



Online Presidential Display Ads Leading to the 2008 Primaries

By Kate Kaye, ClickZ News, March 2008
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Introduction

Media coverage of 2008 presidential campaigning on the Web has been dominated by talk of social networking, blogs, viral video, and other tough-to-track social media phenomena. No campaign staffer worth his salt would deny the potential impact of an Obama supporter posting a link on her MySpace page to the candidate's site. However, the fact is many of the campaigns have used a far more measurable online campaign method: paid display advertising.

Throughout the primary season and into 2008, ClickZ News has been following the presidential campaigns and their online ad efforts, particularly online display or image-based advertising. Fueled by data from Web ad tracker Nielsen Online and others, ClickZ News is dedicated to providing truly unique coverage of the online campaigns throughout the election season at ClickZ.com.

It is clear that political candidate campaigns are far behind commercial advertisers when it comes to adopting online advertising and devoting dollars to it. But things are changing and the 2007 primary season was proof. As early on as January '07, candidates still in the exploratory stage had begun buying ad space on the Web. Granted, they spent little compared to what they allocated to broadcast ads, or even Web site building and management. Still, Web ads enabled them to drive potential supporters to those sites in the hopes of getting them to sign up for e-mails or to attend a house party, or to donate a few bucks.

Not only are those ads relatively inexpensive; they've allowed often cash-strapped campaigns to determine whether their dollars were well spent, before voters went to the polls.

Candidate Campaign Online Display Ads between January and December 16, 2007	
Candidate Campaign	Ad Impressions Placed in 2007
Romney for President	103.8 million
John McCain 2008	94.6 million
Obama for America	75.3 million
Tom Tancredo for President	1.6 million
Hillary Clinton for President	1.1 million
Friends of Fred Thompson	651,000
John Edwards for President	189,000
Huckabee for President	25,000

Based on data from Nielsen Online AdRelevance, 2007

Romney, McCain and Obama Dominate Display Ads in '07

As presidential candidates bounced around the polls in the months leading to the impending Iowa caucuses, Republicans Mitt Romney and John McCain remained securely on top according to one measure: online display advertising. Combined, the two campaigns ran over 70 percent of the online display ads purchased by the candidates in 2007, according to data from Nielsen Online AdRelevance. Democratic Senator Barack Obama also ran a large number of Web ads compared to fellow contenders -- more than a quarter of all presidential campaign ads between January and December. And far more than any other Web site, Yahoo cashed in.

In December '07 and January '08, Democratic contender Bill Richardson came on the scene with a series of anti-Iraq War ads, but his campaign placed a relatively small number of ads by the time he ducked out of the race. The rest of the candidates also merely dabbled in display advertising, or image-based online ads. Ads for Democrats Richardson, Hillary Clinton, and John Edwards, along with Republicans Tom Tancredo, Mike Huckabee, and Fred Thompson accounted for the remaining one percent of presidential candidate display ads tracked by AdRelevance last year.

Where Campaigns Bought Ads

Despite all the hype about social networking sites like MySpace and Facebook, the lion's share of presidential campaign ads in 2007 ran on Yahoo. Nearly 32 percent of candidate display ads were placed on Yahoo Movies, Sports, Mail and other sections. MSN grabbed about 11 percent, Excite about 6 percent, and AOL about 4 percent of ad buys.

Although all the campaigns ran the bulk of their ads on those portals and larger sites including FoxNews.com, The New York Times, MSNBC, Newsmax and HuffingtonPost.com, online ad network buys helped push political ad dollars out to niche content or long tail sites. Ad networks enable advertisers to work with one sales contact to buy across a variety of large and small sites, and deliver ads only to certain Web users based on demographic or geographic information, time of day, or a user's previous online interactions.

By purchasing ads through networks such as Advertising.com and Google's AdSense network, the three top display ad spenders, Romney, McCain and Obama, had ads show up in unlikely Web nooks and crannies such as RealityTVWorld.com, GoComics, Top Secret Recipes, and CNET TV, sites their target audiences were likely to visit.

