

O142 IGNITION PROGRAM

What to Expect from Digital Advertising

A Beginners Guide to Setting Goals, Targeting, and Anticipating Results

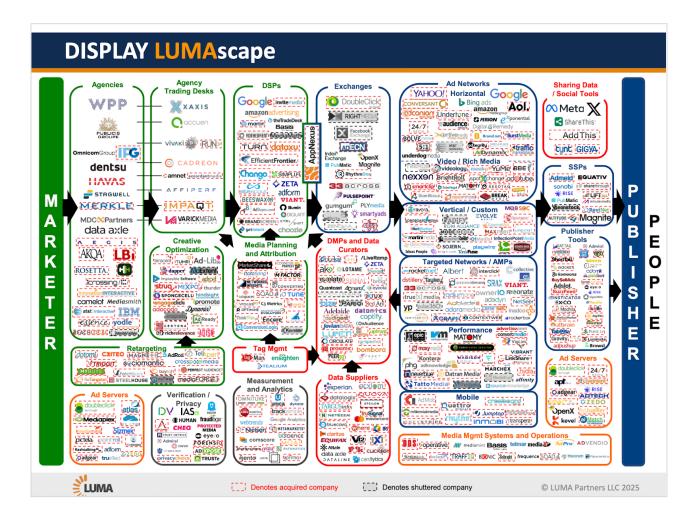


Forward

Digital advertising is now table stakes for all new and growing brands. <u>According to eMarketer</u>, all marketing is increasingly digital, driven primarily by consumer behavior. For many consumers, brand awareness and product discovery begin and end in digital channels, including search, display, and social media.

If you've looked into digital marketing, you probably encountered an alphabet of confusing and confounding acronyms. These may prompt people new to the field to ask, "Is digital advertising for us?"

To illustrate the complexity, let's look at one channel: display. The Display ecosystem alone comprises a dizzying array of players, all of whom tout a critical role. The LUMAscape represents the <u>complexity</u>:



This may be intimidating as a marketer of a smaller and growing brand. You're busy developing a brand, perfecting your products, sourcing new suppliers, and building your team. You don't have the time or ability to learn the ins and outs of a new industry.

Fortunately, you don't have to. Agencies like Orange 142 have teams of experts who can translate your business goals into a digital advertising campaign. Our teams can develop an audience and strategy for your business, execute and optimize multichannel campaigns, and report back results and insights for you.

A key to success is understanding what you can and can't accomplish through your digital advertising initiatives. For instance, consumers expect—and are legally entitled to—a fair degree of privacy. Your campaign can target and retarget consumers who click on your ads. Still, if they don't opt to disclose their names or personally identifying information (aka "PII data") via a campaign landing page, they will remain anonymous to your brand.

By partnering with an agency like Orange 142, you can participate in the digital advertising ecosystem to build your customer journey, elevate your brand, and close sales, even if your company lacks the skills and staff to do this work internally.

About the Orange 142 Ignition Program

The Orange 142 Ignition Program is a client success toolkit designed to help brands and agencies quickly learn digital advertising. Whether running their first campaign or expanding their service offering, the program provides educational guides, onboarding resources, planning checklists, and team support to ensure their campaigns are well-informed, well-executed, and aligned with their business goals.

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1. What Digital Advertising Can (and Can't) Do

Every marketer has heard the hype: Digital advertising is the key to growing your brand, and a small investment in, say, paid search or display ads is all you need to reach new customers and grow your business.

So let's start with realistic expectations. What can you expect from your digital advertising investments?

What Digital Advertising Does Well

- Increase brand awareness and visibility. Undoubtedly, digital advertising is
 one of the most effective ways to introduce your brand to new customers. The
 average person globally spends 6 hours and 38 minutes per day on
 internet-connected screens, which is about 40% of their waking hours. And
 media consumption is projected to reach nearly 8 hours per person in 2025. In
 short, consumers are online, and if you want them to become aware of your
 brand, your messages should also be there.
- **Drive traffic to your website or landing page**. Most brands want consumers to visit their websites and learn about all the brands offer. The question is, how do you get them there? All forms of digital advertising allow consumers to click through to their websites directly from an ad. The rate at which consumers do just that is known as a campaign's "click-through rate" or CTR.

