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# Online Advertising Networks

## Buyer's Guide 2009

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**Econsultancy London**  
4th Floor, 91-93 Farringdon Rd  
London EC1M 3LN  
United Kingdom

Telephone:  
+44 (0) 20 7269 1450

<http://econsultancy.com>  
[help@econsultancy.com](mailto:help@econsultancy.com)

**Econsultancy New York**  
41 East 11th St., 11th Floor  
New York, NY 10003  
United States

Telephone:  
+1 212 699 3626

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# 1. Introduction

**Econsultancy's buyer's guides are the ideal starting place for anybody researching new service providers in digital market sectors.**

They contain **in-depth vendor profiles**, to help you quickly evaluate suppliers, as well as **market analysis** to help you put things into perspective. Vendors /service providers / networks are selected for the report based on a combination of factors, not limited to but including:

- **Analysis of capabilities** (services / products)
- **Clients and Partners**
- **Experience** (qualifications / trade bodies / case studies / client lists)
- **Expertise** (by sector / topic),
- **UK status** (a UK office is preferred, occasional exceptions are made)
- **Ability to take on and fulfil new projects**
- **Recommendations from trusted sources** (or anecdotal evidence to the contrary)
- **Google visibility**
- **Business model** (a high % of turnover should be related to these services)
- **Company website**

Econsultancy does not *explicitly* recommend any of the suppliers featured in these guides, principally because it is impossible for us to work with all of them to form a first-hand opinion. But we do believe - based on an intensive and careful selection process - that the chosen service providers represent quality.

Buyer's Guides are typically updated on an annual basis, so the information contained within is recent, valid, and reflects changing market conditions. Please send any questions or comments to Econsultancy's Research Director, Linus Gregoriadis, via [linus@econsultancy.com](mailto:linus@econsultancy.com).

## Companies not featured

The following companies declined to be featured in this guide or failed to return a completed profile:

- Google (Google AdSense)

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## 1.1. About Econsultancy

Econsultancy is the leading source of independent advice and insight on digital marketing and ecommerce.

Our reports, events, online resources and training programmes help a community of over 80,000 registered marketers make better decisions, build business cases, find the best suppliers, look smart in meetings and accelerate their careers.

Econsultancy is an [award-winning online publisher of reports](#) covering best practice, user experience benchmarking, market data and supplier selection aimed at internet professionals that want practical advice on all aspects of ebusiness.

Econsultancy also operates a highly popular [training](#) division, used by some of the world's most prominent brands for staff education, both in-house and via public courses. We provide training across all areas of digital marketing and at all levels from one day courses to diplomas to Masters in Digital Marketing.

In addition, we host more than 100 events a year, such as The Online Marketing Masterclass, regular Supplier Showcases and Roundtables, an annual Future of Digital Marketing event, Digital Cream and a range of social events.

The [Econsultancy](#) site now attracts over 180,000 unique users per month where they access research, read the blog and take part in discussions in the forums. And as a portal to the digital marketing community, Econsultancy members can also link up with other members and digital suppliers through our directories, as well as find a new job or new digital talent using the job listings.

Some of Econsultancy's client-side members include: Google, Yahoo, MSN, MySpace, BBC, BT, Shell, Vodafone, Yell.com, Dell, Oxfam, Virgin Atlantic, TUI, Barclays, Carphone Warehouse, IPC Media, Deloitte, T-Mobile and Estée Lauder.

[Join Econsultancy](#) today to learn what's happening in digital marketing – and what works.

Call us to find out more on +44 (0)20 7269 1450 or [contact us online](#).

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## 2. Executive Summary

The focus of this report is the **online advertising networks sector**, with an analysis of market trends and challenges, as well as detailed profiles of 23 leading ad networks. The focus of this report is the UK but many of the ad networks are international while the trends are generally relevant globally.

Econsultancy: the market for online advertising networks was worth between £300m and £350m in 2008, and will grow by around 10% during 2009.

