

Are Banners Dead?

By Melissa Werkenthin

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When Internet advertising exploded on the media buying scene several years ago, it was heralded as the ultimate direct response medium and the banner its prize vehicle. Campaigns are planned, placed, evaluated, and changed within a matter of days instead of weeks. Response rates soared into the unheard of teens and twenties. Everyone was jumping on the Internet advertising bandwagon.

Now that the medium has matured and the novelty has worn off, click-thru rates have dropped to an industry average of .5%, down over 1% from just a year ago. Has the banner run its course? Is it time to scrap these blinking bits of colored pixels for the next greatest thing? The answer is quite simply no.

The banner has matured the same as the other advertising tools such as radio, television, and print advertising. New technology and viewers' habits have changed, but not destroyed the usefulness of the banner in media planning schedules. Careful banner placement can complement and enhance your entire advertising campaign.

Here are a few ways to better use banner placement:

(1) Have a clear campaign goal. Do you want to increase registration of your newsletter, increase online sales, or increase brand awareness.

(2) Match web site demographics against target audience of the campaign. Web sites and ad networks have more information about viewer demographics, profiles, and buying habit than any previous advertising medium. Use this information to your advantage.

(3) Design the banner specifically for the web site, campaign, and demographic. The Internet is the ultimate venue of narrowcasting. The more targeted the message is the higher the response rate in your demographic.

(4) Buy cost efficiently based on your campaign goals. If registration is your goal, buy banners on a CPC (cost-per-click) basis. If brand awareness is your campaign goal, buy on a CPM (cost-per-thousand) basis to maximize your exposure.

(5) Evaluate performance based on campaign goals. If sales are your goal, use an ROI (return-on-investment) basis, while registration is measured on a percent of click-thrus on the banner and then the conversion rate of those who clicked.

(6) Do not be afraid to test multiple creatives, web sites, and/or demographics. Every campaign needs fine tuning for maximum response.

(7) Do not let banners be the total makeup of your online ad schedule.

The Internet is constantly evolving with new technology and functionality. The banner will evolve with its medium and users. If you remember one principle of marketing is that one tool cannot be the ultimate or miracle advertising vehicle. The most cost efficient advertising plan has clear campaign goals, targeted demographics, and a synergistic use of multiple mediums and advertising tools. It is through this synergy that banners will find their true use.

Melissa Werkenthin is the owner and founder of Loki Media, a marketing and advertising consulting firm specializing in electronic media. For more information about her services or if you would like to receive a free monthly e-newsletter, Marketing Your Business, please visit www.lokimedia.com or email Melissa Werkenthin.

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