The CTR you should expect for your campaigns will depend on various elements, including the channel, type of ad (e.g., display vs. video), audience, quality of your creative, and the state of mind of your audience. For instance, Google Search Ads targets consumers who search for products, indicating that they are in active shopping mode. Not surprisingly, Google Search Ads have an average CTR of 6.66%. Display ads appearing in news publications have an average CTR of 0.46% and 1.0%. This doesn't mean display ads are less effective. The lower CTR rate simply reflects that the consumer focuses on other tasks. But all those clicks indicate they've seen your ad and had enough interest to click.

- **Generate leads and conversions**. Digital ads are a great way to generate leads and conversions. Typically, performance campaigns include a custom landing page highlighting a product or promotion advertised by the ad creative ("Get the newest model of X; Act now and enjoy 10% off"). Performance campaigns work best when you've carefully selected the audience to target, have a clear and strong call to action, and have planned the entire end-to-end customer experience.
- Provide measurable results and insights. One of the best reasons to engage in digital advertising is that it can provide the marketer with a lot of insight into what works and what doesn't insights you can then use to improve a mid-flight campaign and future campaigns. For instance, you can A/B test your ad creatives, offers, and call to action to see which performs. You can test which audiences respond at higher rates, and which channels (e.g., publications, social media, mobile, video) deliver the highest conversion rates. This is valuable insight for optimizing ongoing campaigns and planning future ones.

What Digital Advertising Can't Do

- Guarantee immediate sales or conversions. Consumers may see your ad, even those with a direct and measurable need for your product (e.g., a new parent can see your ad for baby clothes and still not convert). Conversions come through nurturing—telling the consumer your brand story and how you intend to deliver on a promise.
- **Provide personal contact information of users**. One common misconception is that you can see precisely who clicks on your ads. In reality, you only get anonymized data about user behavior, not personal identities.
 - Consumers can decide if and when they want to provide your brand with their PII data. You can help that process by offering them something of value—a concept referred to as a value exchange. For instance, you can offer shoppers who sign up for your email newsletter early access to sales information or 10% off their order. The only way to collect the PII data from consumers who see your ads or click on your website is to offer an incentive that prompts them to share it.

Replace the need for a comprehensive marketing strategy. Digital
advertising alone won't build a healthy customer funnel for your brand. All
consumers need to be nurtured along the customer journey, which requires a
comprehensive and cohesive marketing strategy that communicates your
brand promise.

Why Setting Realistic Expectations Matters

Setting realistic expectations for what you can and cannot accomplish with digital advertising is essential. Realistic expectations will help you and your company avoid disappointment and frustration with your digital marketing efforts and investment.

Realistic expectations will help you allocate your budget and resources most effectively. If, for instance, your display campaign achieves a 1.5% CTR, you will know that it is well above the industry average.

Most importantly, realistic expectations will help you measure success accurately and make better and more informed decisions on important topics, such as which audiences to target in that channel and with which messages.

2. Buying Ads: Direct, Programmatic, and Everything in Between

The LUMAScape diagram in the Forward shows the complex digital advertising ecosystem. Let's go through some of the basics.

There are a few ways to acquire inventory to display your ads to consumers:

- 1. Direct deals with publishers
- 2. Social media advertising
- 3. Programmatic advertising
- 4. Curated deals (a version of programmatic advertising)

Direct Deals with Publishers

A direct deal is when you purchase inventory — display, mobile, CTV, in-game, digital audio — directly from an individual publisher. Typically, you select a subset of the publisher's users to target. This can be very effective if you know that a particular publication attracts a high concentration of your key audiences. But direct deals require contract negotiations (insertion orders if I/Os) and typically require you to purchase a relatively high number of impressions (i.e., number of ads placed). For smaller brands, direct details don't always make sense.

Social Media Advertising

Most social media ads are purchased through self-serve ad platforms (like Meta Ads Manager or TikTok Ads Manager) rather than through direct deals. These platforms let you create campaigns, define your audience, and set a budget without needing an I/O. You can target users based on interest, demographics, geolocation, behaviors, and other factors.

This level of control makes social media advertising accessible to most brands, especially smaller ones. That said, inventory is purchased in a real-time auction, which can drive up costs. While direct deals on social media are possible, such as partnering with a social media influencer to promote your product, most brands use social media platforms for paid campaigns.

Programmatic Advertising

Your audience will likely be found on many web channels (e.g., multiple news sites, social media platforms, streaming services, and so on). Rather than spending all of your ad budget on a particular publication, you should spread it around. In such cases, programmatic advertising is a vital tool.