The aim of this report is to help organisations understand the benefits - and the different types - of ad networks. It is written primarily for buyers but we hope the guide is useful for individuals and organisations in all parts of the value chain whether they are advertisers, media agencies, networks or publishers.

### **Trends covered in this buyer's guide include:**

- Ad spend slows down in the recession.
- Greater focus on return on investment and measurement.
- Consolidation of ad networks continues.
- Greater use of video advertising.
- Innovative advertising formats developed to engage consumers.
- Networks use technology and data to increase efficiency.

### **Other Econsultancy Buyer's Guides:**

Affiliate Marketing Networks  
Content Management Systems  
E-commerce Platforms  
Email Marketing Platforms  
Hosting and Managed Service Providers  
Mobile Marketing Platforms (*coming soon*)  
Online Ad Serving  
Online Customer Service  
Online Reputation Monitoring  
PPC (bid management) Technology  
Search Engine Marketing  
Site Search  
Shopping Comparison Engines  
Usability  
Web Analytics

<http://www.e-consultancy.com/research/buyers-guides.asp>



## 3. The Market

### 3.1. Market Definition: what are online advertising networks?

The focus of this report is **online advertising networks**. The guide outlines **key trends and challenges** within this sector and profiles those networks which have the strongest presence in the UK.

The networks profiled in this guide vary in their focus. Some are geared more towards representing a limited number of premium websites on an exclusive basis, acting very much as an outsourced sales team, whilst others may represent hundreds or thousands of websites with a focus on broad reach.

The **market positioning charts** later in this report enable buyers to understand the differences in each network's value proposition.

#### 3.1.1. Blind networks

An important distinction between different networks is whether or not they operate on a **'blind'** basis. This means that there is limited or zero visibility for the advertiser in terms of where adverts are appearing. The advantage for the advertiser is that the deals available are much cheaper than if they were buying on a site-specific basis.

The benefit of blind buying for networks and publishers is that excess inventory can be bought and sold on a collective basis without cannibalizing conventional inventory sales.

#### 3.1.2. The online advertising ecosystem

The boundaries between the different players in the online advertising "ecosystem" have become increasingly blurred, partly because of the different roles that networks can play. The relatively recent arrival of **exchanges** on the scene has further complicated the landscape.

#### 3.1.3. Why should advertisers spend money with networks?

The aim of this report is to help organisations understand the benefits - and the different types - of ad networks. It is **written primarily for buyers** but we hope the guide is useful for individuals and organisations in all parts of the value chain whether they are advertisers, media agencies, networks or publishers.

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## 3.2. Market Value and Growth

It has become painfully apparent that the digital industry, especially online display advertising, is not recession-proof as many marketers have been forced to trim their advertising budgets across the board.

This has meant a larger focus on marketing methods that can deliver highly measurable and accountable results, such as email, SEO and paid search.

The growing influence and momentum of networks, which is also evident from the large number of new players since our first buyer's guide on this topic in 2005, has been facilitated in no small part by the ability of leading networks to differentiate themselves with the use of behavioural targeting and other technologies which enable more efficient advertising.

## 3.3. Drivers of Growth and Market Trends

### 3.3.1. Ad spend slows down in the recession

The recession is proving to be longer and deeper than many first thought, and this has undoubtedly had an impact on marketing budgets, and some areas have been hit harder than others.

One of the major casualties of the recession has been generic branding campaigns. However, many within the industry feel optimistic that this particular area of ad network activity will pick up again, as advertisers respond to shifts in user behaviour, such as social networking, IPTV, rich media and video.

#### Insight

"We feel brand advertising has everything to gain online and affords a great opportunity for growth. The increase in consumer video consumption, and broadband connectivity, means the ad experience has become that much richer than before. As a consequence, the days of throwing a bunch of banners out there in the vain hope that someone, somewhere will see them, will soon be gone."

