

Glossary of Online Advertising Terms

This glossary provides a basic overview of online advertising and eMarketing terms. We have broken the list into 4 sections, alphabetically within each.

Acronyms

CPA / Cost Per Action (also referred to as Cost Per Acquisition)– Same as CPL/PPL – Advertiser pays when a desired result is realized, typically a level of commitment such as an inquiry or a purchase.

CPC / Cost Per Click – Same as PPC – Advertiser only pays when their ad is clicked upon, usually providing them with a website visitor.

CPE/CPS – Cost per Enrollment/Start – The total cost to acquire a single enrollment or 'start'. In its simplest form, it may be calculated as (Cost per Lead x No. of Leads) / (No. of Leads x Conversion Rate). Important because it provides a benchmark to compare a variety of forms of marketing, as well as your internal ability to convert leads into enrollments.

CPL / Cost Per Lead – A form of CPA - The Action is defined as the successful completion of the advertisers Lead or inquiry form (hosted on advertiser's or publisher's site).

CPM / Cost Per 1,000 Impressions – Advertiser pays every time 1,000 impressions of their ad are shown. No click guarantees are provided

CTR / Click-Through Ratio – The percent of impressions of an ad that are clicked on. $CTR = \frac{\#Clicks}{\#Impressions}$.

SEO / Search Engine Optimization – Getting your web pages listed for free and ranking high for relevant terms on major search engines like Google, Yahoo, MSN, Ask Jeeves. This does not include paid listings.

SEM / Search Engine Marketing – Any marketing using search engines, including SEO, PPC, Paid Inclusion

PPC / Pay Per Click – A form of CPC, however, this often refers to bidding on listings on paid search engine programs like Google AdWords, Yahoo Search Marketing, or MSN Ad-Center

PPL / Pay Per Lead – Same as CPL

ROI / Return on Investment – A calculation of the amount of profit generated by an expenditure. ROI is used as a metric to help managers effectively spend resources. $ROI = \frac{Revenue - Cost}{Cost}$. Typically the most difficult aspect of calculating ROI is determining what the true revenue and true costs are as they often include significant indirect expenses.

General Terms

Ad/Banner Management Software – Software or a web-based service that send ad images to the users computer and carefully tracks the number of impressions and clicks.

Banner – A graphical online ad sized at 468x60 pixels or some other resolution. A wide variety of standard sizes exist for graphical ads each with different names, but banner could be used as a synonym for other graphical ad units.

Beacon – A small transparent 1x1 pixel image that is shown to web users to track their progress or actions in an ad campaign or other web site activity.

Click – An action taken after viewing an online ad, usually leading to a view of the advertisers web site, or some other desired landing page.

Cookie – A small file stored by a web site on a users computer to track their usage of the web site and customize the site experience based on user tendencies. Cookies allow sites like Amazon to recommend new books by your favorite author.

Inquiry – Same as Lead

Impression – A single potential view of an ad. This is not the same as actual views, because an ad may be out of view (e.g., at the bottom of a page) or not seen by a reader or web user.

Landing Page – A page where inbound visitors are directed on a website. Many advertisers who pay for traffic will design custom landing pages in order to best 'monetize' the investment they made in the traffic.

Lead – An inquiry about your college programs. Leads for colleges are potential students that have expressed an interest in learning more about the college and its programs. Leads may vary in quality based on the level of interest of the inquirer, the amount of information they have before they become leads, and the process that was used to generate the lead.

Log Analysis Software – Software that reads and analyzes server log files to provide usable reports to technical and management staff.

Server Logs – Electronic records of user actions on your web site. Depending on the type and setup of your web server they may provide a very comprehensive view of user activity including page views, referring sites, errors and other valuable information.

Tracking - The ability of online advertising to measure every step of the advertising process from impression to click to action to advertiser revenue. Tracking is done with server logs, ad management software, and other software packages.

Unique User – A view of your web site by a unique person. Multiple visits in that time period, by the same person, count as a single unique user. You can obtain this number from your server logs.

Web Server – The software that runs on the server (computer) to display your web site. Also the name of the physical server(s) that hosts your web site (using the web server software).

Contextual Ads & Popups

Adware – 'Free' software that is loaded onto a users computer, with the users permission, to perform some useful task (like automatically filling in web forms, providing weather forecasts, etc.), in exchange for the ability to track the users web activity and show the user targeted contextual ads. Users of Adware have legally opted into the software license.

Contextual Ad – Any ad this is targeted based on contextual relevance to the users current web activities. This is often a popup ad shown based on the type of site the user is viewing, but it could also describe a search ad placed on a relevant site within a similar subject category (not on the search engine itself).

Pop-Up – A graphical ad that is shown to users on top of another, usually related, web site. Most pop-ups are shown by Adware companies that contextually track user behavior to show them relevant ads.

Pop-Under – Same as a popup but shown underneath the active browser window so as to be less disruptive to the user.

Slider – A type of popup Adware that is slightly less obtrusive because of the way it slides onto the users web browser, usually consuming only a small portion of available screen space.

Spyware – A form of Adware, except that the software abuses its ability to monitor the users activity. Typically spyware installs without the users explicit permission, is difficult to uninstall, and often violates general standards of privacy in terms of the information it provides back to its author. Advertisers usually pay on a CPC basis, but generally do not know how, where, or when their ads are appearing. Advertisers should be extremely wary that any adware they are considering is not spyware. If uncertain, stay away from adware as a form of advertising, as it could put your brand name at risk.

Search Engine Marketing

Bid Management Software – Software or services that allow web sites to set bidding rules for how much to pay for PPC search engine traffic. With many sites using such tools it is possible to be locked into escalating bidding wars that could be very costly.

Directory – A web-based catalog of information, typically organized by human editors. A directory is to the Internet as the table of contents are to a book. Yahoo was the first widely popular directory. Directories also include white and yellow pages for finding people and businesses, to specialized directories for individual subjects and markets.

Organic Traffic – “Free” traffic sent to a web site from search engines. Sometimes referred to as ‘natural’ or ‘search engine’ traffic. However, PPC traffic may also be referred to as ‘search engine’ traffic.

Paid Inclusion – An SEM ad product that allows web sites to have their web pages listed along with the organic listings, but at a flat CPC price.

PPC Search Engines – Search engines that allow web sites to bid on traffic on a CPC/PPC basis. Auction formats vary, but typically it is an open bidding process where you can determine how much to pay to be listed in a certain position in paid results at search engines. PPC search results are often distributed over other distribution partner search engine sites, and sometimes to contextually relevant content sites.

Search Engine – A web site that indexes many of the pages on the Internet and provides the ability for users to research web pages that contain information they seek. Engines are really a very powerful database that are built by programs called spiders, or robots, that read web pages all day long (crawling). Search results, and the order they are shown, are determined by intricate proprietary algorithms calculated by the engine. A search engine is to the Internet as an index is to a book.

XML Feeds – A way for large web sites to submit thousands of paid inclusion pages to a search engine.

An electronic version of this document is available at
www.elearners.com/resources/advertising-glossary.asp

www.AdGlossary.com - Another great resource for understanding advertising terms.