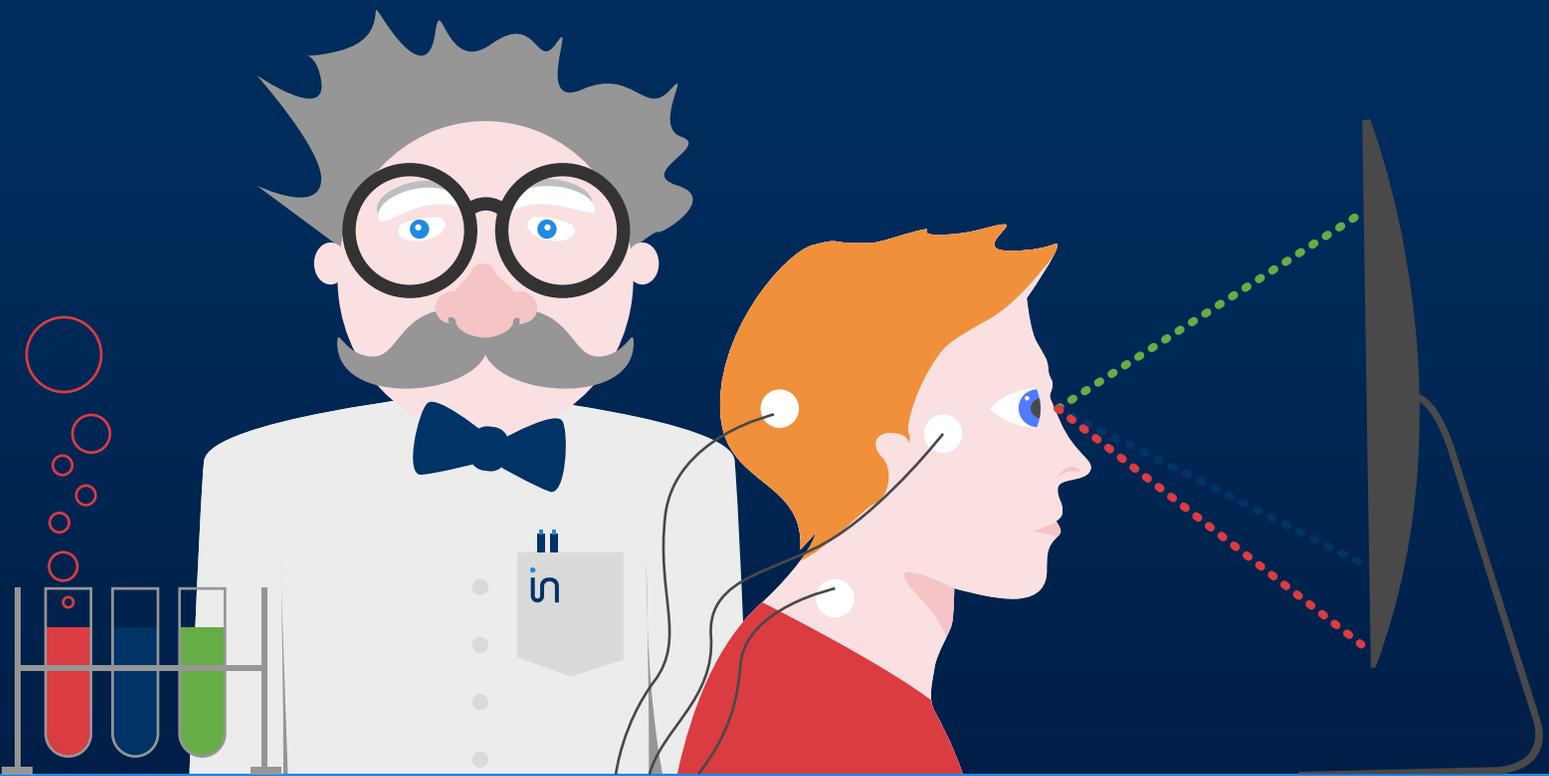


BEATING BANNER
BLINDNESS:
WHAT THE ONLINE
ADVERTISING
INDUSTRY CAN DO
TO MAKE DISPLAY
MATTER AGAIN

CONDUCTED JULY 2013 BY: [infolinks](#)



infolinks

1

A NOTE FROM
INFOLINKS CEO
DAVE ZINMAN

2

EXECUTIVE
SUMMARY

3

THE BANNER
BLINDNESS
EPIDEMIC

4

GAINING INSIGHT
THROUGH EYE TRACKING

5

TOPLINE
STUDY RESULTS

6

CONCLUSIONS
AND INSIGHTS

7

THE SOLUTION:
INNOVATION IN
USER-FOCUSED ADVERTISING

8

RECOMMENDATIONS

A NOTE FROM
INFOLINKS CEO
DAVE ZINMAN

1

BANNER BLINDNESS IS REAL.

We are all painfully aware of the sub-.1 percent clickthrough rates that have raised alarms throughout the industry over the last several years. DG MediaMind puts the average banner ad response rate at an appalling .1 percent for 2011 and 2012. Looking at that from the flipside, 99.9 percent of banner ads generate no measurable engagement. Our industry is putting in an awful lot of work for a 99.9 percent failure rate, wouldn't you agree?

It doesn't have to be this way. We are an industry bursting with intelligent, passionate, creative people; if anyone can find a cure for Banner Blindness, we can. And we will. At Infolinks, we've already begun taking steps in that direction, and we've noticed others doing the same.

