

Study Finds 'Transparency' Impedes Display Ad Growth

Joe Mandese, Apr 14, 2010 11:52 PM

A major reason why display continues to lag the growth in paid-search advertising is that major marketers are concerned by the increasing lack of "transparency" among ad networks and third-party aggregators of online display advertising. That's the chief finding of a new report, "Beyond the Grey Areas: Transparency, Brand Safety and the Future of Online Advertising," released Wednesday by the Winterberry Group.

The report, which was commissioned by AdSafe Media, one of the companies marketing proof-of-performance and content safety solutions focused on the issue of transparency, estimates that U.S. advertisers alone have held back as much as \$2 billion annually in online display spending due to those concerns.

"It's critical that advertisers and agencies understand the extent to which certain issues -- the possibility that ad will appear next to content that could potentially undermine its message, for example -- continue to present real threats," said Jonathan Margulies, a director at Winterberry, adding: "Our panelists resoundingly told us these issues persist -- and they bring with them real costs."

The study found that some of the key issues related to display ad transparency include "message misalignment" (advertising message appears out-of-context from surrounding Web page content) and outright "dangerous" placements (ads appearing on pages that defy good "taste, respect and basic courtesy").

"Anecdotally, marketers tell stories of botched campaigns, disastrous brand exposures and quick, last-minute media plan revisions," the report reads. "What they report far less often, though, is the extent to which they deflect ad dollars from the digital display channel -- or hold back from committing spending in the first place -- because of anticipated challenges with regard to risky placement."

The report did not disclose the base of ad executives surveyed, but Winterberry cited verbatim from a couple of key Madison Avenue media figures, including John Montgomery, COO, North America, GroupM Interaction; Baba Shetty, executive vice president and chief media officer, Hill Holliday; and Peter Gardiner, partner and chief media officer, Deutsch Inc.