by CPC

Example Term: "mba"

Ad Title	Univ. of Phx: Online MBA	Univ. of Washington MBA
Ad Body	100% online university. Fully accredited.	Foster School of business. Top 30 ranked.
CPC	\$10.00	\$0.50
CTR	0.01%	4%
Position	#1	#10
RPV	\$0.0010	\$0.0200

### RPV Optimization

Sort by (CPC\_Bid x CTR)

### Keyword Opacity

	Impr	CTR	Clicks	CPC	CR	Leads	CPA	Spend
Nursing School	100,000	5%	5,000	\$1.00	5%	250	\$20.00	\$5,000
Nursing Schools	10,000	50%	5,000	\$2.00	20%	1,000	\$10.00	\$10,000
Total	110,000	9%	10,000	\$1.50	12.5%	1,250	\$12.00	\$15,000
MatchDriver	110,000	9%	10,000	\$2.00	12.5%	1,250	\$16.00	\$20,000

### Landing Page Analysis

Results 1 - 18 of about 72,500,000 for christmas cakes - 0.48 seconds

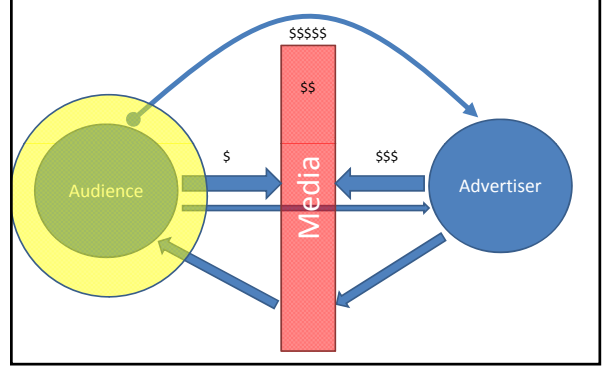
What?? No "Christmas"

No "Christmas" here either!

### Landing Page Analysis

Nonnie Waller's Traditional Southern.  
Making Memories One Gift at a Time™

### Industry Structure



### End Users

# Don't bug me

Unless I like what you have to offer

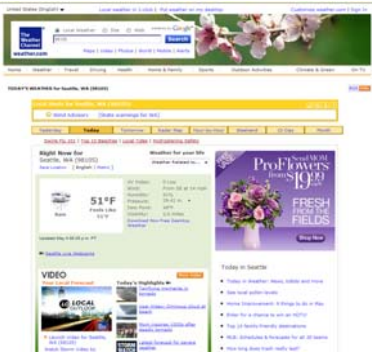


### Better Matching

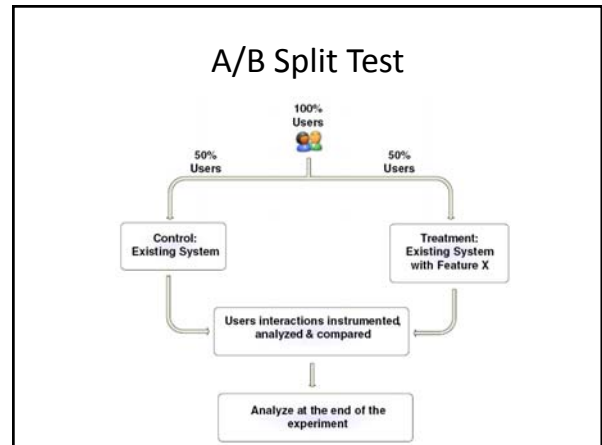
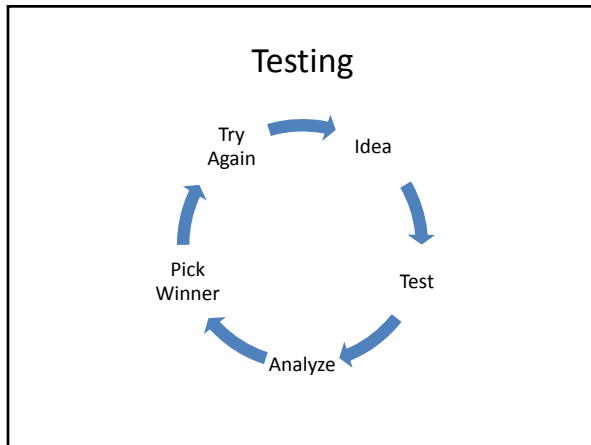
- Context detection
  - GPS, location
  - App vs. content
  - In-game
  - Info seeker vs. transactor
  - Calendars/schedules/events
  - Social networks/status
  - Twitter - now
  - Behavioral – esp. w/knowledge of specific site behaviors
  - Contextual
- Privacy
  - Google "AOL search data"