This report highlights the progress we're making in overcoming Banner Blindness with new ad units that take into consideration the causes: ad tonnage, irrelevance, predictable placement and poor user experience – all of which we discuss in depth. The centerpiece of the report is an eye tracking study we commissioned this year that documents how consumers interact with innovative ad

formats in comparison to traditional banners.

While this report utilizes our own ad units as examples, others in the digital advertising space can extract valuable insights, the most prominent of which is: ad units that put user needs first perform better. Targeting user intent and serving relevant, respectful ads will create better experiences for consumers, and, in turn, better results for advertisers and publishers.

Let's start thinking beyond the banner and see where that takes us.

DEZ

EXECUTIVE SUMMARY

2

Even as the digital display advertising industry grows, if you are a brand marketer, advertiser or publisher of digital display advertising then you are likely plagued with engagement rates lower than they've ever been. All evidence points to "Banner Blindness," consumers' learned behavior to ignore advertising content online, as the culprit.

Infolinks conducted a study on Banner Blindness earlier this year that illustrated the gravity of this industry-wide epidemic – the majority, 86 percent, of consumers have trained themselves to visually "tune out" advertising content.

Infolinks recently conducted another study in partnership with market research company EyeTrackShop to explore possible solutions. Infolinks presented standard display ads alongside its own advertising units running on content from four publishers: ChaCha.com, Scribd.com, BabyMed.com and Starspin.com, and utilized eye tracking technology to measure and compare engagement indicators.

Findings validated the initial Banner Blindness study and pointed toward potential approaches and tactics to combat the issue.

- 156 percent more people saw the top content area of the page versus the bottom content area of the page, indicating that most people start examining a page at the top and give it more attention.
- But advertisers should not ignore the importance of unconventional placement, which critically boosts visibility. 75 percent stated that the Infolinks InSearch ads that rest at the bottom of the screen, just above the fold, were more easily noticed than standard banners.
- Relevance is key to engagement. In one test, the ad for lesser-known brand fluess.com was recalled by 82 percent more people than the ad for AT&T/Android on the same page, likely due to the fact that the fluess.com ad was relevant to the page content (an article on the common flu).
- Respecting user intent; the reason a user is on a page, the task they want to accomplish or the goal they want to achieve, and providing ad content that supports that intent significantly improves engagement. 66 percent felt that the ads that were contextually targeted to the user's real-time interests were

helpful when searching for something, and the majority of users said they would be likely to interact with these ads.

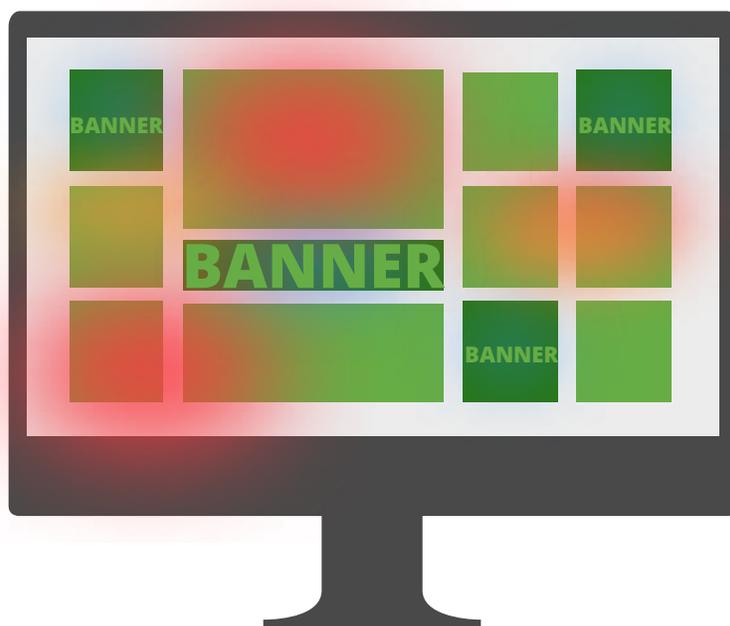
The bottom line: Ads that were displayed in non-traditional locations and that targeted the real-time intent of users outperformed standard banners across the board, indicating that creating an ad experience based entirely on the user, rather than the advertiser, is the most effective approach to improving engagement rates.

THE BANNER
BLINDNESS
EPIDEMIC

3

In 1994, a nascent Internet advertising industry launched what would become its centerpiece and major revenue driver in the ensuing two decades: the banner ad. Since then, the display advertising industry has made great strides toward providing a more compelling advertising experience through advances like rich media and audience targeting.

Those strides haven't come cheap. Last year, eMarketer estimated that display accounts for 40 percent of overall U.S. digital ad spend, roughly \$15 billion as of 2012, and forecasted that percentage to increase to 45 percent by 2016. One could logically assume that the millions spent and the ongoing push for innovation was being driven by a record of success. But it's not.



The fact is, response rates for display ads have been steadily decreasing for the last 15 years. Average click through rates in 1996, not long after the birth of display, were around two

percent, but by 1999, display CTRs had dropped to an average of .5 percent, and continued to decline over the next decade until 2010, where they hovered at .1 percent.

This decline in response rates has been largely attributed to a phenomenon called “Banner Blindness.” Essentially, Internet users learned over time to visually tune out advertising content, whether it was consciously or unconsciously, meaning that not only are they not clicking on display ads; they’re barely even registering their presence at all. The study Infolinks conducted in March 2013 found that 86 percent of consumers suffer from Banner Blindness today.

