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Analitički pristup onlajn oglašavanju: formati, ciljanje publike i optimizacija troškova

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Apstrakt: Ovaj rad analizira ključne aspekte onlajn oglašavanja kao jednog od centralnih elemenata savremenog digitalnog marketinga. Fokus je na osnovnim karakteristikama onlajn oglašavanja, vrstama digitalnih oglasa, tehnikama ciljanja publike i upravljanju troškovima oglašivačkih kampanja. Razmatraju se različiti formati oglašavanja, uključujući prikazne, tekstualne, video, native i oglase na društvenim mrežama, kao i njihove specifične prednosti i ograničenja. Posebna pažnja posvećena je metodama ciljanja korisnika, kao što su demografsko, geografsko, interesno, kontekstualno, psihografsko i retargeting ciljanje, koje omogućavaju veću preciznost i efikasnost marketinških kampanja. Takođe, rad obrađuje strategije upravljanja troškovima oglašavanja kroz optimizaciju budžeta, A/B testiranje, analizu povrata na investiciju (ROI) i diversifikaciju kanala. Cilj rada je da prikaže kako savremene digitalne tehnologije omogućavaju efikasnije, merljivije i prilagodljivije marketinške aktivnosti u odnosu na tradicionalne oblike oglašavanja.

Ključne reči: onlajn oglašavanje, digitalni marketing, ciljanje publike, ROI, digitalni oglasi.

An Analytical Approach to Online Advertising: Formats, Audience Targeting, and Cost Optimization

Abstract: This paper analyzes key aspects of online advertising as a central component of modern digital marketing. The focus is placed on the fundamental characteristics of online advertising, types of digital advertisements, audience targeting techniques, and advertising cost management. Various advertising formats are examined, including display, text, video, native, and social media ads, along with their specific advantages and limitations. Special attention is given to user targeting methods such as demographic, geographic, interest-based, contextual, psychographic, and retargeting targeting, which enable greater precision and efficiency in marketing campaigns. The paper also discusses strategies for managing advertising costs through budget optimization, A/B testing, return on investment (ROI) analysis, and channel diversification. The aim of the paper is to demonstrate how modern digital technologies enable more efficient, measurable, and adaptable marketing activities compared to traditional advertising forms.

Keywords: online advertising, digital marketing, audience targeting, ROI, digital ads.

1. Introduction

In the contemporary digital economy, online advertising has become one of the most influential components of marketing communication strategies. The rapid development of internet technologies, mobile devices, and data analytics has fundamentally transformed the way organizations communicate with consumers. Unlike traditional media, digital advertising enables highly interactive, measurable, and data-driven communication, allowing marketers to optimize campaigns in real time and reach precisely defined audience segments (Chaffey & Ellis-Chadwick, 2019).

The evolution of online advertising is closely linked to the broader transformation of marketing into a data-centric discipline. Modern marketing systems increasingly rely on consumer data, behavioral tracking, and algorithmic decision-making to deliver personalized advertising experiences (Kannan & Li, 2017). This shift has enabled advertisers to move from mass communication strategies toward highly targeted and individualized messaging, significantly increasing efficiency and return on investment.

A key feature of digital advertising is its measurability. Unlike traditional media such as television or print, online platforms allow advertisers to track user interactions, impressions, clicks, conversions, and engagement in real

time. This capability has led to the widespread adoption of performance-based models such as pay-per-click (PPC) advertising, where costs are directly linked to user engagement rather than exposure (Ryan & Jones, 2009). As a result, advertising budgets can be more effectively allocated and continuously optimized.

Furthermore, the rise of social media platforms has introduced new forms of consumer engagement and brand communication. Platforms such as Facebook, Instagram, LinkedIn, and TikTok enable advertisers to combine content marketing with behavioral targeting, fostering two-way communication between brands and users (Kotler et al., 2016). This interactive environment has significantly increased the importance of personalization, relevance, and user experience in advertising design.

