BANNER BEATER: THE UNDERRATED TOOL IN YOUR BRAND-BUILDING ARSENAL

CHANGING THE DISPLAY AD CONVERSATION

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INTRODUCTION

Today we have arrived at a more holistic view of banner advertising and how it works. BBDO has fresh insight into how people are engaging with digital content, and this has fundamentally impacted how we think about the role of banner advertising in the communications mix. While banners have been traditionally viewed as direct response mechanisms, they also have the potential to act as a foundational brand-building element in ad campaigns.

Brand-building banners are processed differently than those used for direct response only, and require less active attention. BBDO has developed principles for effective, brand-building banner advertising. This is a significant shift in thinking for the industry.

Media consumption patterns are rapidly evolving. People are not just spending more and more time on mobile devices, they’re also consuming content differently and more quickly – which means creative work must evolve to keep up. The good news: research shows that banners have strong potential to build brand equity in mobile as well as desktop.

As the digital ecosystem continues to mature, advertisers and their agencies need to reevaluate the role of banners in the purchase pathway: how these banners are built and measured, the budget allocation between brand building and direct response, and ultimately, how we think about banners. We hope that this research and best practice guide will facilitate a meaningful shift in the conversation.

This report offers important insights to brands and agencies as they look to tap into the format on mobile screens and beyond—something that is timely given that mobile banner ads grew by double-digits as per the 2016 IAB Advertising Revenue Half-Year Report.
Anna Bager, SVP and General Manager, Mobile and Video, IAB

EXECUTIVE SUMMARY

Banners can be used to build brands. Banners are too often thought of as conversion drivers exclusively. They also have the potential to boost awareness and brand equity.

Banners work to build brands without the active attention of consumers. Direct response and brand building banners are processed by different systems of the brain. Brand-building banners tap into the subconscious and are stored as implicit memories—which don’t require active processing.

Attention spans are decreasing, but consumers process information faster. According to Millward Brown, the average consumer looks at a banner for less than three seconds. This means we need to communicate the brand message as quickly as possible to be effective.

Mobile presents a treasure trove of opportunity for brand-building banners, but also new hurdles. Mobile content is consumed faster, and on a smaller canvas, than on desktop. It’s critical that mobile banners are as clear and compelling as possible in order to be effective.

Think of brand-building banners as billboards on the side of a highway. The effectiveness principles developed by BBDO are clear: there is a need to show branding always, to be as concise as possible, to include recognizable brand assets, and to trigger recall of the overall campaign creative idea. (Remember – all of this in 3 seconds or less!)

Go beyond the click to measure banners’ true impact. Research proves click-through rates don’t correlate with sales, yet they still show up as THE core metric/ KPI too often. Instead, the industry should look at brand equity measures through a brand lift study and view-through attribution metrics to determine banners’ true impact.
Marketers are currently primarily using digital channels as a direct response vehicle when there is a bigger branding opportunity available. IPA Research shows that the ideal balance in expenditure is 60% brand building and 40% direct response, but today, the majority of display ad dollars are spent on direct response. Figure 1 (below) shows that nearly all industries spend much more heavily on direct response than branding. Retail and Travel advertisers, for example, spend upward of 70% on direct response.

When banners are used more for direct response than brand building, brands miss out on the opportunity to refresh brand structures. While direct response banners certainly have a role in supporting discounts/promotions and short-term sales pushes, brand-building display should be of equal or greater importance within the communications framework.

**SHIFTING DOLLARS INTO BRAND BUILDING**

![U.S. Digital Banner Ad Spending by Industry and Objective](image)

*Figure 1. Source: eMarketer*
Daniel Kahneman’s seminal “Thinking Fast and Slow” describes the two frameworks (or systems) that humans use for decision making: **System 1** is our brain’s autopilot; it’s fast, automatic, intuitive, and doesn’t have a sense of voluntary control.³ About 80% of our decisions are made using System 1, including most purchasing decisions. **System 2** activates the part of our brain responsible for analytical thought and reasoning.⁴ We use System 2 for decisions that require effortful and slow thought and is thought of as our “conscious, reasoning self.”⁵

Banner use falls into two categories: direct response and brand awareness. Direct response banners rely on rational messaging. They often tout superior product features, a limited-time promotion, or a sale. They always include a call-to-action that drives to conversion. These ads are meant to grab the viewer’s attention cause immediate action with a rational offering. In doing so, these banners activate System 2. For example, if you notice a banner that offers a “Buy 1, Get 1 Free” deal, you will consciously mull over the pros and cons of the purchase.

