



NetClique

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# DISRUPTING DIGITAL ADVERTISING

Avoid Losing Billions of Dollars by Giving People What They Need

## Abstract

*Digital advertising has big problems that cost the Industry billions of dollars each year. Current technology provides us with all the tools we need to fix those problems. In this paper you will see what those problems are, how we can fix them, and find out how focusing on the needs of everyone creates the power needed to disrupt an entire industry.*

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## Overview

Digital Advertising became popular as the internet exploded with channels where marketers could engage their audiences online. Nowadays, the most popular channels for internet advertising are:

- Social media
- Search
- Blogs
- Video streaming services
- Display advertising
- Email marketing
- Surveys
- Digital coupons
- Mobile applications

Internet advertising is rapidly growing in popularity. Advertisers in the United States spent 27.5 billion dollars on internet advertising during the first 6 months of 2015 which is an increase of 19% over the first six months of 2014. (PwC Advisory Services LLC , 2015)

Companies like Mondelez International, well known for brands like Oreo, Trident, and Philadelphia Cream Cheese, are now spending 50% of their marketing budgets on internet advertising and more than a third of CMOs say that digital marketing will account for 75% or more of their spending within the next five years. (Council, 2015)

This is not surprising because, on average, people spend 6 – 9 hours a day on their desktop, laptop or

mobile device. (McCarthy, 2014) Advertisers want to be where the audience is and the audience is on the internet.

Unlike traditional advertising methods, such as TV, radio, and print, the internet allows marketers to “see” what their audience is doing through data and analytics. Theoretically, this makes it easier to measure. But in reality, it’s making marketing and measurement more complex.

- There are too many channels
- There is too much data
- There is too much content
- And too many tools for measurement

On our quest to make digital advertising easier, more measurable, and more personalized for users, we’re making it more complex, labor intensive and intrusive for users. It’s going to take a huge change in the way we’ve been doing things in order to make things simple again.

In this paper we will discuss a few of the major issues and challenges digital marketers face when advertising on the Internet right now. Then we will discuss a solution that can alleviate those pain points and simplify the digital marketing experience for everyone.



## **Digital Advertising Pitfalls**

### **Viewability**

Imagine someone is watching videos on YouTube. If they leave the room without shutting it off, videos and commercials continually auto play for hours without anyone physically watching. This is a viewability issue. Other viewability issue are:

- If 50% of an ad is in view for a minimum of one second, someone has to pay for that. (Interactive Advertising Bureau, 2016)
- Users completely ignore ads online. This is called banner blindness.
- If users have the option to skip an ad they will.

### **Bot-Net Fraud**

Display ads see less than a .06% click through rate. Many of these clicks are made by accident. Others are a result of bot-net fraud. Bot-nets are software designed to fraudulently click on ads. (Chaffey, 2015)

- It's estimated that digital advertisers lost close to \$7 billion globally to bots in 2015. (White Ops, Inc., 2014)

### **Consumers Don't Like Advertisements**

68% of consumers find online ads "annoying" and "distracting" and 54% say online banner ads don't

work. (Adobe, 2012) Consumers don't respond well to internet advertising. They don't like:

- Email in-boxes filled with mail they don't have time to read
- Display ads popping up on top of content they're trying to read.
- Being forced to watch commercials before the video they're trying to watch.
- Sponsored ads filling up their newsfeed in Facebook

### **Ad Blocking Technology**

It's estimated ad-blocking software will have cost the ad industry \$22 Billion dollars in 2015. (DWOSKIN, 2015) Poor consumer perception is resulting in the development of software consumers are using to block ads on websites. In fact, this ad-blocking software is becoming so common that Apple built it into their new operating system and it is available as a plug-in for most browsers. (Neff, 2016)

### **Data Transparency**

It's nearly impossible for people to surf the web without encountering dozens if not hundreds, of branded messages in the process. (Johnson, 2014) People are seeing ads and wondering, why am I being targeted with this? What did I do that I'm seeing this ad? How do they know what I'm doing?

In 2015, there was a massive marketing campaign launched for binge eating disorder awareness that



incorporated display advertising, social media, streaming video and more. Lots of women were repeatedly seeing these and started to ask themselves, why am I being targeted with these binge eating disorder advertisements? Do people think I have a binge eating disorder? Did I do something on the Internet to make people think I eat too much? Am I fat? How is the Internet determining things about me and deciding to show me this ad?

Marketers are aware that people want to know how their data is being used. Those that find a way to be transparent with their data know they will gain consumer trust and keep them loyal to the brand as a result.