The average U.S. Internet user sees approximately 50 ads per day, and the bulk of those ads are not relevant to their current intent. The sheer amount of ads, compounded by lack of relevance, has driven the prevalence of Banner Blindness. Only 14 percent of Infolinks survey respondents remembered the company or product in the last ad they viewed online, and a mere 2.8 percent thought the ad was relevant to them. Another 22 percent stated that the last ad they saw was not only irrelevant, it was SO irrelevant that it actually annoyed them.

A combination of tonnage, irrelevance and repetitive placement spawned the Banner Blindness epidemic, and

those issues must be addressed in order to restore display's original value proposition.

These numbers do not bode well for engagement and ROI, and the amount of wasted ad dollars is astonishing. The display advertising industry must adapt in order to break through banner blindness and regain audience attention. It's not about tricking users into clicking or intruding on the content they are actually looking for; rather, it is about creating a relevant, organic ad experience that enhances content and delivering it in a way that gets noticed and drives actual engagement.

SO HOW DO WE GET THERE?

GAINING INSIGHT THROUGH EYE TRACKING

4

We get there by starting at the beginning – getting detailed insight into the problem will give us more insight into its solution.

As an industry thought leader and innovator, Infolinks has observed and analyzed the Banner Blindness issue for several years. Because online advertising is all about gaining attention in a cluttered environment, it behooves us to learn more about how Internet users absorb content, what elements tend to draw the eye and what real estate on a page is most valuable.

In its most recent effort to learn more about possible solutions to Banner Blindness and the resultant low engagement, Infolinks partnered with market research company EyeTrackShop to conduct an eye tracking study to gauge the impact of its suite of unique ad units. EyeTrackShop measured the effects of these ad units in terms of visibility, interest and engagement.

The main objectives of this research were gaining understanding of how these ad units perform against standard display banners, pinpointing the visual effectiveness of the Infolinks ad units and determining their effectiveness with regard to brand recall.

The three main parameters of measurement were time on – how long each participant spent looking at each ad, time to – how long it took each participant to see each ad, and visibility ratio – how visible each zone of the page was in comparison to

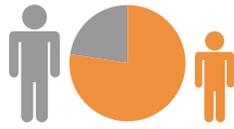
the others. Web pages from Infolinks clients babymed.com, ChaCha.com, Scribd.com and Starspin.com were used as study samples for lab testing.



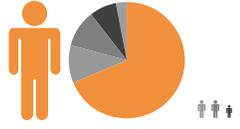
Respondents representing a sample of target audiences were recruited from web panels and compensated for their participation. The study demographics were as follows:



50% FEMALE
50% MALE



76% AGED 18-30
22% AGED 31-40



73% CAUCASIAN 11% AFRICAN AMERICAN
11% ASIAN 8% HISPANIC 3% LATINO



31% MARRIED 58% SINGLE
6% COHABITING 3% DIVORCED



30% EMPLOYED FULL TIME 21% EMPLOYED PART TIME
3% SEEKING EMPLOYMENT 28% FULL TIME STUDENT
9% FULL TIME HOMEMAKER 9% UNEMPLOYED



5% HAVE COMPLETED SOME HIGH SCHOOL OR LESS
19% HAVE COMPLETED HIGH SCHOOL
43% HAVE COMPLETED SOME COLLEGE 23%
HAVE COMPLETED COLLEGE 9% HAVE
COMPLETED POST-GRADUATE WORK



42% HAVE A HOUSEHOLD INCOME OF <\$20,000-\$39,999
29% HAVE A HOUSEHOLD INCOME OF \$40,000-\$69,999
16% HAVE A HOUSEHOLD INCOME OF \$70,000-\$99,999
12% HAVE A HOUSEHOLD INCOME OF \$100,000+

With their permission, EyeTrackShop's software accessed participants' webcams and calibrated it to track the respondents' eye movements. During the test, participants were presented with web pages featuring typical site content as well as standard display ad units and Infolinks ad units. Their gazes were tracked to determine where they looked, for how long, how often and how they moved between content elements. Upon completion of the eye tracking test, participants answered a brief questionnaire. Webcams captured every eye movement of the participants, resulting in thousands of discrete observations.

TOPLINE STUDY RESULTS

5

- Results clearly concluded that non-traditionally placed ads targeted by user intent were noticed more, seen more quickly and engaged consumers for longer periods than standard display units.
- Sixty percent of respondents said they don't find traditional display units targeted to previous user actions relevant whereas 75 percent deemed the contextually targeted ad units relevant to the page. Relevance proved critical in driving 2X time spent with those ads.
- Sixty percent of respondents said they found the unconventionally placed ads less disruptive than traditional display ads they typically encounter.
- The non-traditionally placed ad unit at the bottom of the screen, just above the fold, was seen 225 percent quicker than standard leaderboard ads at the top of the page, suggesting that users were. This finding comes in spite of the fact that most participants began their page consumption with their eyes at the top of the page. The page suggested that users were skipping over the leaderboard placement, anticipating its irrelevance.
- Alternative placement locations above the fold yielded higher results overall, including awareness and engagement. In addition, time spent with these ad units increased by 100 percent when compared to traditional placements.