Another important development in online advertising is the use of big data analytics and automated targeting systems. Research shows that data-driven marketing strategies significantly improve campaign effectiveness by enabling precise segmentation and predictive modeling of consumer behavior (Wedel & Kannan, 2016). At the same time, concerns related to privacy, ad fatigue, and ad-blocking technologies present ongoing challenges for advertisers. Recent studies indicate that artificial intelligence is increasingly transforming online advertising through advanced personalization, predictive analytics, and automated campaign optimization. At the same time, researchers emphasize growing concerns regarding consumer privacy, transparency, and ethical use of personal data in digital advertising ecosystems (Reeyazati&Samizadeh, 2024; Saura, 2024).

Within this context, online advertising can be understood as a complex ecosystem that integrates various formats, channels, and targeting techniques. These include display advertising, search engine marketing, video advertising, social media advertising, and email marketing, all of which contribute to building integrated digital communication strategies. The effectiveness of these tools depends not only on creative execution but also on strategic targeting and cost management.

Research Problem and Objectives

Despite the growing importance of online advertising, existing literature often examines advertising formats, audience targeting techniques, and cost optimization strategies separately. The core research problem of this paper stems from this fragmented nature of the existing literature, which frequently isolates these core dimensions into separate discussions. This research addresses this gap by establishing a unified analytical framework that demonstrates their strategic interdependence, thereby providing a comprehensive overview of the relationships between advertising formats, targeting approaches, and cost management practices in contemporary digital marketing.

The primary objective of this study is to analyze and synthesize how contemporary digital technologies enable more efficient, measurable, and adaptive marketing activities compared to traditional advertising channels. To achieve this objective, the paper addresses the following research questions:

RQ1: How do different online advertising formats align with specific marketing objectives and stages of the consumer decision-making process?

RQ2: How do contemporary targeting techniques optimize campaign relevance, and how do they navigate the emerging challenges of consumer privacy?

RQ3: Which cost management strategies are critical for maximizing the return on investment (ROI) within highly competitive digital auction markets?

The theoretical contribution of this paper lies in synthesizing existing knowledge on online advertising and highlighting the interdependence between advertisement formats, targeting mechanisms, and budget optimization strategies. By integrating these dimensions, the study provides a broader understanding of how digital advertising effectiveness can be improved.

Methodology

To provide a rigorous and comprehensive overview, this paper employs a structured literature review methodology. The research synthesis was conducted using peer-reviewed academic articles, book chapters, and authoritative industry reports (such as the IAB revenue reports). Relevant literature was identified through systematic searches in academic databases including Google Scholar, Scopus, and Web of Science.

The search strategy combined key terms such as "online advertising," "digital marketing," "audience targeting," "cost optimization," and "ROI". The scope of the analyzed literature spans from 2008 to 2026, with a deliberate emphasis on recent publications (2020–2026) to accurately capture contemporary structural shifts, including the integration of artificial intelligence, programmatic automation, and evolving global data privacy frameworks.

Sources were selected based on their direct relevance to the intersection of digital ad formats, consumer behavior, and financial efficiency

2. General Overview of Online Advertising

Online advertising represents one of the most important segments of modern marketing, enabling companies to reach a global audience through various digital channels. This form of advertising differs significantly from traditional media due to its ability to provide precise audience targeting, real-time performance measurement, and continuous campaign optimization. The development of digital platforms and data-driven technologies has further strengthened the role of online advertising in integrated marketing communication systems (Chaffey & Ellis-Chadwick, 2019; Kannan & Li, 2017; Evans, 2009).

Online advertising encompasses a wide range of strategies, from display advertising and search engine marketing to social media and email marketing. These channels are increasingly integrated within omnichannel marketing strategies, where consistent messaging is delivered across multiple touchpoints (Lamberton & Stephen, 2016; Yadav & Pavlou, 2014).

Display advertising is one of the oldest forms of online advertising and includes banners, video ads, pop-up windows, and similar formats that appear across different websites. These ads are visually engaging and are often used to increase brand awareness or promote specific products or services (Sutherland, 2020). A key advantage of display advertising is the ability to reach precisely defined target groups based on interests, demographics, and behavioral data. However, ad-blocking technologies and banner blindness represent significant challenges for advertisers (Goldfarb & Tucker, 2011; Deighton & Kornfeld, 2009).