**SAMPLE QUOTE**

### 3.3.2. Greater focus on ROI and measurement

One of the effects on the recent economic downturn has been a greater pressure on marketing departments to justify their budgets, so some will be expecting more "bang for their buck".

This in turn makes for a more competitive online advertising market this year, and the networks that prosper will be the ones that use their technology and reach to deliver ROI to advertisers.

### 3.3.3. Innovative ad formats developed to engage consumers

Following from an increase in video advertising, the overall need to stand out from the crowd (often within tightened budgets) is becoming more important. Consequently, advertisers are turning away from standard display formats and seeking more innovative formats.

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## 4.1 Strengths, Weaknesses, Opportunities and Threats (SWOT)

This section contains a 'SWOT' analysis for online advertising - and for the online ad networks sector.

### 4.1.1 Strengths

- Although spending has slowed because of the recession, **spending on internet advertising has continued to increase as a proportion of overall ad spend**. Increased use of the internet and broadband penetration means that there is an expanding amount of page views and valuable inventory available for networks and advertisers to leverage.
- The **measurability and accountability** of internet advertising continue to make display ads an attractive option for marketers. The success of campaigns can be judged quickly – provided the right technology and reporting processes are in place.

### 4.1.2 Weaknesses

- Some influential brand advertisers see the **lack of a common currency** to measure online advertising as a major barrier to investment. This currency is still being developed and is expected to be launched by 2010. After the collapse of the Joint Industry Committee for Internet Measurement Systems (JICIMS), the UK Online Measurement company (UKOM), was launched in 2008 by the Association of Online Publishers (AOP) and the Internet Advertising Bureau (IAB).

#### Insight

“As economic conditions continue to squeeze marketing budgets, some online advertising networks are looking to cut corners where possible as they try to protect and build their margins. As long as there isn't unanimous appreciation of a code of conduct, whether that be IASH or not, these issues will continue and brands will continue to find themselves appearing on dubious sites as networks not committed to a code of conduct continue to push the boundaries of what is acceptable....

SAMPLE QUOTE

### 4.1.3 Opportunities

- **Brand advertisers**, including major FMCG companies, are increasingly seeing the value of online advertising. There are signs that more budget is being directed towards ad networks for branding purposes.
- Many networks have forged close **links with media agencies** where crucial decisions are made about media budgets. Internet advertising spend is getting on to the schedule of more advertisers at an earlier stage.

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## 4.1.4 Threats

- **More research and understanding** is still needed around the symbiotic nature of display and search advertising so that advertisers do not neglect the role that display advertising is playing (when the credit cannot always be directly measured).
- It can be **damaging for a brand if ads appear on unsuitable websites**, for example pornographic or P2P sites. Although the best networks are rigorous in ensuring the quality of their constituent websites, high profile examples of brand degradation damage the whole sector and have already led to networks being removed from media plans.

# 5. Costs and Pricing Models

Costs charged by networks, and their pricing models, will vary depending on factors such as the type of network, the level of targeting needed, the sites involved and the value of the audience which is sought after by the advertiser.

## 5.1 CPM versus CPA

Most networks charge for ads on a CPM basis because publishers generally regard this as the most reliable means of receiving remuneration for their inventory. But this does not mean that their performance cannot be evaluated according to CPA metrics in the background.

## 5.2 How much do networks charge?

Because of the number of variables in determining the price, it makes more sense to give a range of prices than to pin down “a going rate”.

# 6. Tips and Pitfalls: how to find the right network

## 6.1 What network will provide the best fit with the type of marketing you want to do?

- Are you primarily interested in branding?
  - Are you purely interested in achieving broad reach at a low cost, irrespective of categories or size of websites?
  - Do you want a deal which will allow you to advertise on a finite number of premium sites at the same time?

