

ADVERTISING

## Lack of standard interactive ad units drowning out online advertising spend

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By PETER FINOCCHIARO

The lack of an industry-standard interactive, rich-media ad unit has dissuaded luxury marketers from making more significant investments in online advertising.

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**Luxury Daily**

The seven standard units recognized by the Interactive Advertising Bureau account for 80 percent of display advertising served in the United States. However, all of them are two-dimensional, non-interactive banner types.

“Luxury marketers have definitely been dissuaded [by the lack of standard interactive ad units],” said Peter Minnium, consulting director at IAB, New York.

“I spent quite a bit of time with traditional advertising companies, and six months ago I was getting pressure from brand clients to spend more money online because that’s where their audience is and that’s where potential customers are,” he said. “It was just difficult to reach a broad segment of the audience in a quality environment and quality ad unit to justify spending the money.”

“I know the brands want to do this and we as an ecosystem have just made it too difficult.”

Setting the standard

The **IAB** serves as the standard-setting organization for interactive advertising formats

and claims to institute rigor in the digital media supply chain.

The seven standard units have proven effective for some advertising activities, but are limited by their static nature.

“The standards offer fantastic canvases for small direct marketing offers, but terrible canvases or extremely limited ones for rich brand advertising,” Mr. Minnium said.

When a brand wishes to create a more immersive advertising experience, it is often forced to work directly with publishers to create more expensive custom units.

This greatly restricts scalable opportunities available to luxury brands, which prefer more engaging online advertising.

### IAB competition

The IAB has launched a competition challenging the online advertising industry to develop a new interactive and rich-media enabled standard.

This is the first time the organization has asked representatives from the online advertising value chain to innovate new ad formats specifically for brand marketers.

Companies and individuals can submit their ad format candidates to be scrutinized by a cross-disciplinary group comprised of industry experts such as agency creative directors, media executives and ad operations specialists.

Submissions will be judged based on their potential to drive brand equity at scale.

According to the [contest guidelines](#), the five criteria submissions will be graded on are:

- Branding - How well does the ad format provide a canvas for brand creativity?
- User Experience - How does the ad format positively impact user experience?
- Functionality - How does the ad format take advantage of online user behaviors and technologies?
- Page Integration - How does the ad format enhance the relationship between the ad and publisher page layout?
- Adoption – How easily could the ad format be widely adopted by publishers?

The first submission to the contest was AOL's [Project Devil](#).

Project devil ad units take up around 40 percent of a publisher's page and allow rich media such as photos, videos and downloadable content.

“When you put an ad unit in a page like that, it necessitates that the content change the entire page,” Mr. Minnium said. “It is more elegant than what many of us are used to.”

Submissions will be accepted until November 15 and judged through the end of 2010. A set of “rising star” finalists will be selected and evaluated in-market throughout 2011.

The IAB will select a winner by the end of next year.

“Last year luxury marketers had just six percent of all inventory on the Internet,” Mr. Minnium said. “With the new ad units we hope to move that to 16 or 26 or 36 percent.

“In any case, the new unit will allow luxury makers to advertise their brands so they can their message across in a much broader spectrum of the Internet,” he said.

Final Take

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