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BY RAND RAGUSA

# The Rise of Banner Ads in Politics

Television advertising influences our decisions on everything from the cars we buy to the politicians we elect. But as new research reveals, the Internet finally has joined the television as a way to win votes and rally supporters.

According to the E-Voter Institute's research report "E-Voter 2002," 10 out of 34 Republican U.S. Senate candidates ran banner ads on AOL Time Warner sites in the final week before Election Day 2002. Six of those 10 Republican candidates won their races.

However, the mid-term election was devoid of any real national party money being invested in online advertising, despite discussions in recent years among Republican National Committee (RNC) and Democratic National Committee (DNC) officials about the need to use more technology to connect with voters.

Many Internet consultants criticize the party machines for not using banners to drive voters to campaign Web sites, contending that could increase volunteer registrations, and campaign donations.

## A New Day, a New Way

Historically every new medium has had to prove its value to advertisers. In the 1960s television was considered "new media" in political circles, and 15 years ago cable television fought for advertising respect. Today, those companies who are selling online advertising services to political campaigns realize the Internet is no exception.

Spending on banner ads for political campaigns was a shadow of the more than \$1 billion spent on television ads in 2002. That was a record for any campaign year and double the amount spent in 1998, according to figures released by the Alliance for Better Campaigns. In all, there were 1,497,386 political ads aired on 573 stations in the nation's top 100 markets, another record.

By comparison, there were less than 50 political banner ads that ran in 2002, and only

a few portals and local news Web sites got paid to run them. But of those pioneers who did spend money online, none invested more than 1 percent of their overall media budgets.

Many e-consultants say traditional media advisors fear banner buys will reduce their lucrative TV contracts.

## Reaching Voters at Work

No one can deny that the Internet – including e-mail – provides a cost-efficient means to communicate, and has dramatically changed the way companies advertise and sell their products. In the past seven years, the Internet has evolved not only how businesses communicate to consumers, but also what, when, and where they communicate – reaching people at both their homes and offices.

The Internet now literally owns the office environment, having leaped ahead of radio and cable as the favorite workday medium for news and information. As TV is to American homes at night, the Internet is to the American workplace during the day, with office workers relying on the Internet and e-mail to communicate.

Michael Bassik, head of AOL's political advertising group, emphasized the power of communicating to people while they are at work.

"Employees don't watch TV, but they do sit in front of their computers surfing the Net and checking e-mail," he said.

To reach workers, AOL and Yahoo have launched new ad services that go beyond geo-targeting campaign messages by ZIP codes, by offering advertisers the ability to deliver banners by "daypart," within specific times during the day – just like broadcasting.

The Online Publishers Association, which represents companies like New York Times Digital, *MarketWatch.com* and CondeNet, said a survey of Internet access and media consumption found that among the estimated 53 million adults who use the Net at both work and home, the Internet – not TV

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– is the most-used medium throughout the week.

Campaigns are still trying to determine if banners can dramatically increase the number of visitors (traffic) to a candidate's Web site.

"Once election experts realize the Internet's relevance, and that online advertising is necessary to increase traffic to their campaign Web sites, the smart ones will use online techniques to enhance their overall offline advertising strategy," said Karim Sanjabi, CEO of Freestyle Interactive.

According to Nielsen-Netratings, the top traditional advertisers increased their spending on online advertising by 30 percent by the end of 2002. eMarketer Research Group reports U.S. online ad spending should reach \$6.70 billion in 2003, up from \$6.38 billion this year. The report forecasts by 2004, US online spending is expected to total 7.20 billion, and 8.10 billion by 2005.

### **Smarter Web Sites Allow Better Targeting**

While the emergence of any new media outlet would seem a good thing on the surface, it requires adopting a new set of tools and techniques that many in politics have yet to master. That's troubling because election industry leaders should be investing in research and education on how to best use the Internet and wireless technologies to market their candidates – not avoiding it.

Cyrus Krohn, publisher of MSN's *Slate.com*, said most site publishers now provide "sophisticated targeting capabilities based on viewers' demographic and geographic profiles...allowing direct-response ads to be deployed, with the results being continuously analyzed and optimized for efficiencies, message performance, and creative designs."

The quality and dynamics of online advertising produced by interactive ad agencies has dramatically improved because of Flash and Java technologies. For example, Rich Media banners incorporate anima-

tion, audio, video, and e-mail – giving advertisers an ability to exponentially distribute their message through powerful, commercial-like online ads.

Numerous factors are pushing adoption of Rich Media advertising. A Jupiter Research report predicted Rich Media spending in the United States would soar dramatically during the next five years. Jupiter's study also suggested that Rich Media advertisements are highly effective, with click-through rates often reaching into double-digits.

The reason these richer forms of online ads work are because they use the same formula behind emotional, brand-building TV ads – allowing advertisers to accomplish the same type of message development and video imagery goals online.

Internet users worldwide reached 655 million by the end of 2002, according to the latest United Nations' annual E-Commerce and Development Report. The study indicates the United States has the largest number of Internet users in the world, with nearly 143

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million people online and growing by nearly two million every month.

"The parties really need to focus on the nuts and bolts of the Internet, and develop better ways to reach the ever-growing community of online voters," said Michael Cornfield, Research Director of George Washington University's Institute for Politics, Democracy and the Internet ([www.ipdi.org](http://www.ipdi.org)).

"Media consultants should use all media, and capitalize on the Web and e-mail as two more venues for cross-media promotion," he

said. "Online advertising might just be the best bargain out there today for candidates, groups, and parties."

Added Cornfield: "Online advertising might just be the best bargain out there today for candidates, groups, and parties. It is so inexpensive and, at the same time, so clear about its results as to make it worthwhile for campaigns to experiment with it on a serious basis."

### **2003 and Beyond**

As the election industry moves forward, and the Internet continues evolving how people find and distribute information, there's no question local news and media Web sites – and the major portals and e-mail services – will become the new battlegrounds for advertising and promoting candidates.

The statewide races in 2003 present a unique opportunity to test banners in preparation for 2004. By comparing and contrasting online and offline advertising, media experts will learn how to better utilize the Internet in their overall media-mix.

Building candidate Web sites without using banners to drive traffic doesn't make sense – in corporate or political advertising campaigns. The name of the game is to broadcast banners in front of as many voters while they're online, so more of them can click on the banner, visit the Web site and learn about the candidate.

By 2004, expect to see the more sophisticated campaigns invest anywhere from 2-5 percent of their overall media spending in online ads and email strategies. The days of saying "Sorry, we don't have any money in the budget for the Internet" will soon be over, as more and more strategists embrace technology to gain competitive advantages.

People don't usually write down Web addresses while watching TV commercial or passing a yard sign when driving. But when voters see a candidate's banner while checking the weather on their local news Web site, they know they're just one click away from his or her Web site – and getting more informed and involved – online. ■

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