<u>Programmatic advertising</u> is automated digital advertising that supports all ad types and channels, including display, mobile, video, native, CTV, gaming, and digital audio. Rather than negotiating agreements with publishers one at a time, programmatic advertising lets you purchase inventory from multiple publishers without manual intervention. Individual impressions are purchased one at a time via an auction (a process described in the Auction and Delivery Basics chapter).

Programmatic advertising lets you set parameters around who sees your ads, including the user's location, device type, channel (social media, USA Today, etc.), time of day the ad is seen, demographic (gender, income level, age, lifestyle), and intent. You can also decide to show your ads only to people consuming content relevant to your brand via a tactic known as contextual targeting.

There are multiple advantages to programmatic advertising, beginning with its many efficiencies. For instance, programmatic advertising collapses your market research and brand awareness initiatives into a single process. For example, you may assume that a particular market segment (e.g., moms) is your best audience, and the best places to reach them are in parenting magazines. However, you can test those assumptions by targeting other demographics on news sites. If those other demographics or channels deliver strong results, you have valuable insight into new pockets of demand.

Curated Deals

Let's say you want to buy inventory programmatically but have specific requirements, such as showing your ads only on premium publishers. Curated deals, sometimes called private marketplaces or PMPs, may be a smart option.

Curated deals and PMPs are instances where a provider, <u>such as Colossus SSP</u>, hand-selects publishers based on criteria and assigns them a deal ID. That deal ID is inserted into your bid requests to ensure only inventory from those select publishers is purchased.

Platforms Distribute Your Ad

Digital advertising, even direct deals, is highly automated. Platforms, such as Google, Meta (Facebook, Instagram, Threads), and programmatic networks distribute your ads across various channels and devices. The programmatic landscape comprises buyers and sellers, although plenty of other technologies participate, such as validating an audience, checking for and eliminating fraud, and assessing a placement to ensure it is brand safe or suitable.

	Platform	Role
Demand-Side Platforms (DSPs)	BASISGoogle Display & Video 360Amazon DSPYahooOthers	Purchase inventory from multiple publishers via programmatic auctions
Supply-Side Platforms SSPs	Colossus Media SSPGoogle Ad ManagerOpenXPubMatic	Aggregate inventory from multiple publishers for sale via programmatic auctions

You can't assume that a single DSP consistently delivers the best price or access for every impression. Each DSP has different integrations, data partnerships, and supply relationships that affect media's reach and cost. One DSP might perform well in CTV, while another offers better access to niche sites or private marketplace deals. That's why Orange 142 maintains seats with multiple DSPs, so we can match your campaign goals with the platform that offers the best combination of inventory quality, targeting capabilities, and pricing efficiency.

3. How Targeting Works

The benefit of general digital advertising, particularly programmatic advertising, is that it eliminates waste in your ad budget. Rather than blast a message to everyone in a region, you can select which consumers will likely respond to your ads and focus almost exclusively on them.

How is that possible? Targeting involves selecting specific audiences based on:

- Demographics (age, gender, income, lifecycle)
- Geographic locations (countries, cities, zip codes).
- Psychographics (Interests and behaviors)
- Contextual (e.g., topic of content)

Let's say you're a brand that sells a variety of vitamins and supplements. You may want to target women aged 24 to 40 with ads for your prenatal vitamins and age-related supplements for seniors. Demographic data can help ensure you target the right audience with the right message.

Or consider a tire brand. You should target Vermont consumers with snow tires and Florida consumers with all-weather options. Geographic targeting makes that possible.

Psychographic data targeting focuses your ad spend on a consumer's interests or behaviors. Many signals can help us glean that insight. If a user visits a cooking site and searches for pasta recipes, you can assume an interest in Italian food, and they may be an ideal consumer for your ad for organic olive oil.

Additional Targeting Options

In addition to demographic, geographic, and psychographic data, you can also target users based on:

Device Type

Target users based on their devices, whether that's a desktop, mobile device, or CTV. Let's say you're an online game developer with a new mobile game for iOS. Device type targeting allows you to show ads only to iPhone and iPad users.