Buying through an ad network proved risky for Mitt Romney. His campaign made headlines for inadvertently running thousands of ad impressions on Gay.com and other gay lifestyle sites, which weren't exactly in synch with some of the candidate's conservative stances. Despite chalking up the mishap to ad network problems, the campaign continued buying ads through networks. "We're primarily very focused on geo-targeting," Romney for President's e-strategy director Mindy Finn told ClickZ News in January 2008. "We want to own, so to speak, the inventory for a certain state." Ad networks allowed the campaign to serve ads on multiple Web sites to people in early primary and caucus states including South Carolina, New Hampshire, Iowa, Michigan, Nevada, and Florida.

Earlier in the primary season, the campaign also purchased ads directly through sites such as FoxNews.com, MSN Money, and newspaper sites in early primary states based on data about where Republicans spend time online. As the campaigns refined their strategies for targeting voters in specific cities and states, more and more ads were seen on local sites. Obama ran ads on newspaper and TV sites in Seattle, Detroit, Orlando, San Diego, Houston, Akron and New Orleans. McCain bought on sites in San Diego, Colorado Springs, Seattle and New York. Romney ads showed up on sites aimed at voters in San Francisco, Milwaukee, San Antonio, Chicago, and Raleigh-Durham.

Presidential Campaigns Show Maturity

Presidential campaigns may not be spending tons on Web ads, but they began showing a greater willingness to experiment with innovative ad creative and messaging in December as the Iowa caucuses loomed.

Obama's and Richardson's camps appeared to be the first presidential campaigns to include geographically relevant messaging in ads aimed at Iowa voters. "The war in Iraq has cost Iowans \$3.5 billion," proclaimed one Richardson ad, which linked to thedifferenceoniraq.com. Ads for Obama not only were targeted specifically to Web users in Iowa, they included Iowa caucus-related messages. One promoted a Precinct Finder, Caucus FAQ, Student Center and Local Obama Events.

Along with issue-based ads focused on healthcare for veterans, Richardson's campaign stressed his outraged anti-war stance. "Continue war in Iraq until 2013? 2013! What the @\$#!?" exclaimed the ad, which concluded, "The cost of war is already too high." The ads prompted users to click-through and visit 2013istoolate.com, a micro-site urging visitors to sign a petition.

Examples of Presidential Campaign Display Ad Copy		
Candidate	Ad Copy	Call to Action
Hillary Clinton	Hillary would love a word with you. Iraq. Healthcare. Energy. Katrina. Children. Jobs. America.	Join the Conversation
John Edwards	Join the campaign to change America.	Join Senator John Edwards at www.JohnEdwards.com
John McCain	Courageous Service Experienced Leadership Bold Solutions, Watch Courageous Service Video	Play Video
Barack Obama	Meet Barack Obama. Sign Up for Invitations to Campaign Events	Join Us
Bill Richardson	Continue war in Iraq until 2013? 2013! What the @\$#!? The cost of war is already too high. www.2013istoolate.com , DEATHS by 2013 6,940, CASUALTIES by 2013 103,370, DOLLARS in millions by 2013 866,000	<i>no call to action</i>
Mitt Romney	Tune in to Victory. Help Put Mitt Over the Top. \$1,000,000 Media Victory Fund. Be Part of Mitt's TV Campaign.	Contribute. Experience. Vision. Values.
Tom Tancredo	Tom Tancredo: Defeat Amnesty Politicians.	Breaking News
Fred Thompson	Mitt Romney "I do not take the position of a pro-life candidate." Rudy Giuliani "I'm pro-choice. I'm pro-gay rights." Fred Thompson "I was a proud conservative yesterday, I remain one today, and will be one tomorrow" Support the Real Conservative. Fred 08 Security. Unity. Prosperity.	Contribute

McCain ads used pork barrel spending as an issue hook to entice supporters to sign a petition. "Three million of your tax dollars to study the DNA of bears in Montana. I don't know if that's a paternity issue or a criminal issue," the humorous ads quipped. Such ads served a dual purpose of helping campaigns gather contact information of potential volunteers and supporters, in addition to being used for persuasion.