Although people may not be clicking on these ads, the messages are processed actively and stored as explicit memories. This means that the memory of an ad can be easily accessed and quantified using measurements of ad and message recall.

On the other hand, banners used for brand awareness are processed passively, using System 1. Unlike direct response banners, brand awareness banners do not need to have product superiority messages or promotions in order to resonate. Rather, they should be compelling, true to the brand’s voice, and leverage distinct brand assets.

Since brand awareness banners are processed passively, they are stored as implicit memories that are not as easily articulated as explicit memories. Therefore, brand awareness banners could perform poorly on ad- or message-recall tests because people may not consciously remember seeing the banner. But that doesn’t mean these banners are ineffective. They build and modify the frameworks and shortcuts our System 1 autopilots use.

In fact, an early study by Stewart Schapiro revealed that brand-building ads exposed to subjects in their peripheral vision still led to an increase in purchase intent.⁶ This was supported in another study that found banner ads impact viewers on a preattentive level even when they try to avoid them during typical online activities.⁷ Most recently, a study confirmed that banner ads have branding potential even when people do not remember seeing them.⁸ All findings converge on one assumption: **Banners can help build brands even when consumers are not consciously paying attention.**
ATTENTION WITH BANNERS

A 2015 Accenture study showed that 87% of consumers use multiple devices simultaneously and, as a result, switch attention quickly between stimuli with short bursts of concentration. Accordingly, eye-tracking studies have shown that consumers only focus on online display ads for an average of three seconds, which seems like a very optimistic estimate. However, this is not necessarily bad news for advertisers. Microsoft found that internet and mobile users have actually become better at processing and encoding information during these short spikes of high attention. Therefore, we need to take a deeper dive into how banners are processed in order to fully understand their influence.

BANNERS ARE NOT JUST FOR THE BOTTOM OF THE FUNNEL

The first-ever banner ad was used in 1994 by AT&T. The copy was written in rainbow, bubbly font. It read, “Have you ever clicked your mouse right here? You will,” and linked to a gray landing page that epitomized the early days of the internet. The ad had an astronomically high click-through rate of 44%. Unlike traditional media vehicles like TV, print, and radio, for the first time, advertisers were able to get accurate, real-time metrics and used them as proxies for sales and purchase intent. Engagement with these early banners was viewed as a bellwether for sales, as consumers began exploring the realm of e-commerce.

However, as the internet has grown in complexity, so has its audience. Consumers no longer click on banners to seek out more information or an e-commerce space. A 2009 study revealed that only 8% of users account for 85% of all advertising clicks on the web. And unsurprisingly, the average click-through rate across the web has fallen below 0.1%, meaning that you are more likely to be accepted into Harvard than click on a banner.

“YOU’RE MORE LIKELY TO BE ACCEPTED INTO HARVARD THAN CLICK ON A BANNER AD.”
THE PROBLEM WITH CLICKS

Banner clicks don’t help achieve business objectives. But studies have shown banners do drive sales. A Wharton study showed that, despite CTRs of 0.1% or less, banners have been shown to result in 27% online and 17% offline dollar sales lifts. Additionally, Nielsen research shows there is no statistically significant relationship between clicks and offline sales. Furthermore, a study conducted by Google and Millward Brown found that interactions (hovering, expansions and clicks) on rich media are not reliable predictors of brand impact. CTR and other engagement metrics do not accurately capture the degree that users actually are impacted by banners. In order to truly understand their impact, we recommend employing research studies as well as view-through/multi-touch attribution pathing analysis (more on that on page 8).

“THERE IS NO CORRELATION BETWEEN CLICKS AND SALES.”

Do you see a correlation between sales lift and click-through rate? Neither did Nielsen’s data scientists.

Source: Nielsen
WHAT DOES THIS MEAN FOR MOBILE?

The importance of mobile advertising is growing as consumption migrates from desktop to mobile—and ad-blocker adoption is substantially lower on mobile devices than desktops. According to the latest IAB research, spending on mobile banners reached $6bn in the first half of 2016, up 62% over the same period in 2015. Therefore, marketers need to adapt their creative to high-speed mobile environments and generate content that is useful and engaging, not intrusive.

When it comes to banners, mobile offers a plethora of opportunities for brand building, but also new hurdles. Research shows that people consume mobile content faster than on a desktop computer. On Facebook, for example, users spend an average of 1.7 seconds with a piece of content versus 2.5 seconds on desktop. Teenagers and millennials also scroll through mobile feeds much faster than older users, narrowing the already brief timeframe that advertisers have to convey their message. However, according to recent Fors-Marsh research, 250 milliseconds of exposure to mobile ads is enough to obtain statistically significant ad recall. (For comparison, blinking your eyes takes between 100–400 milliseconds.)