Page	Ad Unit	Size	Format	Brand	Seen By	Diff	Time On	Diff	Time To	Diff
ChaCha.com	Top Leader Board	728*90	Display	AT&T	37%		0.1		1.3	
ChaCha.com	InSearch	728*90	Text	Fluess	47%	27%	0.2	100%	0.4	225%
Scribd.com	Medium Rectangle	300*250	Display	Podio	27%		0.1		0.9	
Scribd.com	InSearch	728*90	Display	Flu Shots	40%	48%	0.2	100%	0.8	13%
Starspin.com	Medium Rectangle	300*250	Text	Jweles	53%		0.1		4.2	
Starspin.com	InText	300*250	Text	Oscar Dresses	77%	45%	4.1	4000%	4	47%
Babymed.com	Top Leader Board	728*90	Display	Steady health	80%		0.3		1.1	
Babymed.com	Medium Rectangle	300*250	Display	Desk	30%		0.1		2.6	
Babymed.com	InFrame Left	120*600	Display	Medical Center	73%	143%	0.4	300%	1.4	85%
Babymed.com	InFrame Right	120*600	Display	Medical Center	40%		0.1		1.8	
Babymed.com	Display Avg	728*90	Display		55%		0.2		1.9	
Babymed.com	InFrame Avg	120*600	Display		57%		0.3	50%	1.6	19%

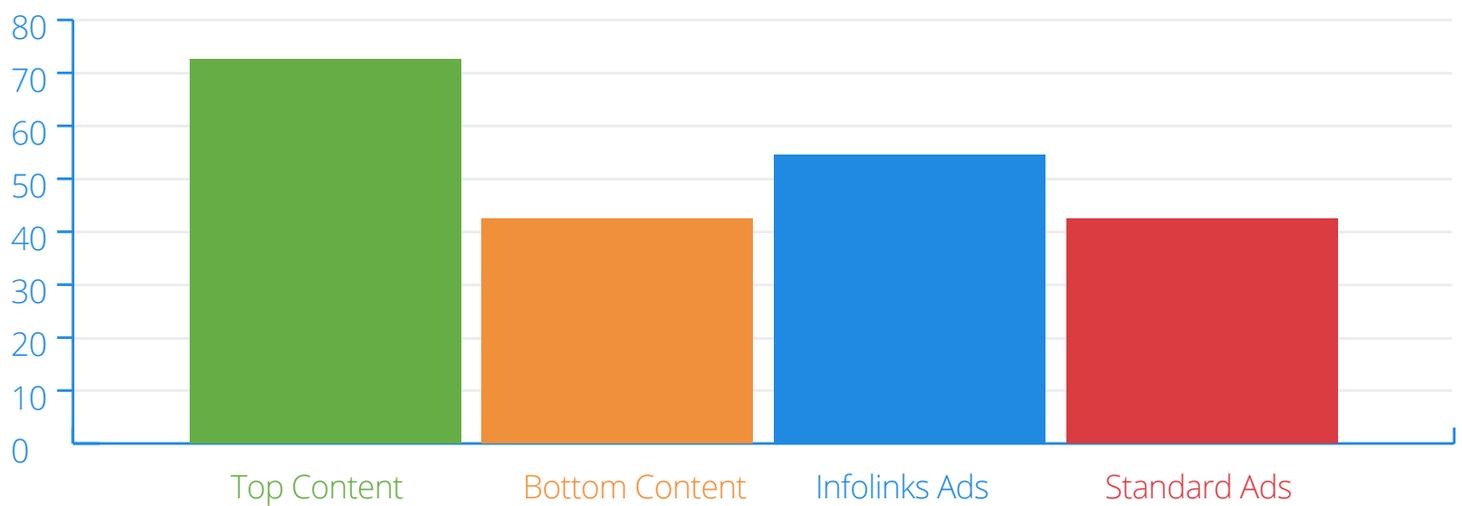
CONCLUSIONS AND INSIGHTS

6

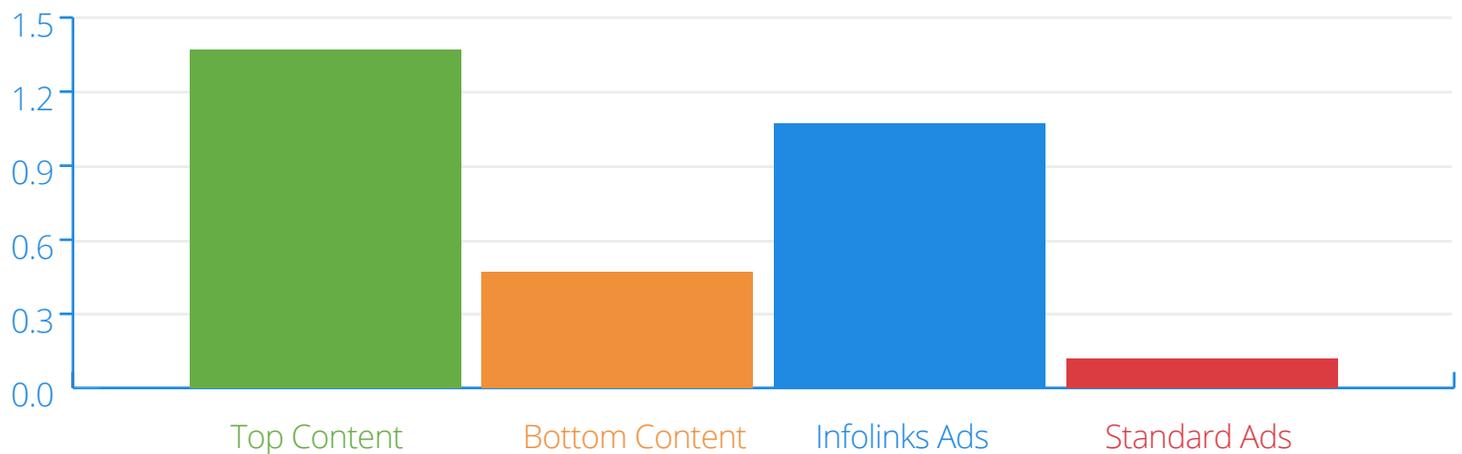
LOCATION, LOCATION, LOCATION

Though the F-shape pattern continues to dominate the way in which readers absorb web content, “above the fold” placement, considered prime real estate for which marketers have always paid a premium, has proven to be important. The study found that the top content area of the page does function significantly better than the bottom content areas in terms of visibility ratio, time spent and time to notice.