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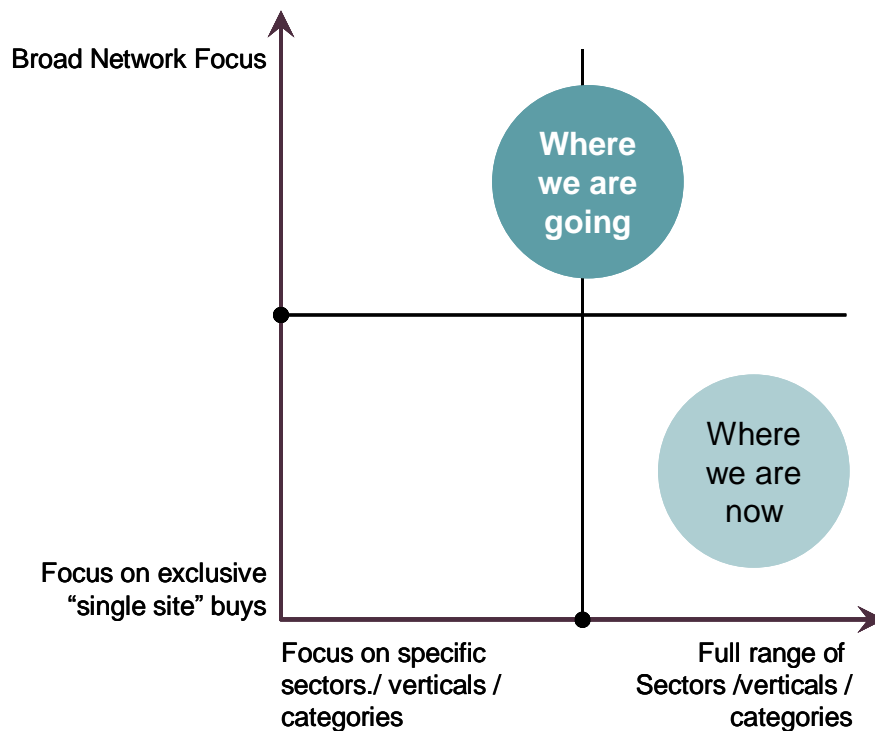
<http://econsultancy.com/reports/online-advertising-networks-buyers-guide>



# 7 Market Positioning Charts

## 7.1 Explanation for Chart 1 – Type of Network

Type of Network



The **vertical** axis charts to what degree the networks focus on exclusive, 'single-site' buys, versus having a broader focus of multiple websites as their main proposition (broad network focus).

The **horizontal** axis charts to what extent networks see themselves as being focused on a particular category or sector as opposed to being a network which focuses on a whole spectrum of categories.

A company positioned on the bottom right would typically have a limited number of exclusive relationships with premium websites, with those websites covering the full range of sectors or verticals.

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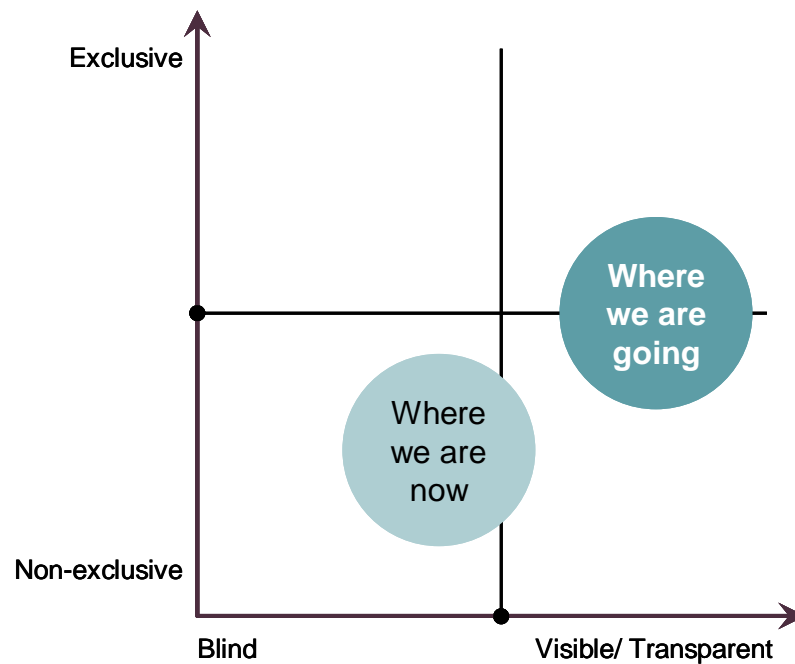