### **Fragmentation and Complexity**

Fragmentation and growing complexity is a serious concern for brands. They have to create strategies and content to meet the needs of every channel. Many fortune 500 companies are increasing the use of their resources for executing internet campaigns. They often hire several different agencies to handle their various marketing campaigns for them. For example:

- Using all the social media channels.
- Launching PR campaigns through every web publication they can.
- Search engine optimizing everything.
- Blasting the web with display ads, pre-rolls and native ads.

- Publishing websites with video content, blogs and more.

They need separate agencies to handle social campaigns, websites, SEO, content development and distribution. It's costly and complex to maintain and measure these campaigns. Plus, it takes resources away from allowing companies to do what they do best, focus on growing and improving the products and services they sell.

### **Content**

Even though content marketing, production and budgets have increased considerably in the past decade, quality, formatting and delivery are still a problem. Marketers struggle to produce content that engages their audiences without slowing down or interrupting their web experience.

Content is the heart of marketing online. Each one of the previously mentioned issues is directly tied into the content.

- How do we ensure full viewability?
- How can we fight bot-net fraud?
- How can we improve public perception?
- How can we improve engagement?
- How do we make content people don't want to block?
- How can we be transparent with data?
- How do we simplify the digital marketing experience?



This set of issues adds a whole new level of complexity for marketers. Marketers used to be marketers. Now, they are being asked to become internet technology professionals.

### Marketers changed for the Internet.

Nowadays, as marketers develop their strategies they are paying a lot of attention to emerging Internet technologies. They want to make sure their messages get out to people using these different Internet tools. Marketers have to learn everything about these different Internet channels in order for their digital strategies to work.

Marketers have learned all about using the newest, most popular internet channels **but** none of these channels were created specifically by knowing all about digital marketers and what their needs are.

- Google was designed to be a digital Dewey Decimal System.
- Facebook was designed to be a social media tool.
- YouTube was a system developed so people could share their videos online.

These applications, and many others, were not designed for marketers. Advertisers and marketers were brought in to these applications after the fact in

order to generate revenue but they were not designed for them.

There has never been a web-based application built to take advantage of the amazing new technology and intelligence coming from the Internet for the sole purpose of benefiting and catering to the needs of the marketers.

But what if there was?

What if someone built an application that *did* take advantage of all the new technologies coming from the internet?

### The Internet Needs to Change For the Marketers

We at NetClique spent two years researching marketing, digital marketing, advertising and content production environments, talking to key executives at Fortune 500 companies, as well as top level personnel at advertising agencies and commercial production companies, getting their feedback. We found out what their issues and challenges are. We have gotten behind the scenes to develop a detailed picture of the problems plaguing this market.

Marketers, agencies and content creators are collectively suffering because marketers are shifting their spending from traditional channels to digital channels.



The solutions we're presenting have been based on these two years of extensive research. We can discuss how to handle this situation and the issues and challenges these industries have so we can make things more lucrative for everyone involved.

## **NetClique Solutions**

### **Viewability:**

#### *Hide Your Ads*

We hide our advertisements underneath our content instead of putting ads in front of users faces when they're not asking for them. Ads reveal themselves as hotspots on the page, surrounded by a ring of light. They are visually appealing and labeled in a way that encourages users to click on them.

- Advertisers will know where their ad is.
- 100% of their ads will be displayed.
- Every ad will be opened by choice.

### **Content:**

#### *Distribute Professional, short, original episodes of Network Television Quality Shows*

Internet users, especially in mobile environments, are on-the-go and you can only hold their attention for so long. (McSpadden, 2015) So, we distribute short, dramatic, funny, suspenseful, original episodes that can be consumed in a few short minutes.

- Advertisers save time and resources trying to create content people want to see.

### **Engagement:**

#### *Replace Commercial Breaks with Web Application Breaks*

We have an application that appears between our episodes. This interactive application:

- Delivers ads
- Delivers jokes
- Asks questions
- Displays funny MEMEs
- Plays 15 second commercials
- Delivers coupons
- Supports giveaways

### **Eliminate Ad Blocking:**

#### *Provide Incentive*

We keep our users engaged and provide tangible value to them. Because our application breaks deliver entertainment, valuable coupons and giveaways, we are:

- Engaging with users
- Appealing to their emotions
- Getting to know them
- Saving them money on goods & services

#### *Incorporate digital coupons*

When someone clips a coupon or takes part in a giveaway, we save and organize it for them, acting as their personal filing system, keeping it in their digital mind until they are ready to buy. We do this with a simple menu where users can scroll through and view



saved offers, find what they're looking for and select it. Then they can print it, redeem it online, or redeem it in the store using their mobile device.