Day Parts	Target users by time of day or days of the week. Let's say you're a quick-service restaurant and want to target office workers to visit your restaurant for lunch. You can target them from 11:00 AM Monday through Friday.
Retargeting	Re-engage users who have visited your site or clicked on an ad but didn't convert. These are high-value users who may just need a second (or third) touch to take action
Lookalike Audiences	Target users who "look like" your existing audiences. This form of targeting uses machine learning to find new users who resemble your best existing customers. This approach helps scale campaigns while maintaining relevance.

What if You Don't Have Targeting Data?

All of this presumes you have access to data you can deploy for your campaign, but that may not be the case if you're new to digital advertising. What do you do?

A lack of data is another good reason to partner with an agency such as Orange 142. Orange 142 has access to various third-party demographic and psychographic data through its relationships with multiple demand-side platforms (DSPs) and data providers. This allows them to target audiences based on age, income, interests, behaviors, and even recent purchase intent, ensuring your ads are shown to the people most likely to care about your product.

In addition, Orange 142 offers In-Need Targeting, a proprietary approach that identifies consumers actively seeking products or services based on search history, site behavior, and other intent signals. This allows brands to connect with people who are not just demographically aligned but behaviorally primed to take action.

Finally, through our sister company, Colossus SSP, you can reach <u>curated audiences</u>, such as consumers who:

- Live in a swing state.
- Are over 21 years of age and are interested in cocktails
- Members of an emerging demographic, such as BIPOC

Once your campaign runs, you'll build your data pool based on how users interact with your ads and landing pages. While this data is anonymized (meaning you won't know

individual names or contact information), it still provides valuable insight. Over time, you'll be able to identify which geographies, demographics, and psychographic profiles are most responsive to your messaging. This allows you to refine your targeting, optimize your spend, and shape more effective future campaigns. In other words, the more you advertise, the brighter your advertising becomes.

4. Auction and Delivery Basics

We mentioned earlier that programmatic advertising is based on auctions: Whoever bids the highest wins the impression and gets to show their ad to the consumer in question. How does that work?

Anatomy of a Real-Time Bid

Here is a very simplified, step-by-step description of the programmatic advertising process:

- 1. When a user arrives on a publisher's site, their browser sends a message to the publisher's ad server that says, "I'm here; show me an ad."
- 2. The ad server contacts the supply-side platform (SSP) and shares basic, anonymized information about the impression, including device type, geography, time of day, page content, and available ad slots (size, location, display or video, etc.).
- 3. The SSP then contacts the demand-side platforms (DSPs) and asks, "Here's an available ad impression. Do you want to bid on it? If so, how much?"
- 4. The SSP contacts each DSP and checks whether the impression matches the targeting criteria of any live campaigns (possibly including yours if you're working with an agency like Orange 142). These criteria include location, device, interests, time of day, budget, etc.
- 5. The DSP needs to determine if the impression meets its campaign's audience criteria, which it can do through data enrichment. This process often involves data management platforms (DMPs) or third-party data providers that can predict the user's demographics, browsing history, and other attributes behind the impression. This is an important step that helps DSPs evaluate bids.
- 6. If a DSP finds a good match between one of its campaigns and the impression, it will submit a bid. The bid includes the price it will pay and a link to the specific ad creative it wants to show.

- 7. The SSP collects all the bids, selects the winner based on price (assuming it meets other brand-safety requirements), and sends the winning ad URL back to the user's browser.
- 8. The user's browser calls the URL and displays the ad.

Once the ad is served, tracking pixels (tiny bits of code) help report performance metrics, such as impressions, clicks, and conversions, so your campaign results can be measured and optimized in real time. This entire process happens billions of times a day across the internet, and each time, it takes less than 200 milliseconds.

Note: This is a highly simplified description of a real-time auction. Many steps, such as header-bidding (a process deployed by the publisher and occurring pre-bid), are not described here. Our goal is to provide a simple understanding of how these auctions work.

5. Understanding Campaign Results

Once your campaign is live, the real learning begins. The ultimate goal of digital advertising is to influence consumer behavior, and even if users don't immediately convert, their actions tell a valuable story. Clicks, page views, video views, and time on site offer clues about how your message lands and where there's room to improve.

What Happens When...?

What happens if a user clicks on your ad but doesn't convert? When someone clicks on your ad, they're typically taken to a landing page or your website. If they take the desired action, such as filling out a form or making a purchase, you will obtain their personal information, which becomes your first-party data. If the visitor opts not to disclose that information, you won't know who they are, but you'll still get valuable insights into your campaign.

