



## Challenges Faced by Display Advertising

The term “banner blindness” was coined in 1998 after a study found that many users tend to skip banner-like information when scrolling through a website. After seeing thousands of banner ads, they even learned to ignore them and focus their attention on a page's content.

Current statistics show that the average US user sees approximately 63 image ads per day. It is overwhelming and possibly the reason why around 380 million people use AdBlock software on their mobile browsers and 236 million on desktop computers. Some of their decisions to use it include:

- malware threat;
- interruptions in Internet usage;
- slow website loading time;
- too many ads on too many websites;
- tracking by unknown sites.

If someone is looking for information on a website but can't access it because of advertising, they definitely won't like a brand it promotes. As ad blockers increase, content in the form of less intrusive information can help retain your customer base.

### Making display advertising more effective with AI

As already mentioned, an advantage of display advertising is the ability to reach the target group and increase brand, product or service awareness. Technologies based on artificial intelligence are what you need to improve this process. Their use can serve to:

- better targeting thanks to understanding the needs and preferences of recipients;
- recommendation of products that customers are looking for or need at the moment;
- reaching new audiences through look-a-like audience analysis systems.

The goal of advertising network companies should be to increase the effectiveness of advertisements displayed on the Internet. Therefore, it is crucial to work on increasingly



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advanced solutions based on data analysis and machine learning models. Thanks to AI software, it is possible to obtain information in real-time, speeding up the process of reaching the target group.

### 1 Ad fatigue and banner blindness

One of the biggest challenges of display advertising is ad fatigue and banner blindness, which means that your audience gets bored or ignores your ads after seeing them too often or in too many places. This can reduce your click-through rates, conversions, and brand awareness, and waste your budget. To avoid ad fatigue and banner blindness, you need to create engaging and relevant ads that match your audience's interests and needs, and rotate them frequently to avoid repetition. You also need to test different ad formats, sizes, colors, and placements, and optimize your campaigns based on data and feedback.

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### 2 Ad fraud and viewability

Another challenge of display advertising is ad fraud and viewability, which means that your ads are not seen or clicked by real humans, but by bots, malware, or other fraudulent methods. This can inflate your costs, skew your metrics, and damage your reputation. To prevent ad fraud and viewability issues, you need to use reputable and transparent ad networks, platforms, and publishers, and monitor your campaigns closely for any suspicious activity or anomalies. You also need to use tools and standards that measure and verify the quality and visibility of your ads, such as the Interactive Advertising Bureau (IAB) guidelines, the Media Rating Council (MRC) accreditation, and the Google Active View system.

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### 3Ad blocking and privacy

A third challenge of display advertising is ad blocking and privacy, which means that your audience opts out of seeing your ads or sharing their data with you, due to concerns about security, user experience, or personal preferences. This can limit your reach, targeting, and performance, and force you to adapt your strategies and tactics. To overcome ad blocking and privacy challenges, you need to respect your audience's choices and rights, and provide them with clear and easy ways to opt in or out of your ads and data collection. You also need to create value-added and user-friendly ads that offer benefits, incentives, or solutions to your audience, and avoid intrusive or annoying ads that disrupt their online experience.

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### 4Ad compliance and regulation

A fourth challenge of display advertising is ad compliance and regulation, which means that your ads need to follow certain rules and standards set by different authorities, such as governments, industry bodies, or platforms. These rules and standards can vary by country, region, or sector, and can change over time, affecting your ad content, design, delivery, and measurement. To ensure ad compliance and regulation, you need to stay updated and informed about the latest laws and policies that apply to your ads and audience, such as the General Data Protection Regulation (GDPR) in the European Union, the California Consumer Privacy Act (CCPA) in the United States, or the Facebook Ads Policies globally. You also need to audit and review your ads regularly, and make any necessary adjustments or corrections.

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### 5Ad competition and differentiation

A fifth challenge of display advertising is ad competition and differentiation, which means that your ads need to stand out and attract attention in a saturated and noisy online space, where your audience is exposed to hundreds or thousands of ads every day. This can affect your ad recall, recognition, and preference, and make it harder to achieve your goals. To cope with ad competition and differentiation, you need to conduct thorough market research and analysis, and identify your unique selling proposition (USP) and value proposition (VP) that differentiate you from your competitors. You also need to segment and target your audience based on their demographics, behaviors, and interests, and craft personalized and customized ads that appeal to their emotions, needs, and desires.

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### 6Ad innovation and experimentation

A sixth challenge of display advertising is ad innovation and experimentation, which means that your ads need to evolve and improve constantly, to keep up with the changing trends, technologies, and expectations of the online space and your audience. This can require a lot of creativity, resources, and skills, and involve some risks and uncertainties. To embrace ad innovation and experimentation, you need to adopt a growth mindset and a data-driven approach, and be willing to try new things and learn from your failures. You also need to use various tools and methods that help you generate ideas, test hypotheses, measure results, and optimize outcomes, such as brainstorming, A/B testing, analytics, and feedback.