Romney's campaign used Web ads to drive donors to give towards particular fundraising goals. One effort pushed "Project 44," a mission to collect \$44 from donors to support his run to be the 44th President. However, other ads were more persuasion-oriented, promoting the former Massachusetts Governor's "clear vision of change for America." The ads told voters, "He did it in business, the Olympics, and in Massachusetts and He can do it in Washington."

Another McCain display ad featured embedded video of the Senator in his younger years serving in Vietnam, a Web video shown online and in TV spots by the campaign for months. Romney also placed video-enabled display ads on the Web, and was the first candidate to run video overlay ads (see *Resources, Video Overlay*).

Spending Measures Lack Clarity

Three reports predicting online political ad revenues in 2008 may vary widely, yet all agree current low spending on Web ads will continue growing.

A January Lehman Brothers report takes the most bullish approach, forecasting political advertisers could spend over \$110 million on Web advertising in 2008. Meanwhile, a December report from PQ Media expects just \$73 million will go towards the Web. Enter Borrell Associates with its conservative estimate of online political ad dollars. Though the research firm anticipates \$4.8 billion will be spent in total on political advertising in '08 -- the highest total cross-media revenue forecast of the three reports -- it believes just \$20 million in political ad money will go to the Web. One reason for Borrell's low figure is the recognition that campaigns are taking advantage of as much free online media as possible, by creating free social network profiles, posting video to YouTube, and taking advantage of earned media from blogs and news sites.

The research firms also seem to disagree on what segments of online advertising will reap the rewards from political advertisers. Borrell believes almost half of online political ad budgets will be spent on paid search ads with the other half going to standard display ads and streaming audio and video.

PQ Media, however, pegs e-mail spending at about 75 percent of all online political ad dollars, most likely taking into account things like e-mail writing staff or list purchases. It's even less clear what the Lehman Brothers' \$110 million number is based on; although the firm did suggest its estimate includes spending on online initiatives such as resources dedicated to social media efforts.

Until there is a cohesive system for measuring all online ad spending by political campaigns, and until standards for what should be measured are established, we can expect political ad spending estimates to vary broadly.

Metrics That Matter

Perhaps what is more important for political campaigns is the ability to measure the impact of their online display advertising. Because the Web enables more exact tracking and reporting than TV, radio, print or other traditional media, political advertisers have a variety of opportunities to prove online ad results rather than simply guessing.

At this still early stage, when online political advertisers do actually track ad performance, they often employ methods used by commercial advertisers. So, they may gauge success according to the number of people who clicked on an ad and registered for e-mail updates. Or, rather than tracking online purchases derived through ads, they might measure success based on the amount of donations garnered through an ad compared to the amount spent on the ad campaign.

Although political advertisers have yet to determine the most appropriate ways to measure online ad success, experimentation continued in 2007. The Romney campaign, for instance, measured ad success by the number of volunteer signups gathered, and the value of contributions collected as a result of ad click-throughs. It also devised a formula based on how many potential Iowa caucus voters, for instance, were reached per dollar spent.

The fact is most display ads are used by political advertisers to gather signups and donations, in part because there is a direct correlation between dollars spent on Web ads and names or funds collected.

When political advertisers have a clearer sense of how their online campaigns affect voter attitudes, GOTV efforts and actual results at the polls, they may be more willing to pull ad dollars from television, radio, and direct mail towards online display advertising, or other forms of Web advertising and marketing.

Resources

Web Ad Formats Used by the Presidential Campaigns

In the 2008 election, the presidential campaigns spent money on a variety of online ad types in addition to standard display advertising. Here's a description of ad formats used by the campaigns:

Display Advertising

Display advertising is a catch-all term used to describe static and animated image-based ads that come in a variety of sizes. The common rectangular-shaped standard banner ad has been overtaken by several other ad sizes that can be placed across the Web through ad networks or purchased directly through Web site sales reps. Sizes including the Leaderboard, a large banner seen at the top of a page, and the Skyscraper, a large, vertical rectangular ad placed at the left or right on a page, have been popular with the presidential campaigns during the election season.

