

nextgenerationmarketing

THE PERFORMANCE NETWORK

Actions, not eyeballs

The Performance Network (TPN) is bringing a new level of accountability to online advertising

So here's a scenario we all know: you create a great ad, lots of people see it, and it leads to, er, nothing. Impressions, either offline or online, are important. But if it's behaviour you want then why not measure and reward according to action—not eyeballs.

The Performance Network is a group of online experts delivering a 'true performance' network across a diverse range of quality New Zealand websites.

With a traditional CPM (cost per thousand ad impressions) placement, you are buying the ad impressions, not the actions. With a performance-based pricing model, meaning the cost-per-click (CPC) or cost-per-action (CPA) model, marketers can run advertising that directly meets targeted actions, not just eyeballs.

"Without any incentives for conversions, a CPM campaign could exhaust your budget with little conversions or revenues generated in return," says TPN network manager Gracie MacKinlay. "Running your campaign on CPC or CPA helps you to reduce the risks of pouring money into CPM placement without knowing

what response you will get."

TPN was the first performance ad network in New Zealand. The ad network has attracted some top clients including Telecom, Caltex, Accor Hotels, Webjet, Foodtown and Woolworths Online Shopping.

The campaigns running on the network are results-driven. Being result-driven is precisely what attracted DraftFCB to employing the services of TPN. Digital campaign manager Steph Pearson says the agency obtained excellent results by employing TPN for online campaigns across a broad range of clients.

"We have found TPN to be effective at generating additional campaign reach, while also being a regular top performer in terms of cost efficiency for direct response campaigns," says Pearson.

How does performance marketing work?

Online survey company Great Kiwi Surveys has been running campaigns with TPN over the past two years. It has been working closely with TPN to achieve its goal

of obtaining new quality member acquisition.

With both advertiser and TPN actively monitoring and optimising the campaigns, the conversion rate has more than tripled compared with its first campaign launch.

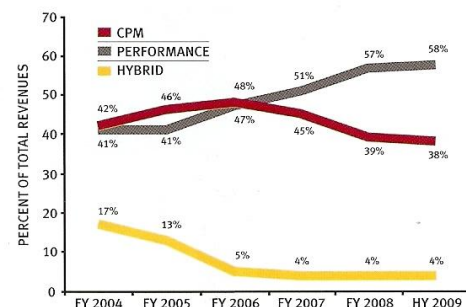
"TPN has been a steady source of member recruitment. We are extremely happy with the results," says Aaron O'Sullivan, founder of Great Kiwi Surveys.

Branding or performance?

Or maybe both! It's the million-dollar question: How much value has your branding campaign added to your business? While branding may not always directly link to your conversions, it does give your brand exposure across targeted channels.

Toni Knowles from interactive ad sales network 3D Interactive says TPN plays an important role in brand awareness. "People are more likely to search your brand, visit your site or even make a purchase decision after being exposed to the branding messages that TPN is reinforcing in the market." It is

WORLDWIDE ONLINE SPEND BY PRICING MODE



SOURCE: IAB

undeniable that branding gives you an overall lift across all your other marketing activities. A conversion on your site or in your shop could be influenced by multiple media channels.

The future of performance marketing...

It is important to recognise that going forward the only campaigns that will sustain themselves are those that work for both advertisers and publishers.

Performance-based campaigns now generate 58 percent of online ad revenue worldwide. In Australia the

number sits at 22 percent and is still growing (source: IAB).

Kevin Francis, chief executive of TPN's parent company Q Limited New Zealand, says New Zealand is still in the early stage of engaging with performance marketing, falling short of even Australia's numbers. "That means there is an extraordinary opportunity for advertisers to take an early advantage of this developing online marketing strategy," he says.

Priority or low priority?

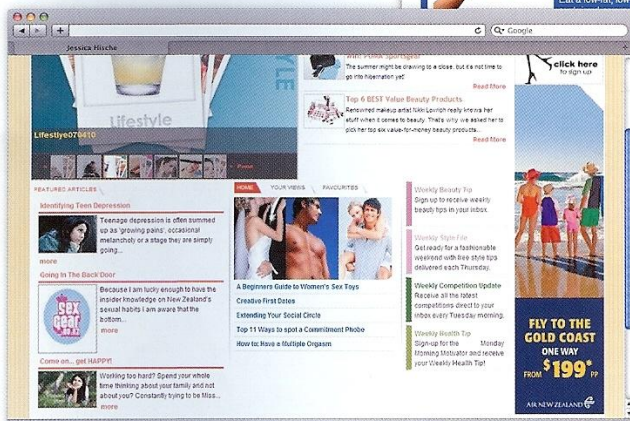
If your campaign is of a relatively low priority for you (e.g. few time constraints, no

The TPN system

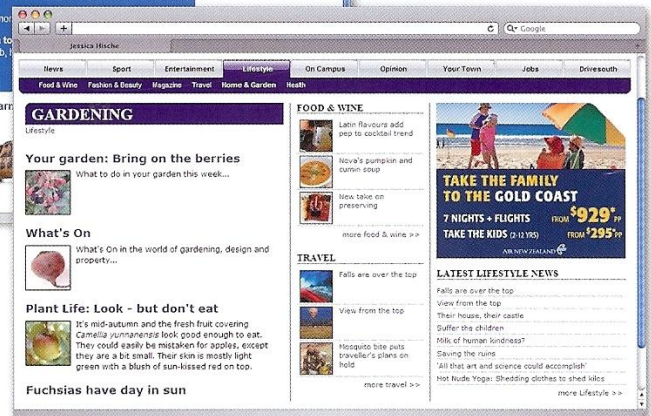
When a campaign is launched on TPN, your banners will appear on many New Zealand sites simultaneously, giving your campaign extensive online exposure



Big banners (760x120px) are a popular ad size used only in New Zealand



Skyscraper (160x600px)



Island/rectangle banner (300x250px)

guaranteed reach requirements etc), you may consider the non-priority rate that gives you more return on investment over time. However, when a particular campaign is very important and you just have to get the reach in a timely fashion, a priority rate is perfect for you because these campaigns will always be first allocated within the network inventory.

When it came to advertising

their 'This Xmas go Kiwi' campaign, a priority campaign was just the ticket for Random House New Zealand. "We wanted to have guaranteed exposure right before Christmas. The priority campaign on TPN gave us just that", says Lorraine Breheny, marketing manager at Random House NZ.

You can expect to pay \$2.50 CPC for priority campaigns in May/June. Non-priority

campaigns, which include CPA or lower CPC campaigns, will be placed into the effective CPM (eCPM) auction model.

The eCPM model consists of the revenue generated by performance advertising. In this model all campaigns are converted back to an equivalent dollar value. This allows any publisher to compare all advertisements in an 'apples for apples' manner and allocate

inventory based on the return that they are making, regardless of the actual CPC or CPA bid/payout. The better the campaign performs, the more inventory it will be given and thus exposure is maximised.

To find out more about how TPN can optimise your online advertising campaign, phone 09 920 1730 or head to www.tpn.co.nz