

Did Size Rules Harm Ad Rates?

In 2001, the last time the Internet ad market crashed, the biggest publishers figured one thing would make it easier for marketers to buy ads on Web sites. They created standard sizes for banner ads and other formats, through the Interactive Advertising Bureau. That way, an ad created for one site could easily be run on others.

Now some publishers, at least, think that those very standards are now at the root of the industry's current problems.

Charles Tillinghast, the president of MSNBC.com, said sales of the most expensive ad units were holding up fine. That includes video and customized programs, such as the "Your Business" section devoted to small business, which is sponsored by American Express. The low end, which for MSNBC are text ads related to the content of the articles it displays, are also performing well.

The problem is coming in banners and other display ads, the sort for which the industry created standards. For news sites over all, Mr. Tillinghast estimates that the rates paid for display ads are down 20 percent to 30 percent over last year.

The reason for this, he said, is that the standard sizes have allowed the advertising networks to turn display ads into commodities.

"We made it possible for any Web site to run ads through the ad networks," he said. "That's created an oversupply of space."

Mr. Tillinghast said he is trying to create more nonstandard ads. MSNBC, one of the most-visited news sites, wants to develop complicated new formats that are unusual and can't be bought from networks. These might include ads with more interactivity and more ways to collect data about users for advertisers, he said.

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COMMENT *The reason for the poor performance economics of standard ad units, IMHO, is that they hark back to a time when people used the Web to read about things as opposed to interact with people. The advent of social media has changed the way in which people consume media, and the advertising for it needs to adapt accordingly.*

Seth Goldstein, Feb. 6