For instance, we have tools that track the clicks on an ad, whether they come to your site, how long they stay there, and the pages they visit. This information can help you identify what's working and what campaign elements need adjustment. For instance, if visitors click away from your landing page immediately, it may indicate a mismatch between the ad's messaging, landing page content, or the visitor's expectations. Conversely, did they stay and browse additional pages? If so, it is a sign that they may be interested in your brand, but not yet ready to convert.

If they don't convert, you can retarget them with follow-up ads, which keeps your brand at the top of their mind and, more importantly, reminds them to return to your site to complete the action.

Anonymized Campaign Data

All campaign actions and inactions provide insight and can be used to understand the user's reaction to your campaign, and understand in aggregate who responds to your campaign. Key campaign metrics include:

• Impressions: How many times was your ad shown? This helps with frequency capping, i.e., limiting how often the same user sees your ad to avoid overexposure.

- Clicks, CTR, Views, and View-Throughs: These metrics help assess your ad's
 performance. For example, comparing click-through rates (CTR) between two
 creatives can help you understand which visuals or messages are more
 effective.
- Onsite Behavior: We can track what users do once they click through to your site, such as how long they stay, which pages they view, and how they navigate. This tells you how compelling your content is and where friction might be in the user journey.
- **Bounce Rate:** The percentage of single-page sessions (i.e., sessions in which the person left your site without interacting with the page. If the bounce rate for a digital campaign is significantly higher than all other traffic sources to that web page, there may be a targeting issue with that campaign.

Tying the User Journey Together

We mentioned earlier that consumers will interact with your brand across multiple devices—a home computer, mobile phone, smart speaker, and connected TV. You will want to ask: Which delivered the most bang for my buck?

Comparing the performance of ads across channels is an art. For instance, you won't necessarily know how long (or even if) a consumer looked at your display ad, but if that visitor clicked on your video ad, we can track how long they viewed it and whether they viewed it to the end (this is tracked through video completion rate).

Tools such as <u>Domo</u> can help us connect data from multiple channels. Domo is used to track the performance of each channel, understand customer behavior, and improve marketing ROI. It can connect to various data sources, including marketing platforms, sales systems, and other business systems, to provide a holistic view of business performance.

Attribution Models

Not every ad interaction results in an immediate conversion. Attribution models help you understand how different touchpoints contribute to a conversion over time. For instance, a user might see a display ad one day, a social ad the next, and finally click a search ad before making a purchase. Attribution helps assign value to each of these steps.

Standard attribution models include:

First-touch	Gives all credit to the first interaction	
Last-touch	Gives all credit to the final interaction before conversion	
Linear	Spread credit evenly across all touchpoints	
Time-decay	Gives more credit to actions that occur closer to the conversion	
Position-based	Prioritizes the first and last touch, giving less to the middle steps	

How Google Analytics Fits In

Google Analytics 4 (GA4) is critical in helping you understand what happens after someone clicks on your ad and visits your site. While campaign platforms tell you where clicks and impressions originate from, GA4 enables you to know what consumers who've seen your ads do once they arrive. GA4 can bridge the gap between media metrics and on-site engagement.

Specifically, GA 4 lets you track:

- **Engagement rate:** Are visitors spending time on your site or clicking away? If the latter, it may be a sign that your messaging isn't setting the right expectations.
- Pages viewed: Which content paths are the most common? Which leads to the most conversions? And how can you optimize your end-to-end journeys so they follow those ideal content paths?
- **Time spent on site:** How much time do visitors who've seen your ads spend on your site? Are they exploring additional product pages? This is a key metric for promoting product discoverability.
- **Goal completions:** Are users completing the actions you laid out for your campaign (e.g., making purchases, signing up for newsletters, registering for your site)?

Additionally, GA4 offers some advanced features, such as cross-device tracking, to help you illuminate the customer journey. For example, if you discover that prospects

who see two display ads and then a mobile video ad convert at the highest rate, you can optimize your budget to support that message sequencing.

While this will not tell you who your visitors are, it will provide a clear picture of their actions. This insight will go a long way toward helping you refine your campaign strategy and drive stronger campaign performance over time.

The Value of Visibility

Not every ad needs a click to be valuable. As stated earlier, getting your brand in front of the right audience can have a measurable impact over time.

