

Trends in Web-based Advertising

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At the junction of Madison Avenue and Information Superhighway, there's business to be done. And science journals might be sitting on prime commercial real estate at the corner. Advertising is finally becoming an important force on the World Wide Web, according to K David Klotz, senior vice president of sales and marketing for Judd's OnLine, a company that helps others do business through the Internet. Science journals should be able to leverage their quality content to generate ad revenues on their Web sites, according to Klotz.

"E-commerce solutions" for enterprises from *marthastewart.com* (a Judd's OnLine client) to a specialty society journal should be based on an integrated market strategy, said Klotz. His company's approach is to build this strategy for clients according to "The Net Gain Model", described in the book of that title by John Hagel III and Arthur G Armstrong (1997, Harvard Business School Press).

"Content is key" to this approach, and content is the strength of science journals, noted Klotz.

Web advertising can be broken into several categories. Banner ads run in a set location, often placed on a home page. Spot ads appear within a journal's content

pages. Without addressing the ethics issues that others have raised about the practice, Klotz said that spot ads can be placed according to article topics. Another way to separate Web ads is to think of "served impressions" versus "static impressions".

Static impressions are ads that a Web manager puts on a site and then leaves alone—institutional ads, most likely. Served impressions are changed regularly so that they keep catching readers' attention.

Choosing among these ad types is not the only decision for journals. Other issues include ad management (internal personnel or external service provider?), precision ad targeting (whether and to whom?), reporting response data to advertisers (how and when?), and integrating print and Web advertising (how?). The last topic is probably the most important one for journals taking the e-commerce plunge, said Klotz. When Web-site hosts address all those issues adequately, "the Web allows advertisers to deliver messages with targeted precision and measurable results", said Klotz.

Advertisers are becoming more sophisticated in measuring the results of their Web ad placements. They want reports on not only numbers of impressions (page visits), but also clicks on ads, leads generated, and sales from specific ads.

Science journals are on the right side of current trends in Web advertising, said Klotz. Advertisers are moving away from placements on general Web sites, such as *yahoo.com*, and toward niche sites that have original content on specific topics. And surveys show that advertising is gaining new attention from Web users.

Klotz returned to the issue of ad management with specific suggestions for science journals. Options fall into four categories:

- In-house management using software from a Web-site developer or Internet service provider.
- In-house management with software from third parties, such as AdJuggler (www.adjuggler.com, \$1495) and Real Media's Open Ad Stream (www.realmedia.com).
- Buying some outside services from companies such as DoubleClick (www.doubleclick.com) and AdForce (www.adforce.com).
- Total outsourcing to companies such as WebConnect (www.webconnect.com) and LookSmart (www.looksmart.com).

The costs for those services can be as high as \$500,000, said Klotz. Software alone for managing ads runs from about \$2,000 to \$100,000-plus.

What's the return? Not insignificant but less than one might think, Klotz cautioned. Although an ad on a "business-to-business" site costs an average of \$232 per 1000 impressions, the average Web ad rate is \$32.

Klotz ended his talk by profiling Web sites of a large, a medium-sized, and a small organization—each one a client of his. They advertise to very different audiences for very different reasons. All three, however, know their community, recognize how Web advertising can meet their needs, and have an integrated Web strategy, said Klotz. Journals ready to follow such enterprises into Web advertising must do the same. 