

ADVERTISING OFFICIALS SAY BRAND SPENDING WILL BE 60 PERCENT OF TOTAL SPENDING



A recent survey conducted by Vizu shows that more than 450 executives and marketers from the advertising industry will be using 60 percent of their online budgets for brand advertising in 2012. They indicated that their spending on online branding could eclipse spending on direct response advertising for the first time in history. Some other findings from the survey include the following: Online brand advertising budgets for 2012 will be increased by 64 percent of marketers. Twenty-two percent of them say that their budget spending will be increased by over 20 percent. Fifty-six percent of marketers are planning to increase their online direct response budgets in 2012. Only 15 percent say that they will be increasing spending by more than 20 percent for the year. The third observation is that 60 percent of marketers are planning to allocate money away from direct response to their brand advertising campaigns. "These growth predictions are clearly optimistic, but very encouraging nonetheless," says Dan Beltramo, CEO of Vizu. "There's still more that needs to be done in order to realize those numbers and make online the medium of choice for brand advertisers. I believe that when brand advertisers understand that their online ads can now be measured and optimized using classic offline brand metrics such as awareness and purchase intent, we will see a further growth in their online ad budgets." According to the survey data, most marketers agree with what Beltramo said. When the marketers were asked by the survey what would lead them to increase their spending for online brand advertising, the responses included the following: Close to 7 out of 10 respondents said, "Improved clarity around the actual return on brand advertising investment." Close to 56 percent of respondents also said the, "Ability to verify my brand advertising created the desired result (e.g. increased awareness of my product)." Close to 53 percent of respondents said the, "Ability to use the same metrics to evaluate brand advertising effectiveness online as are used offline." "These issues are all indicative of a 'metrics morass' in the online medium, which often leads to information overload for brand marketers when trying to determine the efficacy of their advertising," said Beltramo. "In fact, 34% of respondents described themselves as 'drowning in data' when it comes to the online channel." Agencies and brands are agreeing on which metrics they should use for determining the effectiveness of online brand advertising in 2012: The top response, with 8 in 10 saying that, "Brand Lift generated as a result of the advertising." Over 50 percent of both agencies and brands agree on, "Sales generated as a result of the advertising."

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