How Is Digital Advertising Different From Traditional Advertising?

Every advertising campaign ultimately has the same goal: make the business more profitable. Whether that requires building brand recognition, boosting e-commerce or showcasing a new location, it all goes back to the bottom line. <u>How</u> organizations achieve that goal, however, can vary significantly. As new technology enables new strategies, it's important to understand how digital advertising compares to traditional tactics.

What makes digital advertising different from traditional advertising?

You can reach more people, more cost-effectively. No matter who your customer is, there is a very good chance that they access the internet. In 2019, <u>4.3 billion people</u> around the world went online, up 9% from the year before, and 3.4 billion of those people use social media actively. Are all 4 billion of those people your target market? No, but the numbers demonstrate that regardless of who the desired target audience is, they are on their devices, consuming digital media — and therefore digital advertising.

The tremendous reach of digital advertising stands in contrast to more traditional methods. An advertiser can only afford to print and send so many postcards. Only so many cars drive past a billboard every day. One of the biggest advantages of digital is its ability to scale as broadly or precisely as necessary within an almost limitless pool of prospects. This makes digital advertising much more cost-effective as well when considering return on investment. Reaching a wide but targeted audience immediately brings your cost per impression far lower than any traditional advertising tactic.

2. You can target more effectively. As mentioned above, no company wants all 4 billion people on the internet to respond to their ad. Smart advertisers know and understand their target audience and market specifically to them. This is difficult with traditional advertising tactics. You can't control who is listening to the radio at any given time or who sees an ad at a bus stop. Broad demographics can help, but it remains challenging to get the right message in front of the right person.

Digital advertising changes that. With digital, you can serve up ads to a particular subset of people who have been defined as potential customers. It's not perfect (see our document *3 Common Misconceptions About Digital Advertising Data*), but it is far more precise than other channels. If you know that your target audience is middle-aged women with kids who live within 100 miles of your client's store, you can effectively reach that group of people — and just as importantly, not waste ad dollars on customers outside the desired demographic.

3. You can use campaigns for research. What if you're not sure which customer segment to target? Digital advertising can help with that too. While traditional tactics offer few opportunities to understand who is engaging with which ads, digital advertising provides a wide variety of data to finetune campaigns.



With channels like display, you can start broad and see who clicks. Maybe you thought that millennials would like a product, but it ends up appealing to a younger market; great, adjust the targeting to hit Gen Z. Perhaps you assumed that parents would like a particular service, but college students are interested too; now you have the information you need to pivot this campaign and plan for the next.

The same idea applies to a campaign's messaging and creative. A/B testing lets you see which ad resonates best with the target market before you go "all in" on that version and refine your strategy accordingly.

4. You can adjust your campaign on the fly. Speaking of pivoting, the ability to make changes to a campaign while it's running is one of digital advertising's most powerful capabilities. Think about a traditional print campaign. Once the brochure, postcard, magazine, etc. has been sent to the printer and then on to the post office, it's out of your hands. If something changes in the market, with your business, in the world; too bad. That campaign, and that investment, are sunk.

With digital, on the other hand, you can quickly and easily adapt to changing circumstances. Think of restaurants who began promoting pickup and delivery service during the coronavirus outbreak. You can also adjust to the trajectory of a campaign. If an ad isn't performing well, you can replace it with a different ad, adjust the targeting or pull the campaign altogether. It's important not to make changes too fast and too often — campaigns need a chance to prove themselves out — but when done strategically, the right adjustments can make the difference between a winning campaign and a dud.

5. You can measure almost everything. What's behind those strategic adjustments to digital campaigns? Data. Lots and lots of data. With digital advertising, it is much easier to measure performance against campaign goals. Metrics like cost per impression, click-through rate, conversion rate and more enable real-time visibility into who is clicking, when and where, even what they're doing before and after the click. As a result, you gain a much deeper understanding of how your positioning is connecting with the audience — and what to do about it.

The measurability of digital ads is particularly notable when compared to traditional advertising methods like print and out-of-home. You can always estimate how many people see traditional ads and make assumptions about what they do next, but those conclusions are just that: estimates and assumptions. Digital allows you to build a direct correlation between ads and actions, so you can determine ROI more easily and accurately.

6. You can launch a campaign quickly. Traditional ad campaigns take significant time and resources to get off the ground. For print, you need to design an ad, get it to the printer and get it in the mail or on the billboard. For radio and TV, you need a script, production crew, talent and available spots. Not to mention, after all that, you need to hope that enough people and/or the right people see or hear it.

With digital, on the other hand, you can get up and running fast. There are far fewer barriers to entry and execution. Software applications, many of them available for free, make it easy for almost anyone to create a display ad or short video. You can also use what you already have, repurposing existing graphics or commercials for digital. Once the creative is complete, it can be live on the internet — and in front of the desired audience — in a matter of hours.

Results come in quickly, too. No more waiting for the next issue to be published or the program to run on TV. Within days you can see how the campaign is performing and your client can reap its benefits.



7. You can complement traditional ad tactics. Digital advertising boasts many powerful capabilities that traditional methods sometimes can't match, but it's still only one tool in the toolbox. Digital works best alongside tactics like TV and radio to engage with consumers more often and in more ways. It provides data that can be used across marketing efforts to refine every media campaign, not just digital, and can benefit from brand building on other channels that primes the target audience to the company's message. In short, digital should be one piece of any advertising puzzle — but it's not a piece that most businesses should do without.

On their own or in conjunction with other advertising methods, digital campaigns offer a fast, flexible way to get the right message in front of the right audience. By understanding what makes digital unique, you're in a better position to explain its benefits and opportunities to your advertisers.

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