<http://econsultancy.com/reports/online-advertising-networks-buyers-guide>



## 7.2 Explanation for Chart 2 – Publisher Network

### Publisher Network



The **vertical** axis charts to what extent the network has exclusive relationships with its websites as opposed to non-exclusive relationships where the publishers may have arrangements to sell inventory through more than one network.

The **horizontal** axis charts whether or not the network gives visibility about where the ads are going.

For example, a network positioned in the bottom left quadrant will typically have a large number of relationships on a non-exclusive basis, with little or no visibility about where the ads are appearing.

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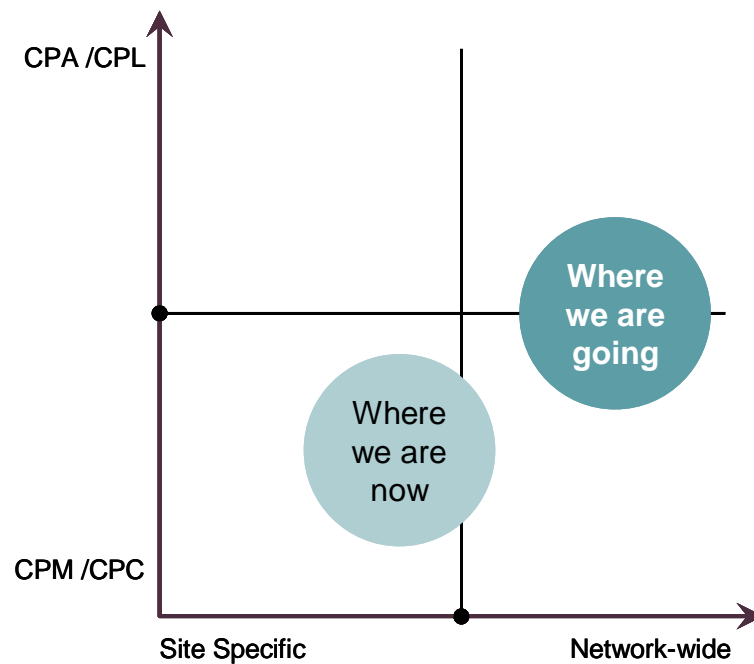


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## 7.3 Explanation for Chart 3 – Pricing Model

### Pricing Model



The **vertical** axis indicates the way the network charges for inventory, and the extent to which they charge Cost per Mille (CPM) and Cost per Click (CPC) compared to Cost per Acquisition / Action (CPA) or Cost per Lead (CPL).

The **horizontal** axis charts whether the network typically charges for websites individually or on a network basis.

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# 8 Network Matrix

An at-a-glance overview of who's doing what...

Networks matrix: A fast guide to services		24/7 Real Media	ADZONE	Adconion Media Group	Advantage Media	AdLINK Media Group	ad pepper media	Casale Media	Consilium Media	Eyeconomy	Fox Networks	Indoor Media	Media Initiatives Group	Microsoft Media Network	Oridian	OTP Media	Platform-A	Specific Media	TradeDoubler	Unanimis	Utarget.Fox	Valueclick	VideoEgg	Yahoo Network
<b>Company Details</b>																								
ABCe audited																								
IASH accredited/applicant																								
<b>Vertical/Category/Sector focus</b>																								
Retail / financial services																								
B2B																								
Automotive																								
Retail																								
Youth																								
Entertainment																								
Music																								
Games																								
IT /software																								
Mobile phones																								
Portals																								
Travel																								
Other																								
<b>Services Offered</b>																								
Single site buys																								
Sponsorship deals																								
Blind network																								
Pre- and post-testing of brand metrics																								
Search expertise																								
Affiliate expertise																								
<b>Targeting, optimisation and tracking</b>																								
Contextual targeting /matching																								
Behavioural targeting																								
Geo- targeting																								
Day and time targeting																								