“250 MILLISECONDS IS ENOUGH TO SIGNIFICANTLY INCREASE AD RECALL.”
MEASURE IT PROPERLY

Rethinking the design and role of banners is only half the equation. We need robust measurement so that we can link both creative and media performance to business results. It’s no longer enough to determine how a banner is performing using front-end metrics. We need to better understand the impact of an ad from both consumer perception and action perspective so we can optimize media allocations and maximize creative effectiveness. To that end, it is critical to replace the metric of click-through with view-through. Below are two complementary methods that are musts for banner measurement.

**Test-and-control brand lift studies** are the best way to get a read on whether exposure to the banner influences the consumer’s perceptions of the brand.

*Why we like them:* Brand studies are versatile and can quantify creative effectiveness across multiple brand metrics depending on an advertiser’s core priorities. Brands are able to get deeper insight about the consumer audiences that are most impacted by the ad. And these studies are especially useful for advertisers with a strong offline presence.

*The drawbacks:* Survey studies can take time to build up enough sample size to be significant, which might not be as useful for in-market optimization.

**View-through attribution analysis** assigns value to each banner exposure on a consumer’s path to conversion or online purchase.

*Why we like it:* It’s real-time, actionable, and focuses on digital behaviors that impact business results. Pathing analysis takes into account a brand’s entire digital footprint beyond banners. This approach can give us an indication of the volume, intensity, quality, and velocity of demand that is generated by a particular message. Additionally, optimizations can be easily implemented in-market.

*The drawbacks:* Audience characteristics such as age, gender, and perception lifts aren’t available unless data is integrated from a data management platform.

Digital attribution is so powerful because it clearly shows the immediate impact of display on brand-engagement activities. A robust digital attribution solution accounts for the influence of user interactions across all media channels.

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**AND LOOK TO IMPLEMENT PRE-TESTING**

Most measurement methodologies are inherently rooted in System 2, the brain’s rational schema. In order to truly determine the full effect of our creative we need to gauge its impact on System 1 processing. Unfortunately there are no viable measurements to do this “in the wild” so we need to test in a controlled environment using methods based on Behavioral Economics.

According to BrainJuicer, System 1 instinctive, emotional measures are proven to better reflect real-world behavior and more accurately predict in-market business effects vs. traditional, rational measures. We strongly recommend implementing this type of emotional-resonance testing on all campaigns.
THE BBDO BANNER B.E.A.T.

We had done the research. The next step: turn theory into practice.

When creating standard banners (i.e., IAB Universal ad sizes that aren’t rich media), the following model lays the foundation for brands and agencies to quickly develop creative that effectively builds brands. Rich media units have a larger canvas size and can support more advanced animation; B.E.A.T. principles should be considered the starting point for these assets coupled with rich media best practices.

We believe this framework is essential for brand building banner ads. But advertisers aren’t going to completely walk away from direct response—nor should they. When building direct response (performance) display units, the B.E.A.T. guidelines should be used where appropriate.

B - BRANDING ALWAYS PRESENT

E - EASE THE READ — MAX. OF 5 – 10 WORDS

A - ASSETS DISTINCT TO BRAND

T - TRIGGER THE CAMPAIGN IDEA
In order to boost brand equity, the link between banners and brands must be strong and clear. Don’t assume that a consumer will “watch” a banner and wait for branding to appear on the end frame. In the split-second a consumer looks at a banner, they should instantly recognize the product or brand.

Here are key points to keep in mind when creating affinity-building display ads:

- **Brand logo or brand name should always be visible.** If someone only looks at an ad for a second, they still need to be able to make a connection between the ad and the brand.
- **Do not solely rely on a product shot for branding.** Showing only the product can obscure the brand name and diminish message association and awareness.
Ease the Read

Eye-tracking studies show that consumers will look at display ads for up to 3 seconds, but we think this is optimistic. Assume that users will glance rather than fixate on your ad, so you need to hit them with the most impactful and easiest-to-process message.

Think of a display ad like a highway billboard. With a billboard, drivers need to process the message in the split-second they take their eyes off the road. Internet users operate in the same manner – they are goal-oriented and pay very little mind to the extraneous information they encounter on the way to their desired content.

Here are central points to keep in mind when building simple and powerful display ads.