Why do ad impressions matter so much? An impression is counted every time your ad appears on someone's screen. Even if the user doesn't click, impressions still play a key role in:

- Building brand awareness. Repeated exposure helps consumers recognize and remember your brand.
- Creating trust. <u>Studies show</u> that brands that show up consistently in credible environments often gain consumer confidence.
- Driving future action. Most people don't convert on the first interaction.
 Visibility now can lead to a visit or purchase later.

Digital campaigns are often part of a multi-touch journey, where the consumer sees your message multiple times across multiple channels before taking action. That first impression might not deliver a sale, but it helps start the relationship.

What Does Success Look Like?

Success in digital advertising isn't always instant or obvious. While conversions are a key metric, they aren't the only signal that your campaign works.

Signs of a healthy digital ad campaign include:

- Increased traffic to your site or landing page
- Higher engagement (longer time on site, more pages viewed)
- Gradual improvements in conversions over time
- Strong performance from specific creative, audience segments, or channels

These patterns suggest your campaign is resonating and building brand familiarity, even if not every click turns into a sale.

Digital advertising is most effective when it's consistent. Just like building a brand or launching a new product, it takes repeated exposure and refinement. Campaigns often perform better after initial learning periods, primarily as you collect data, refine your creative, and optimize targeting.

6. Privacy & Data Regulations

Understanding Privacy in Digital Advertising

For many years, digital advertising relied on massive amounts of user data, often collected without the user's knowledge or consent. As consumers became more aware of these practices, they started to protest, and lawmakers and regulators responded.

The result of this pushback was two landmark privacy regulations:

- 1. General Data Protection Regulation (GDPR), which went into effect in 2018
- 2. California Consumer Privacy Act (CCPA), which went into effect in 2020

These regulations said that companies must have a legal basis to collect, store, and use personal data. One such basis is user consent, which is why cookie banners became common across the internet, even on sites outside the EU. Other legal bases include fulfilling a business obligation, like sharing your shipping address with a delivery company after you purchase. All privacy laws carve out sharing information with law enforcement to save a person's life.

Since then, similar laws have been adopted in jurisdictions across the globe. In fact, Some privacy laws now protect 70% of the world's population. This global patchwork of regulation is constantly evolving, which means platforms and advertisers must build their systems to comply with a wide variety of rules, even when those rules conflict or change frequently.

Privacy and YOUR Campaigns

So, how do these privacy laws affect your campaigns?

- You won't get personal contact details (e.g., emails or names) from users unless they voluntarily provide that information via a form or opt-in.
- Most targeting and tracking is done with anonymized data to protect user identities.
- Consent plays a significant role in determining what kind of data is available.

• Platforms and agencies like Orange 142 follow these rules closely to protect both the user and you, the advertiser.

Here's the bottom line: Respecting privacy isn't just a legal obligation, it's key to building consumer trust and running effective campaigns in today's digital landscape.

7. Best Practices for Digital Campaigns

- **1.** Advertising campaigns should be launched before a desired event, promotion, or season. Consumers can take 60-90 days to plan a trip or getaway.
- 2. Ads should be targeted to the most relevant audience for your destination. If you want to encourage dining and shopping, utilize those targets in your campaigns.
- **3.** The ad creative should speak to the target audience. If reaching fishermen, include imagery of the "big catch", boating, and other relevant examples.
- **4.** Ad creative should have a clear "call to action" to encourage consumer engagement.
- **5.** The landing page the ad directs to should be relevant to the target audience and the ad itself. For example, don't direct to a lodging page if the ad creative showcases great shopping.
- **6.** When creating a digital strategy, try to utilize multiple solutions to reach your target audience.
- 7. The average consumer needs 12-20 ad impressions before deciding.
- **8.** If someone is being served video, social, banner, and audio advertisements for your brand, they are more likely to take action and convert.

8. About Orange 142

Orange 142 is a digital marketing and advertising company with offices across the US. We help marketers of all sizes grow their reach and revenue through data-driven media strategies. We also partner with agencies and execute campaigns on behalf of their clients.

Our team of experts deeply understands the digital landscape and the latest advertising and marketing technologies. We work closely with our clients to develop and execute custom advertising and marketing campaigns that meet specific goals.

We are committed to providing our clients with the highest service and transparency. Open communication and collaboration are essential to the success of every advertising and marketing initiative.

Want to learn how this can work for you? Orange 142 helps businesses of all sizes navigate and maximize emerging advertising channels with strategic guidance and best practices. Let's connect to explore the right approach for your goals. <u>Contact us today!</u>