<b>Networks matrix: A fast guide to services</b>	24/7 Real Media	ADZONE	Adconion Media Group	Advantage Media	AdLINK Media Group	ad pepper media	Casale Media	Consilium Media	Eyeconomy	Fox Networks	Indoor Media	Media Initiatives Group	Microsoft Media Network	Oridian	OTP Media	Platform-A	Specific Media	TradeDoubler	Unanimis	Utarget.Fox	Valueclick	VideoEgg	Yahoo Network	
	Weekpart																							
Income targeting (i.e. A, B, C1, C2)																								
Gender (targeting)																								
ISP connection (targeting)																								
Browser (targeting)																								
Operating system (targeting)																								
Frequency capping																								
Automatic optimisation																								
Optimisation according to client metrics																								
Multi-point tracking																								
Real-time tracking																								
<b>Creative capability</b>																								
Rich media																								
Static display ads																								
Copywriting																								
<b>Pricing Method</b>																								
CPM																								
CPC																								
CPA																								
CPL																								
Action-based marketing																								
<b>Reporting</b>																								
By publishers																								
Site level reporter																								
By format																								
By sector																								
CPA, CPC, CPL analysis																								

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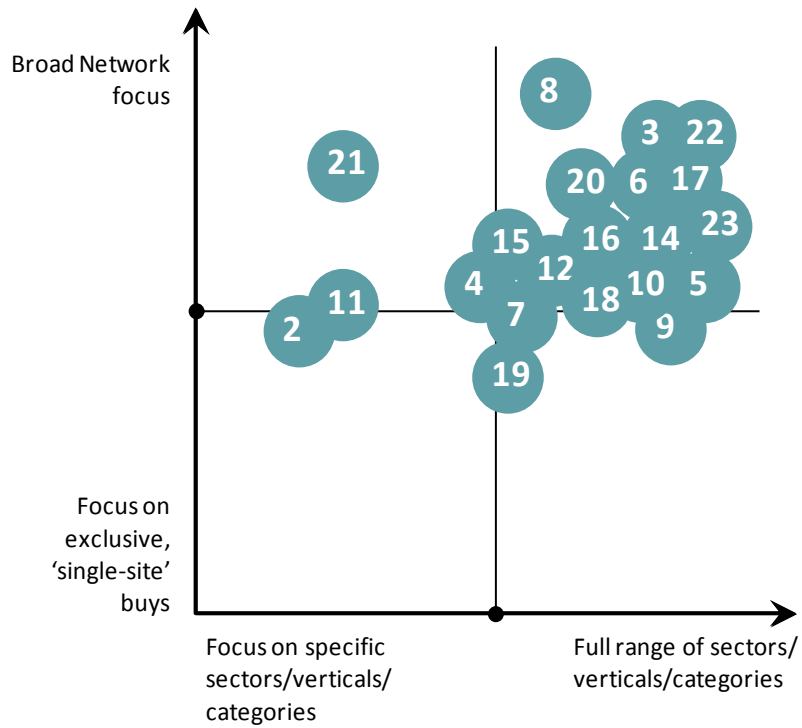
<http://econsultancy.com/reports/online-advertising-networks-buyers-guide>