- **Don’t bury the lead.** Always display the brand name and key message. Ads should never require interaction to reveal the Reason To Believe (RTB).
- **Stick to one RTB per execution.** Ads communicating several product benefits can confuse consumers and underperform on Millward Brown testing.
- **Avoid complex storyboards.** Ads with heavy messaging across different frames typically score lower on tests of awareness and persuasion.
- **Keep copy to 5–10 words.** Humans can read about 5 words per second, so keep the message concise enough to be processed in under 3 seconds (max).
- **Use high quality, uncluttered visuals.** You have less than 3 seconds to engage and communicate your message to the user. So don’t obscure it with busy imagery and text.

Simplicity is crucial to easing consumers’ cognitive load. People are constantly bombarded by competing stimuli but can only process a limited amount of information at a time. Easy-to-understand messages don’t place an additional burden on a consumer’s cognitive load, increasing the probability of creating System 1 (autopilot) memories.
Academic marketing tells us that our brains rely on recognition-based heuristics to make key purchasing decisions. In English, that means we stick with what we know: We gravitate towards products and brands that are familiar. Therefore, the colors, messages and designs used on packaging and in other forms of advertising should stay consistent throughout all forms of communication.

Here are central points to keep in mind when building clearly branded banners:

- Maintain consistent colors and typeface throughout. Consistent color palettes and style contribute to familiarity of brand.
- It’s not just about the brand logo. Iconic and well established color schemes, imagery, and fonts are often as powerful as logos in triggering brand memories.
- Tone is key. Communication with the consumer should reinforce the brand’s personality.
TRIGGER THE CAMPAIGN IDEA

Unified cross-platform creative strategies significantly increase brand equity measures. Integrated campaigns that reinforce the same message across media channels build mental availability and brand relevance, especially among light users. Therefore, banners should look and feel like the rest of the campaign, not exist in a vacuum.

Here are some key concepts to keep in mind when creating holistic, brand-building display ads:

- **Provide “trigger recognition.”** Use clear cues in each ad that link it to the overarching creative strategy.
- **Embrace emotional narrative of the larger campaign.** Emotionally resonant work is more effective in engaging users and shaping brand perceptions. Ad likeability drives impact at all levels of the consumer journey.
- **Make information conveyed relevant to the consumer.** The behavioral insight that informed the overall creative strategy should come through in banner work. If you are using discrete segmentation, tailor copy to each audience while still delivering key RTB and message.

Tied to
“You’re not you when you’re hungry”

![Snickers Ad](image-url)
In advertising, creativity is at the heart of everything that we do—award winning creative work is proven to be more effective at achieving clients’ business results. The B.E.A.T. principles lay a foundation for streamlining banner development, but that doesn’t mean we can rest on our creative laurels.

B.E.A.T. principles are a big step towards creatively excellent work, but they don’t take us all the way there. On its own, this white paper moves us from creating work that goes largely unnoticed to assets that are designed based on the way consumers actually interact with digital media. The role of advertising is to create mental availability by building and reinforcing System 1 memory structures. Because of standard banners’ limited canvas size, they’re best suited to reinforce, rather than create, memory structures.

A banner that consists of a logo and tagline might follow B.E.A.T. guidelines, but it will not help increase brand salience or mental availability. All advertising—and especially digital banner ads—requires creativity to make sure that the work doesn't fall flat. Creativity is our secret sauce, the economic multiplier that allows us to punch above our weight in media and grow market share.

While we continue to research how best to use creativity to maximize the economic multiplier for banner ads, we can draw from years of institutional knowledge from similar media vehicles for initial working recommendations.

Jim Aitchison’s “Cutting Edge Advertising” created a simple yet powerful formula for the relationship between headlines and imagery in print ads: Bent/Straight. Impact comes from matching "a bent headline with a straight picture or a straight headline with a bent picture. 'Bent' means containing a twist or a shock and 'straight' means straightforward."27 A straight visual + straight headline = boring/prospect will turn the page. And bent visual + bent headline = confusion/communication nullified.28

Beyond print, billboard advertising has similar objectives: draw attention and convey a simple message in 1-2 seconds. Think beyond the interplay of the headline & visual: a smart use of data and context can further increase the creative economic multiplier and better build brand salience & mental availability.

B.E.A.T. creates a baseline framework that gives banner creative the best chance of being noticed by consumers. But in order to move from just being seen to driving business results, advertising agencies must push to make award-winning, creatively excellent work in all channels. Especially banner ads.


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**SOURCES**


30. Icon source: The Noun Project.

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