### Context?

- Flowers
- Mentos gum
- Trial Prep
- Credit score
- Cosmetics
- Hampton Inns
- WeightWatchers
- Vacation Home Rentals
- Home Depot
- Web Hosting
- WebMD
- Colon Cleanse – Warning
- My Teeth Aren't Yellow
- Classmates.com



## TESTING




### Testing

Sample Size, margin of error, confidence

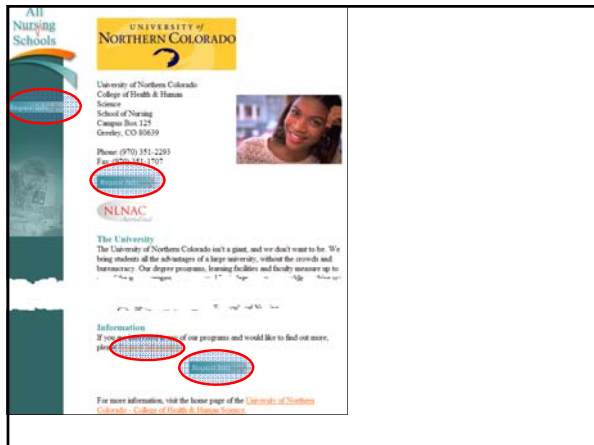
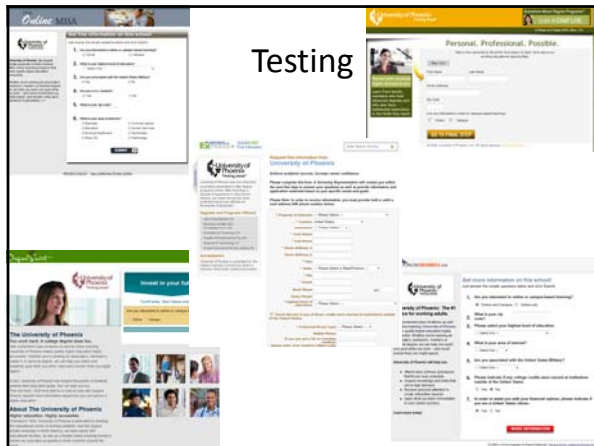
$$x = Z(c/100)^2 r(100-r)$$

$$n = N x / ((N-1)E^2 + x)$$

$$E = \text{Sqrt}[(N-n)x / n(N-1)]$$


### Sample Size Problems

- So many ideas, so little to sample...
  - Disproportionate advantage to scale
- Multivariate testing
  - Taguchi Method
    - Method for calculating signal-to-noise ratio of different parameters in an experimental design
    - Allows optimization with A/B test of each cross-product



### Fact Sheet Design

Existing Schools (n=1,428)		CR
Best		51.1%
Worst		0.4%
Average		11.6%

Test	# Schools	CR Lift
Professional photo	1	30%
More RFI buttons	3	21%
Marketing voice, more programs listed	1	28%
Photos + Marketing voice, more programs	1	50%

- ### Opportunities Today
- Conversions
    - Low-RPV
    - Waste
    - Simplicity
  - Risk
    - Scaling local, hyperlocal
    - Data exchanges
    - Under-monetized sites
  - Context

## Summary

- Conversions
- Risk
- Context
- Testing