SEEN BY



TIME ON



156 percent more people saw the top content area of the page versus the bottom content area of the page, indicating that the area above the fold is significantly more visible than the areas below. While (obviously) organic content will always be more visible than ads, ads placed in the right locations can be much more visible than marginal content areas and traditional ad placements.

GO NATIVE

Many premium brands and publishers have begun shifting toward native advertising, advertising that is delivered within an ongoing content feed. Examples include short video ads played in between streaming episodes of a Web series, text ads that appear in social feeds or within page content, video or graphic ads served within mobile apps and so on. No matter the channel, however, the advertising content is designed as an organic part of the overall experience so as to not take the user away from his or her activity.

Native advertising has grown alongside digital video, mobile and social advertising, and has already proven to be a highly effective tactic to both capture attention and drive engagement far better than standard banner ads.

The eye tracking examination showed that natively integrated Infolinks ad units were seen 47 percent more quickly than banner

ads on the same pages, and that the area on the page containing these units was seen by 451 percent more people than the banner ad. That alone speaks to non-traditionally placed ads' ability to break through Banner Blindness; however, the study also found that the time spent in those content areas was 4000 percent more than the time spent in the area containing the banner ad, resulting in significantly higher brand recall.

**67%
seen**

Time on: 2.5s
Time to: 0.6s

**77%
seen**

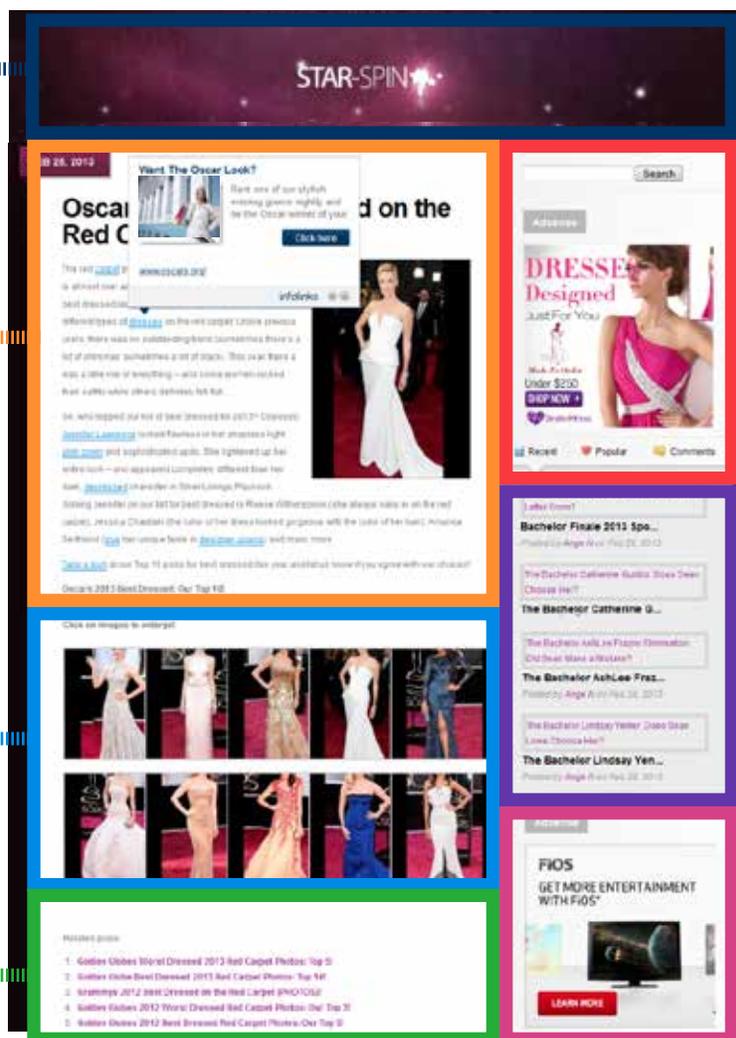
Time on: 4.1s
Time to: 4.0s

**33%
seen**

Time on: 2.1s
Time to: 8.4s

**30%
seen**

Time on: 1.1s
Time to: 11.7s



**53%
seen**

Time on: 2.1s
Time to: 4.8s

**37%
seen**

Time on: 1.1s
Time to: 9.3s

**13%
seen**

Time on: 1.6s
Time to: 11.2s

BE VISIBLE & RELEVANT

Outside the content stream, and outside the F-shape of gaze concentration, new ad units are capitalizing on real estate that avoids traditional banner locations, incorporating contextual and user relevance to attract both eyes and brains.

