



Online Media Planning 101: What You Need To Know
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By now, everyone knows the Web is for real. Online purchasing is already up 33% in 2006 and online advertising is expected to grow more than 30% this year. But if you ask most marketers about online media planning, you're likely to get a confused look, followed by "we've heard of it, but don't know much about it." Despite the rapid growth in online advertising, very few marketers have experience or insights into online media planning. There's a reason for that. But before we look at today's environment, let's take a quick look back at traditional media planning.

It used to be much simpler to advertise. You could reach 80% of U.S. consumers by advertising on primetime, network-syndicated TV. Outside of TV, Radio and Local or National Print Ads, advertisers didn't have a lot of options. Nor did they need them as they could reach most of their audiences through these media outlets.

Today, such mass reach requires a much broader strategy as consumer preferences for media have exponentially widened. Despite the change, media planning fundamentals remain the same - reach the right person at the right time with the right message. Online media offers today's marketers an unparalleled opportunity to achieve these goals in an efficient, measurable way.

We define "online media planning" as the process of determining where, when and how to advertise online, based on your target audience, objectives and budget. The market for online media planning is relatively new, growing quickly and changing rapidly. While purchasing TV and Radio spots is widely understood with pricing that is somewhat static, the online media world is like a lot the Wild West – lacking structure, standards, transparency and efficiency. It's broad, deep and dynamic. In other words, it's hard to get your arms around it if you aren't able to dedicate substantial resources to it.

Despite some of the challenges of advertising on the Web, very few companies can afford NOT to do it. There's no denying that the Internet has changed the way we all conduct our daily lives. So if you want to deliver your message to your target audience at the right time and in the right place, you need to be advertising online.

While search engine marketing (both and natural and pay-per-click) is a no-brainer, there are only so many relevant keyword searches conducted on any given day. If you are targeting local (vs. national) audiences, the reach provided by search engines can be very limited. Lastly, Search Ads are normally geared to attract clicks, not build your brand. So if search engines alone do not provide the volume of traffic or brand awareness you need to achieve your marketing objectives, you must find other ways to reach prospective customers. This is why the demand for targeted, online advertising is growing rapidly.

When you start the process of researching online ad buys, you'll quickly find that it's a pretty daunting task, especially if your ad budget is limited. Not only is there a universe of media outlets, but there are also many different types of interactive media. Below is a summary to help you better understand the market.

Types of Media Outlets:

Media buys can be made from a variety of media service companies, such as:

- Portals – aggregators of content, email and IM, such as Yahoo, MSN and AOL.
- Web sites such as Chron.com, NickJr.com, MySpace.com and CitySearch.com.
- Ad Networks - media companies that serve ads across hundreds or thousands of sites, such as Value Click, FastClick, ContextWeb, Advertising.com and Vendare Media.
- Affiliate Networks - networks of small sites; each site select ads it wants to serve.
- Search engines such as Google, Yahoo, MSN, AOL and Ask.com.
- Email lists owned by companies such as Venture Direct and Net Creations.

Types of Media:

When making ad buys, several types of online media are available, such as:

- Text ads on Web sites
- Text ads in email newsletters
- Banner ads on Web sites
- Banner ads in email newsletters
- Rich media (interactive ad units)
- Dedicated email advertisements sent by third parties to their opt-in lists.

Types of Pricing:

When making ad buys, there are three primary pricing models, including:

- Cost per thousand impressions (CPM) - how print ads are sold, based on reach.
- Cost Per Click (CPC) - made popular by Google, these are ads where advertisers are only charged when a visitor clicks on their ads.
- Cost Per Action (CPA) – commissions paid when a visitor takes a desired action (e.g. registers or makes a purchase).

Once you get your arms around the selection of outlets, the various types of media and how deals are structured, you need to figure out where to advertise, what types of ads to buy, and how much to spend on each. This is where experience and expertise in online media is critical. While the specifics for each campaign will vary, some basic principles apply.

- Define your target audience(s).
- Define your objectives: Branding, Direct Response or a combination of both.
- Define metrics for measuring success.
- Determine your budget and timeline.

Once defined, select the types of outlets and media based on pricing and available budget. To do this, you'll need not only a broad understanding of which types of media and outlets work best given your audience and objectives, but you'll also need an analytical framework to put it all together. This usually requires a complex spreadsheet or database model to capture the data and manage the process.

Like most things, the devil is in the details, and success comes from doing the little things right. This is why most companies outsource their online media planning to interactive agencies such as Spur Digital. As with other aspects of your business, if it's complex and requires specialization, and it's not one of your core competencies, it's usually best to hire someone to handle it for you.

Steve Latham is the founder and CEO of Spur Digital, a leading full-service interactive agency based in Houston, Texas. Since founding Spur Digital in 2002, Steve has developed and executed online marketing strategies for leading companies of all sizes. To learn more about Spur Digital's online media planning services please visit www.SpurDigital.com.