Search engine advertising, particularly through Google Ads, is a highly effective strategy that allows companies to appear in search results when users actively search for relevant products or services. This intent-driven nature makes search advertising one of the highest-converting digital channels (Ryan & Jones, 2009; Li & Kannan, 2014). Payment is typically based on a pay-per-click (PPC) model, enabling advertisers to optimize costs and measure return on investment (ROI) more accurately. However, increasing competition for keywords has led to rising acquisition costs in many industries (Chaffey & Ellis-Chadwick, 2019).

Social media platforms such as Facebook, Instagram, Twitter, and LinkedIn have become indispensable channels for online advertising. These platforms enable advertisers to leverage advanced targeting capabilities based on user behavior, interests, and social interactions. Social media advertising is particularly effective for building engagement and brand loyalty due to its interactive and participatory nature (Kaplan & Haenlein, 2010; Dehghani & Tumer, 2015; Smith, 2011). Formats such as video ads, carousel ads, and sponsored content allow for highly creative communication strategies, while personalization significantly increases user response rates (Arora et al., 2008; Tucker, 2014).

Email marketing remains a powerful tool for direct and personalized communication with consumers. Despite being one of the oldest digital marketing channels, it continues to demonstrate high effectiveness when combined with segmentation and automation techniques. Personalized email campaigns significantly improve customer engagement and conversion rates (Chaffey & Ellis-Chadwick, 2019). However, challenges such as spam filtering and content relevance require continuous optimization of messaging strategies.

Overall, online advertising is increasingly shaped by data analytics, artificial intelligence, and automation technologies, which enable more precise targeting and improved campaign efficiency. The integration of these technologies has transformed online advertising into a highly dynamic and measurable marketing system (Wedel & Kannan, 2016; Dwivedi et al., 2021; Hoffman & Novak, 2018).

3. Types of Online Advertisements

Online advertisements have become an essential part of digital marketing, enabling brands to reach broader audiences through various digital platforms (Fennis & Stroebe, 2020). There are several main types of online ads, each with distinct characteristics and advantages, allowing advertisers to tailor campaigns according to their objectives and the needs of their target audience.

Display ads are one of the most common formats of online advertising (Lina & Ahluwalia, 2021). These ads appear on websites in the form of banners, images, videos, or interactive content. They are designed to attract users' attention while browsing different websites and may be placed in various positions on a page, such as headers, sidebars, or within the main content area (Lina & Ahluwalia, 2021). Their primary purpose is to increase brand awareness or promote specific products and services. A key advantage of display ads is their strong visual

appeal, and their effectiveness can be further enhanced through interest- or behavior-based targeting (Fennis & Stroebe, 2020).

Text ads are a simpler form of advertising and are commonly used within search engine results such as Google. These ads consist solely of text and typically include a headline, a short description, and a link to a landing page. Text ads are highly effective when combined with a pay-per-click (PPC) model, where advertisers pay only when users click on the ad (Lina & Ahluwalia, 2021). Their key advantage lies in relevance, as they are shown to users actively searching for related products or services, thereby increasing conversion rates and providing strong return on investment.

Video advertising has become increasingly popular due to the growth of platforms such as YouTube, TikTok, and social media networks that support video content sharing. Video ads are highly effective because they can convey complex messages and emotions in ways that are difficult to achieve with text or static visuals. They may be displayed before, during, or after video content, or as standalone ads on social media and other digital platforms (Lina & Ahluwalia, 2021). Video ads are particularly effective for brand building and user engagement; however, their production often requires greater resources compared to other ad types.

Social media ads are specifically designed for platforms such as Facebook, Instagram, LinkedIn, Twitter, and TikTok. These ads may include images, videos, carousels, or interactive elements such as polls and quizzes. Social media platforms enable precise targeting based on demographic data, interests, and user behavior, making these ads highly effective for achieving specific marketing objectives (Lina & Ahluwalia, 2021). In addition, they allow two-way communication, which further increases user engagement and fosters a sense of community around the brand.