87% seen

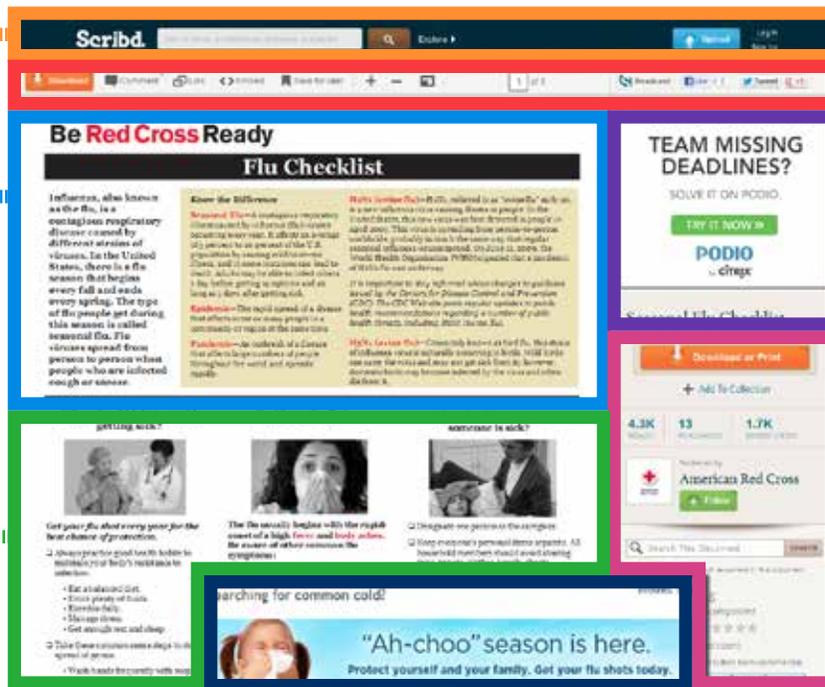
Time on: 0.5s
Time to: 1.1s

87% seen

Time on: 0.5s
Time to: 0.4s

30% seen

Time on: 0.1s
Time to: 1.1s



73% seen

Time on: 0.2s
Time to: 1.6s

Side Ad Only

27% seen

Time on: 0.1s
Time to: 0.9s

33% seen

Time on: 0.1s
Time to: 0.9s

40% seen

Time on: 0.2s
Time to: 0.9s

The unique placement of Infolinks InSearch ad units managed to be both unobtrusive and attention-grabbing, according to 75 percent of study respondents who stated that the InSearch ads were easier to notice in this format.

Another unconventional placement capitalizes on the proliferation of wider-screen monitors, placing contextually relevant ads in the left and right margins of websites.

20% seen

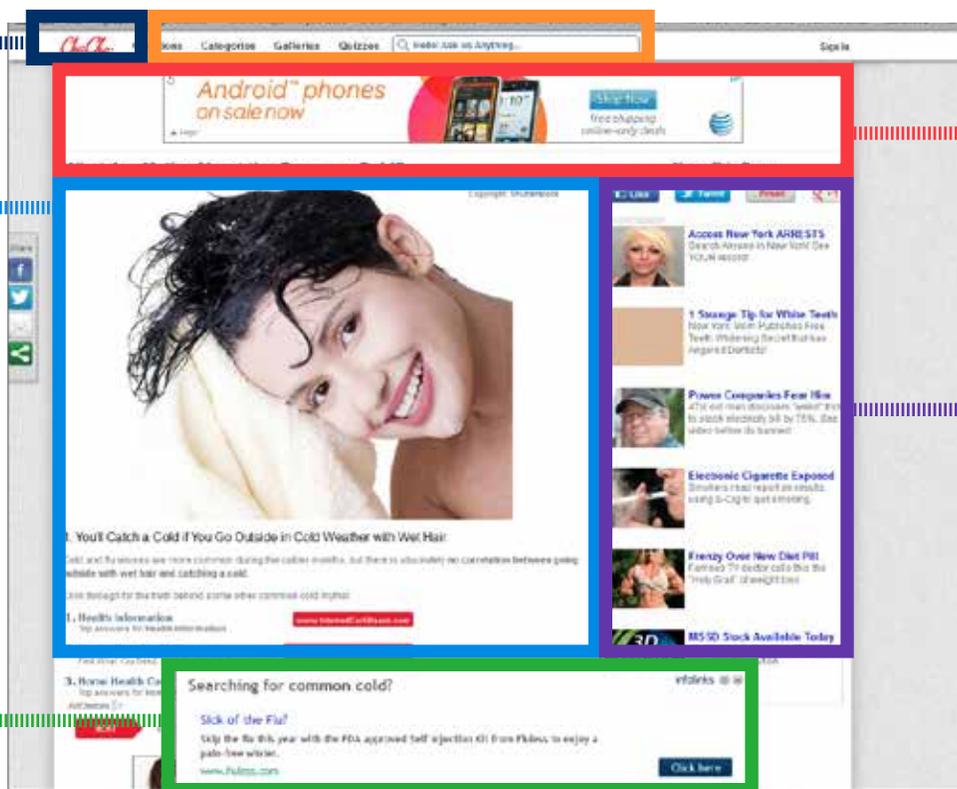
Time on: 0.1s
Time to: 1.6s

83% seen

Time on: 0.5s
Time to: 0.7s

47% seen

Time on: 0.2s
Time to: 0.4s



47% seen

Time on: 0.2s
Time to: 1.3s

37% seen

Time on: 0.1s
Time to: 1.3s

57% seen

Time on: 0.3s
Time to: 0.7s

The unconventional placement in the margins served to attract attention—the time to these units was 50 percent quicker than the time to the standard display units on the page. And because the units in the margins were contextually targeted to the content of the page in question, time spent on these units was 25 percent greater.