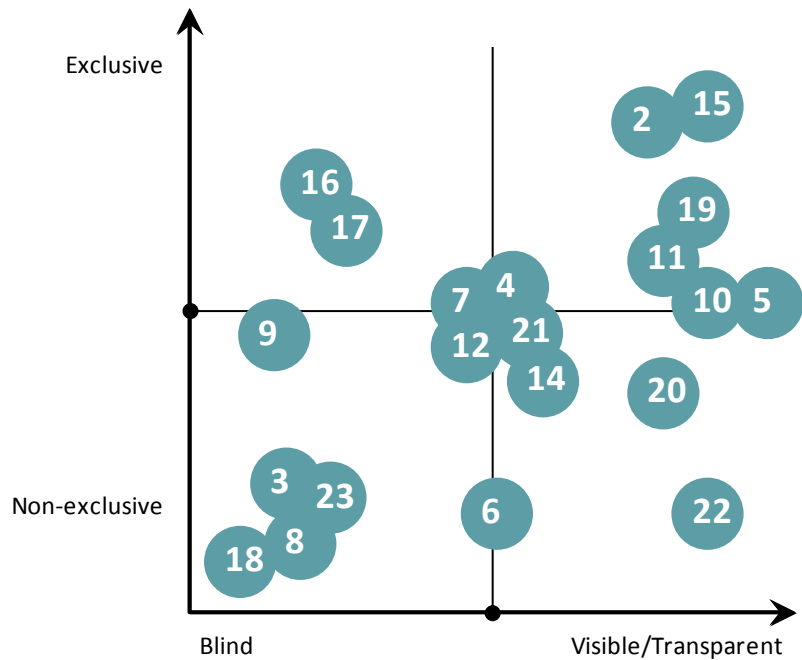
# 8.1

## Network Positioning Chart Summaries

### Type of Network



### Publisher Network



# 9 Supplier Marketplace (Network Profiles)

## 9.1 Sample Profile

### Company Details

#### Company Name

Company Logo

URL

UK Head Office Address

Other office locations

Contact Name

Contact Telephone

Contact email

Company Proposition

Brief Company History

Number of UK Employees

Turnover from 2008 (or last  
accounting period)

2008 revenue growth

Projected turnover 2009

2009 revenue growth  
(projected)

#### USP

What sets you apart from  
competitors?

#### Clients (current)

Client list

#### Case Study

UK Case Study

#### Other background information

How long have you been  
operating in the UK?

Other countries covered

Number of websites

Percentage reach within UK  
market (*and source*)

Have you been audited by  
ABC Electronic?

Are you a member of IASH  
(*Internet Advertising Sales  
House association*)?

Which ad serving technology  
do you use?

Which ad exchanges, if any,  
do you participate in?

Details of best practice policy  
and ethical approach

## Company Details

### Vertical/Category/Sector focus

Retail financial services

B2B

Automotive

Retail

Youth

Entertainment

Music

Games

IT/software

Mobile phones

Portals

Travel

Other

### Types of services offered

Single-site buys (*including exclusivity percentage*)

Sponsorship deals

Blind network

Pre and post testing of brand metrics (*i.e. awareness, favourability and purchases intent*)

Search expertise (*please specify whether in-house or through partner*)

Affiliates expertise

### Targeting, optimisation and tracking

Contextual targeting/matching

Behavioural targeting (*If yes, please explain extent of this, e.g. content they have read, frequency of visit, search terms, etc*)

Geo-targeting

Day and Time Targeting

Weekpart

Income targeting (*i.e. A, B, C1, C2*)

Gender (targeting)

ISP connection (targeting)

Browser (targeting)

Operating system (targeting)

Frequency capping

Automatic optimisation

Ability to optimise according to client metrics

Multi-point tracking

Real-time tracking

Other (*Please specify*)



## Company Details

### Creative capability

Rich Media

Static display ads (*banners, buttons etc*)

Copywriting

Other (*please specify*)

### Pricing Method

CPM

CPC

CPA

CPL

Auction-based marketing

### Reporting

By publishers

Site level reporting (*i.e. Do you tell the advertiser which sites adverts actually appear on?*)

By format

By sector

CPC/CPA/CPL analysis

### Additional Supporting Information

Any other relevant information

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