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Starcom's Ad Deal for Kellogg's Hinges on Engagement

Banner-Ad Campaign Based on Cost per Interaction

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NEW YORK (AdAge.com) -- At a time when marketers are increasingly relying on engagement as a key metric of the success of an online ad campaign, Publicis Groupe media agency Starcom has brokered an online display-media deal based on cost per interaction rather than the more traditional metric of cost per exposure.



Banner ads for Eggo have been placed on sites including Kidzworld.com (above).

The deal was made on behalf of the Kellogg Co. with online ad rep firm Gorilla Nation.

Catching kids' attention

The campaign introduces two new Eggo products, French Toast Waffles and Mini Muffin Tops, to the children's market in a series of rich-media banner ads made by the marketer's creative agency, Publicis' Leo Burnett. The banner ads, placed on sites including Kidzworld.com, feature kid-friendly interactive games such as mashing up foods (chocolate and hot dogs, for example) and measuring how delicious they are.

Starcom is paying based on participation with the ad units.

"We are paying for the interaction, not just the chance for an interaction," said Andrea Krueger, digital supervisor at Starcom. "CPMs still have value in the marketplace -- this is just taking it beyond that," referring to the metric cost-per-thousand viewers.

"From a brand perspective, moving from impressions to interaction is an accountability issue," said Chris O'Connor, a Kellogg's senior brand manager, frozen breakfasts. "I am going to know how hard my dollars are working for me."

Offering something different

This is one of the first deals based on cost per interaction that Gorilla Nation has made, said VP-Sales Kyle Fletcher. The ad firm represents a lot of "mid-tail" sites such as Kidzworld.com, which get in the range of one million to 15 million unique

monthly visitors. Since Kidzworld doesn't offer the same reach as a Nickelodeon, Disney or Cartoon Network, it needs a different value proposition for marketers, said Mr. Fletcher.

"We have to differentiate ourselves in some way, and we are open to a lot of things. That was the main driving force behind a relationship that is more measurable," he said.

Though Kidzworld does assume a certain amount of risk with a deal like this, coming up with alternative ways to measure campaigns is becoming increasingly important as marketers grow disenchanted with measures like cost-per-click and cost-per impressions, he said.

Engagement is still a hot topic in marketing more than two years after the Advertising Research Foundation first decided to define an engagement metric.

Newly hatched model

One online ad provider that's also been aggressive in pushing the compensation model toward engagement is VideoEgg. The ad network [two months ago introduced](#) a new rich-media product called AdFrames, expandable ads that run within standard Interactive Advertising Bureau ad units. Advertisers only pay when a user has engaged with an ad. (VideoEgg instituted a three-second delay when a user rolls over an expandable ad to ensure the engagement isn't accidental.)

The idea, VideoEgg Chief Marketing Officer Troy Young said at the time, is if one site has an interaction or engagement rate of 0.2% and another has a rate of 2%, the publisher delivering the higher rate should get rewarded for that in the form of greater ad revenue.

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