Additionally, being more visible and more noticeable, not to mention more relevant, InSearch and InFrame ad units were more engaging, encouraging significantly greater brand recall than standard units.

73% seen
Time on: 0.4s
Time to: 1.4s

57% seen
Time on: 0.2s
Time to: 1.7s

63% seen
Time on: 0.3s
Time to: 1.5s

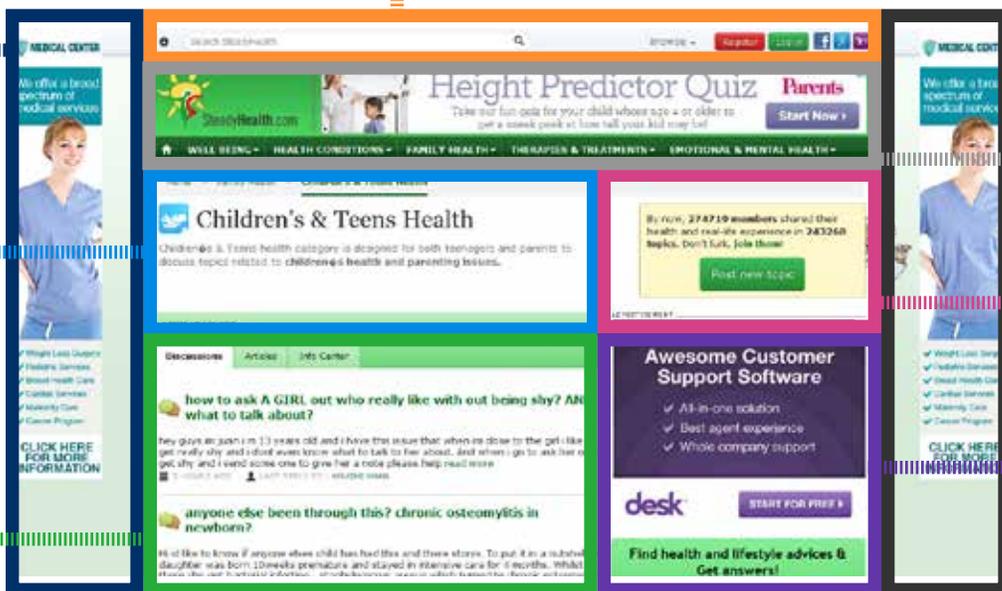
33% seen
Time on: 0.3s
Time to: 1.3s

40% seen
Time on: 0.1s
Time to: 1.8s

80% seen
Time on: 0.3s
Time to: 1.1s

27% seen
Time on: 0.1s
Time to: 1.9s

Desk Ad Only
30% seen
Time on: 0.1s
Time to: 2.6s



The In Search ad was recalled by 460 percent more people than the medium side rectangle banner and the InFrame ad was recalled by 104 percent more people than the top leader board.

Page	Ad Unit	Brand	Recalled By	Diff
ChaCha.com	Top Leader Board	AT&T	5%	
ChaCha.com	InSearch	Fluless	28%	460%
Scribd.com	Medium Rectangle	Podio	9%	
Scribd.com	InSearch	Flu Shots	37%	311%
Starspin.com	Medium Rectangle	Jweles	1%	
Starspin.com	InText	Oscar Dresses	12%	1100%
Babymed.com	Top Leader Board	Steadyhealth	23%	
Babymed.com	Medium Rectangle	Medica Center	47%	104%

THE SOLUTION: INNOVATION IN USER-FOCUSED ADVERTISING

7

Advertisers and publishers benefit most from the user having an enjoyable experience visiting a site. And this is where we arrive at the crux of the issue: advertising should be focused on the user, not the brand.

PLACEMENT MATTERS

The first way to focus on the user is to listen to what they're telling you, with their eyes. Eye tracking shows that consumers tend to see more content at the top of the page but often skim past leaderboard and skyscraper ad units, presumably because they have learned from experience that those areas usually contain ads rather than content, and that those ads typically do not relate to their current task. Simply put, users have trained their eyes to automatically avoid looking at those standard placements.

Placement "above the fold" does offer the best visibility; however, engagement is not simply about location. Rather, it is the use of unconventional placements that do not intrude upon the content experience that gains attention and drives higher engagement.

RELEVANCE MATTERS

The ad for lesser-known brand flules.com was recalled by 82 percent more people than the ad for AT&T/Android on the same page, likely due to the fact that the flules.com ad was relevant to the page content (an article on the common flu). This is an important

finding to note, as it indicates that contextual relevance to the user's current interest can be successful for both direct response and brand awareness campaigns.

As the positive performance of the ads with real-time relevance against standard banners proves, consumers are more likely to engage with an ad if it provides a useful service – such as helping them find a product they were searching for, or driving them to additional pages for more information on a topic they were reading about. Recall that 66 percent of respondents said that the InSearch ad employing real-time intent targeting was helpful in supporting their search efforts.

As Internet users, we are bothered by interruptions, and we find them even more annoying when they are irrelevant. Users are online to accomplish a task or entertain themselves, so in marketing to them it is important to be respectful of their intent. Ads that intrude on that experience will gain attention, sure, but it will most likely be negative attention. Marketers spend millions of dollars on ads to engage their audiences -- not for them to be quickly closed with an exasperated sigh.

