Web Companies Embrace TV Ads

New Media Find the Reach of Television Commercials Hard to Resist

By Suzanne Vranica

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[Google](http://quotes.wsj.com/GOOG) Inc., [GOOG -0.73%](http://quotes.wsj.com/GOOG) [**AOL**](http://quotes.wsj.com/AOL) **in** Your Value Your Change Short position and [Yahoo](http://quotes.wsj.com/YHOO) Inc. [YHOO +1.34%](http://quotes.wsj.com/YHOO) [**YHOO**](http://quotes.wsj.com/YHOO) **in** Your Value Your Change Short position are doing their best to lure advertisers away from television in favor of their outlets. But television's appeal is tough to resist—even for many website owners.

[TripAdvisor](http://quotes.wsj.com/TRIP) Inc. [TRIP +0.55%](http://quotes.wsj.com/TRIP) [**TRIP**](http://quotes.wsj.com/TRIP) **in** Your Value Your Change Short position recently kicked off a $30 million TV advertising campaign, the company's first. For 13 years, the travel website has relied largely on digital ads such as sponsored search results and, more recently, social media. While that has helped build a "decent level" of name recognition, the company says, it now wants to go further.

To do so, it believes it needs television.

"Nothing has that broad reach or the ability to build a brand faster" than TV advertising, said Anne Bologna, vice president of brand strategy for TripAdvisor. Ms. Bologna said TV was still the best vehicle for engaging an audience and telling a story.

It is a similar strategy at PopSugar Inc., which, to promote its [Shopstyle.com](http://www.shopstyle.com/) website, is devoting roughly $15 million to television ads. Digital advertising has helped the site generate traffic but its brand name is still virtually unknown, its research shows.

"We are graduating from being a San Francisco tech startup to becoming a household name," said Brian Sugar, PopSugar's co-founder and chief executive.

This sentiment helps explain why TV ad spending continues to rise, even as marketers have shifted money to the Web from other traditional media, such as newspapers and magazines.

Ad spending on TV in the U.S. is expected to rise 2.8% this year to $66.3 billion, according to eMarketer, or 38% of total ad spending on all media. Web brands spent $959.5 million on TV ads in the U.S. during the first eight months of this year, up 2.6% from a year earlier, according to ad-tracking firm Kantar Media.

One of the new Web advertisers on TV is [Zillow](http://quotes.wsj.com/Z) Inc. [Z -0.21%](http://quotes.wsj.com/Z) [**Z**](http://quotes.wsj.com/Z) **in** Your Value Your Change Short position Its real-estate website decided to start buying TV advertising in April, its first-ever advertising effort, after research showed that 88% of consumers had never heard of the company. Zillow is spending between $30 million and $40 million on ads this year, mostly going to television, the company said.

So far, TV ads have had a "significant impact" on the site's traffic, brand awareness and revenue, said Chief Marketing Officer Amy Bohutinsky.

Web companies have been advertising on TV since the late 1990s. During the first Internet boom, sites spent billions of dollars on TV commercials. Who could forget Outpost.com's flying gerbils commercial or Pets.com's sock puppet?

But those were the early days of the Web, when advertising opportunities on the Internet were limited largely to banner ads.

It is a different story today. There is search, online display and social media, and some online video outlets now draw nearly as many viewers as traditional TV does. That has spurred efforts by online video companies to go after television ad dollars—even hosting large-scale events, like TV's "upfront" ad-sales market—in hopes of getting marketers to commit dollars in advance, much in the same way that broadcast media companies do.

Web executives have high hopes that online video eventually will be able to provide them with the mass reach and emotional bond with consumers they crave. Still, some point out that online video pricing for premium inventory remains too high and that ad measurement needs to improve.

Online dating service eHarmony Inc. has tried various digital outlets in its 13-year history, including online display and social media. But it finds that television spots, which it has been buying since 2003, generate the best results in getting people to come to the website and fill out its questionnaire.

There is "something about TV that motivates people," said Grant Langston, eHarmony's vice president of customer experience.

"Display [ads] has never been a good performer for us," although advertising on [Facebook](http://quotes.wsj.com/FB) [FB -0.28%](http://quotes.wsj.com/FB) [**FB**](http://quotes.wsj.com/FB) **in** Your Value Your Change Short position has proved a better experience, he said. EHarmony allocates about 75% of its $90 million in annual ad spending to television.

Others companies say that digital marketing is valuable, particularly for specific tasks such as generating traffic.

Edmunds.com Inc. credits digital advertising such as search with helping the site attract an average of 18 million unique visitors a month. Even so, Edmunds next month will begin a $10 million television ad push, its first foray into national TV advertising since the car-shopping website was created in 1995.

"Digital has been doing a great job, and that is an important piece," said Michelle Denogean, vice president of marketing at Edmunds.com.

Still, Ms. Denogean said there is "always room to grow in awareness." The new ad push is about getting word out about new services the site is offering, she said.

Auto-research company Kelley Blue Book Co., which has operated KBB.com since 1995, had the same experience. Kelley, which had relied on search ads for years, started TV advertising last year. After its traffic jumped and brand awareness nearly doubled, Kelley is doubling its TV spending this year,

Most marketers maintain that a mix of ad tactics works best.

"You can't put all your eggs in one basket," said Wendy Froehlich, vice president of marketing at Homes.com, a real-estate site operated by Dominion Enterprises that began a new campaign in August, the first time the company has run TV advertising. The company has done search and social-media advertising but found that consumers didn't know about homes.com.

Nancy Go, director of brand marketing for Wayfair LLC, online furniture company, agrees. She said her company experimented with TV ads last year, spending $500,000 on a six-week trial. Traffic to the site jumped 15%. Wayfair is pumping $5 million into a TV campaign in the fourth quarter.

http://online.wsj.com/news/articles/SB10001424052702304281004579220530494235994