Rich Media Advertising

Rich Media is another catch-all phrase used to describe ads employing Flash animation, audio, video or other features users can interact with. Rich Media, such as the Vietnam-era video footage seen in ads placed by the McCain campaign, can be added to a variety of standard display ad sizes, and is used to encourage people to spend time interacting or "engaging" with the ad, and in turn, the candidate, message or brand.

Search Advertising

The most common form of search advertising is the text-based ad or “sponsored link” shown in search engine results listings. Search ads are targeted to users according to the search terms or keywords entered when they conduct searches on sites like Google or Yahoo. Advertisers bid on the ability to have their ads appear when users search for specific terms.

Search engines also run paid search ads on other Web sites. Instead of targeting them based on what a user searches for, those ads are served when information on a Web page, such as the content of a news article, is relevant to terms associated with the ad.

In-Stream Video

In-Stream Video ads are the most common form of video advertising. Often referred to as “pre-roll,” “mid-roll,” or “post-roll,” these ads appear before, during, or after an online video clip plays. Typically, commercial and political advertisers run TV spots as in-stream video ads.

Video Overlay

The Video Overlay format appears as an image placed over the bottom portion of a Web video clip as it plays. Users can choose to click on the overlay unit to launch a video ad within the same player, while pausing the original video clip. Romney for President was the first presidential campaign to use the format. A family-oriented Romney TV spot was launched from an overlay unit shown during socially-conservative and family related video clips, and the ads linked to Romney’s site registration page.

How to Buy Online Display Ads

Online display ads can be purchased in a number of ways. Advertisers can contact Web site sales staff directly to place ads, or they can go through ad networks when looking to reach a bigger or broader audience. Ad networks enable advertisers to work with one sales contact to buy across a variety of large and small sites, and can deliver ads specifically to certain Web users based on demographic or geographic information, time of day, and a user’s previous online interactions.

CPM-Based Advertising

CPM means “Cost Per Thousand.” The most standard way of buying online ads is on a CPM basis, meaning advertisers pay a flat rate per thousand “impressions,” or instances of their ad appearing on Web pages.

Performance-Based Advertising

When advertisers buy performance-based ads, they pay media sellers only when a certain action is taken by the user. Performance-Based Advertising includes Cost Per Click (CPC) and Cost Per Action (CPA) ads. Though advertisers only pay when a specific action is taken, this type of advertising allows for less control over the final cost of the campaign. Ads sold by search engines, such as text and display ads served by Google are sold on a performance-basis.

Types of Online Ad Targeting

Contextual

Contextual targeting is ad placement based on the content or subject matter of a Web page. Advertisers can have their ads served only on specific sections of a Web site, such as news or entertainment, or according to keywords appearing on a Web page, like “election,” “Iraq War,” or “healthcare.”

Demographic

Demographic Targeting allows advertisers to have their ads delivered to people in specific demographic groups based on user information collected through site registration and anonymous data from Web audience measurement firms. Ad networks and large Web sites and portals such as Yahoo and CNN.com allow advertisers to use demographic targeting to reach groups like men ages 18 to 34 or women with college level educations.

Geographic

Geographic Targeting or Geo-targeting is used to deliver ads to people within chosen locations. Although buying ads on location-centric sites such as local newspaper and TV station sites is one way to geo-target, advertisers can also target ads purchased through ad networks, large sites and portals to users in particular states or zip codes. Some ad sellers also allow advertisers to target ads to approximate voting precincts.

Behavioral

Behavioral Targeting places ads according to anonymous data gathered on users' previous interactions with the Web. For instance, an auto advertiser might target a car ad to a user while visiting an entertainment section page if that user visited auto review pages in the past month.

Site Re-targeting

A type of behavioral targeting, re-targeting allows ads to be targeted to specific users who did not take a particular action when visiting a Web site or group of sites. For instance, Romney for President used the Advertising.com network to re-target display ads to people who had clicked on an ad and visited the campaign site, but hadn't registered with Team Mitt the first time around.