#### *Add a Rewards Program*

Many companies offer rewards programs where customers collect points that can be redeemed and used towards discounts, free products and more. We're following suit. When users engage during our application breaks, they receive points which they can use towards purchases for brands they most frequently interact with.

#### **Data Transparency:**

##### *Put the Data in the Users Hands*

Every time users engage with our application they are creating data about themselves. We put that data in their hands via a menu so they can see it and understand how their interactions result in content targeted to them. Plus, if it turns out a person is profiled incorrectly, they can fix that attribute, resulting in better targeting for marketing campaigns.

#### **Eliminate Bot-Net Fraud**

##### *Use a Registered User Model*

Our shows are only available to registered users. Bot-nets would need to become sophisticated enough to register for an account, wait for episodes to end, locate our hidden hot spots and be prepared for a variety of different types of engagements in order to manipulate this application. Even if they did, the elimination of Cost-per-click and Cost-per-

impression pricing models would make the effort virtually useless.

#### **Improve Public Perception of Digital Advertising**

##### *Stop Interrupting People and Provide Value with Your Ads*

When we put all the previously mentioned strategies together we are creating a fun, entertaining, and engaging internet environment that actually brings value into the lives of users who watch our shows.

#### **Simplify the Digital Marketing Experience**

##### *Create a Solution*

##### *Focused on Everyone*

The NetClique solution was conceived, designed, and developed by focusing on everyone instead of one particular group.

- Marketers are focused on creating campaigns that promote their own products and services.
- Advertisers are focused on creating the best campaigns for their client.
- Content creators are focused on creating the content they want to create in order to achieve their goals.
- Popular web applications are focused on maintaining and growing their user base while finding new and creative ways to generate revenue.



- Users are focused on finding the internet content they want and discovering new ways to entertain themselves online.

NetClique is focused on eliminating complexity, frustration and waste by creating synergy between the users, the marketers and the content that brings them together every day online.

#### *Make it an End-to-end Solution*

NetClique offers a truly end-to-end solution that can be completed in seven steps.

#### **STEP One**

Advertisers log in to the NetClique client messaging system (CMS) by typing their username and their password. Once in, they view their personalized dashboard where they can:

- Upload content
- Set targets
- Find insights
- Review analytic reports so they can see how their campaigns are working.

#### **STEP Two**

Advertisers upload or create their content. This can be:

- Static graphics
- Animations
- Anything they would put in an email
- Self-generated surveys

- Video content
- Coupons
- Giveaways

#### **STEP three**

Advertisers set their targets. Targets include the usual demographics like gender, age, location and more. But targets are also scalable. Every time users answer questions during our application break, their answers become targetable traits.

#### **STEP four**

Ads are delivered to targeted users during the application breaks in-between our episodes.

#### **STEP five**

The audience interacts with content available during our application breaks.

#### **STEP Six**

After users receive content they choose what they want to do with it.

- Save a coupon or giveaway item and store it until they are ready to buy.
- Share information on content they found. If they want to share a status to Facebook and say “Hey! Go check out this episode. I just found a coupon by watching the show!” They can do that.
- Answer survey questions.
- Follow a link to an outside website.



- Take no action at all and choose to go watch the next video or choose to close out of the application all together.

For users who save coupons, it goes into their saved offers menu. When they're ready to use it, they can:

- Get a coupon code to purchase something online
- Print the coupon and use it in store
- Use a mobile application where they open it up on their phone and redeem it in store

### **STEP Seven**

Advertisers go back into the client messaging system and review all the insights we've gathered related to their campaign. This includes but is not limited to:

- What kinds of targets worked?
- What kind of targets didn't work?
- How many users engaged with brand messages?
- What types of new data was generated about customers?
- What kind of content is getting shared to Facebook?
- What kind of coupons result in sales?
- What kind of coupons are being saved but not used?

Advertisers can get a good idea of how their marketing strategy worked during our shows then use

that information to design a new strategy and start all over again.

1. Advertisers log into their personal CMS
2. Upload their content.
3. Target it.
4. We deliver it.
5. We track it.
6. We measure the outcome.
7. Advertisers use our analytics to build a new strategy.

Then we all start over again. This is why our solution is truly end-to-end. Marketers can keep it going and build new insights, strengthening their strategy, fine tuning their targeting, and so on.

This is our solution. This is how NetClique can help benefit users, marketers, advertisers, and content creators. Together, we can make digital marketing less complex and save everyone money by having an alternative to current methods so it's costing people a lot less to create and it's much easier to measure.

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