EXPERIENCE MATTERS

Study respondents across the board were much more likely to notice, engage with and remember the non-traditional placements over

standard banner ads. This is because the ad units were designed with the user experience in mind. They were designed to be subtle and useful, to enhance content rather than disrupt it, to engage rather than bombard.

These results also show us that not only do real-time intent-targeted, unconventionally placed ads break banner blindness and drive engagement; they also lead to significantly better brand recall than standard ad units. Note that the brand recall of the Infolinks ads was significantly higher than the brand recall of the standard ad units even though the brands promoted by the standard ad units were much more well-known.

RECOMMEN- DATIONS



It's time for the advertising industry to face facts: display is broken. And no matter how many flashy creative elements or automation platforms we throw at the problem, the core issue remains – consumers are now hardwired to ignore advertising.

Fortunately, eye-tracking technology and studies like this can help guide us toward formats and approaches that beat Banner Blindness.

These study findings overall point to a concept that we at Infolinks have always known: that advertising, at its heart, is about the consumer.

These findings indicate a need for the industry to refocus its targeting efforts to deliver ad experiences that are designed around a user's current intent, not just a previous interest from yesterday, last week or last month. In addition to asking, "did this person ever express interest in my products at any point in the recent past?" advertisers must ask themselves, "what is this person online to accomplish, and how can our advertising content enhance that experience (or at the very least, not disrupt it while delivering our message?)"

Advertisers need to seek out ad units that break the mold of "traditional" advertising. It may be hard to believe at first, but simple ads placed in unconventional, yet non-intrusive, areas of the page can deliver significantly more impact than the flashiest

interactive rich media banner ad confined to a standard placement, and the simple reason is because it is integrated with the content that the user actually wants to see and is delivered in an unexpected and delightful way. As such, it won't be ignored due to Banner Blindness, and, importantly, it won't negatively impact perception of a brand.

In recent years, content marketing and native advertising have arisen as effective techniques to combat the visual cues that lead to Banner Blindness.

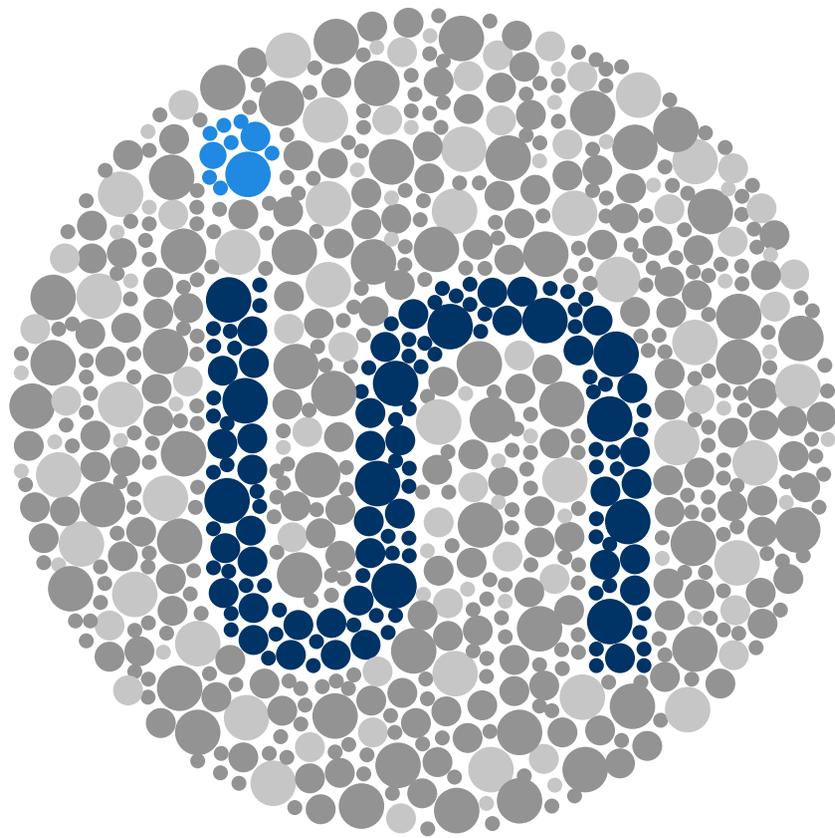
Because eye tracking shows that people tend to consume native advertising in the same manner that they consume content, not only are native ads more likely to be seen but they are also more likely to be registered as useful content rather than skipped over by the eye. Native advertising and content marketing leverage both relevancy and non-traditional ad placement to attract more attention than standard banner ads.

It's trends like this that should have the industry perking up its ears. Put the user first, provide relevant content that enhances their experiences and results will follow.

The industry did not need another eye tracking study to prove that Banner Blindness exists. But both advertisers and publishers

are encouraged to continue utilizing this valuable technology to gain more insight into how today's banner blind consumer operates online. In today's big data universe, all the behavioral and demographic information in the world will not help if advertisers don't first gain the insights necessary to ensure their ads are actually seen and registered when they are served.

Based on the overall eye tracking results, as well as the questionnaire responses, we can conclude that Banner Blindness is a significant issue, but one that can be alleviated by focusing on the user and delivering an experience originating from real time user intent. Consumers are willing to engage with advertising as long as it is delivered in the right way. Relevant, useful content and unconventional yet unobtrusive placements are key to engaging with this new generation of consumer, and getting meaningful returns from display advertising.



infolinks