Native advertising refers to a type of advertisement that blends naturally into the content of the page on which it appears (Lina & Ahluwalia, 2021). These ads resemble editorial content, which reduces user resistance and increases the likelihood of engagement (Fennis & Stroebe, 2020). Native ads are commonly used on news portals, blogs, and social media platforms, and may include text, images, or video content. Their main advantage lies in their subtlety and high relevance, as they are often tailored to the topic and tone of the surrounding content.

Pop-up and pop-under ads represent a more intrusive form of online advertising, appearing in separate windows above or below the current webpage. Although designed to attract user attention, they are often perceived as annoying, which may negatively affect brand perception. While they can achieve high visibility, their effectiveness largely depends on context and design quality.

Table 1: Types of Online Advertisements

Platform	Main Strength	Main Limitation	Best Marketing Objective
Google Ads	High purchase intent	High CPC in competitive industries	Conversions
Facebook	Detailed audience targeting	Declining organic reach	Awareness and engagement
Instagram	Visual storytelling	High content production requirements	Brand building
LinkedIn	Professional audience	Higher advertising costs	B2B marketing
TikTok	High engagement rates	Short content lifespan	Brand awareness and viral campaigns
YouTube	Strong video impact	Higher production costs	Awareness and education

Table 1 demonstrates that different digital advertising platforms possess distinct advantages and limitations, making them suitable for different marketing objectives. Google Ads is particularly effective for conversion-oriented campaigns because it targets users with explicit purchase intentions. However, increasing competition for keywords often leads to higher advertising costs. Social media platforms such as Facebook and Instagram offer advanced audience segmentation and strong engagement opportunities, but they require continuous content creation and optimization. LinkedIn is especially valuable for B2B marketing due to its professional user base, although advertising costs tend to be higher compared to other social networks. TikTok provides exceptional opportunities for organic reach and user engagement, particularly among younger audiences, but the short lifecycle of content may limit long-term campaign effectiveness. Finally, YouTube enables highly impactful video-based communication and educational content, although successful campaigns frequently require greater

production investments. These differences indicate that platform selection should be aligned with specific marketing objectives, target audience characteristics, and available budget resources.

4. Targeting in Online Advertising

Targeting in online advertising is a key strategy that enables advertisers to reach specific groups of users, thereby increasing the relevance and effectiveness of campaigns. Instead of displaying ads to broad and non-selective audiences, advertisers use various targeting techniques to precisely define who will see their ads (Fennis & Stroebe, 2020; Kotler et al., 2016). This personalization contributes to higher user engagement, improved conversion rates, and optimized advertising costs (Chaffey & Ellis-Chadwick, 2019).

One of the basic forms of targeting is demographic targeting, which allows advertisers to reach users based on demographic characteristics such as age, gender, education, occupation, and income. Luxury brands may target high-income users, while youth-oriented products are directed toward younger demographic groups (Quesenberry, 2020; Kotler et al., 2016). Demographic targeting is particularly useful for brands with clearly defined audience segments. Geographic targeting enables advertisers to display ads based on users' physical location (Fennis & Stroebe, 2020). This can range from global and regional targeting to country, city, or even neighborhood level. Local businesses such as shops or restaurants can target users in their immediate surroundings to attract nearby customers (Chaffey & Ellis-Chadwick, 2019). Geographic segmentation remains one of the most practical forms of targeting in location-based marketing.

Interest-based targeting is one of the most precise methods, relying on data about users' preferences and online activities. Advertisers use data from social media, search engines, website visits, and other digital interactions to identify user interests (Fennis & Stroebe, 2020; Wedel & Kannan, 2016). This enables highly personalized campaigns that increase engagement and conversion probability through behavioral data analysis.

Contextual targeting is based on the content of the webpage where the ad is displayed. Algorithms analyze webpage content and match it with relevant advertisements (Quesenberry, 2020). For example, travel insurance ads may appear on pages related to tourism. This approach is effective because users are already engaged with relevant content, increasing the likelihood of interaction.

Remarketing (retargeting) is an advanced targeting technique that allows advertisers to reach users who have previously interacted with a brand but did not complete a desired action. If a user visits an online store and views a product without purchasing it, ads for that product may later appear while browsing other websites (Chaffey & Ellis-Chadwick, 2019; Fennis & Stroebe, 2020). This method is highly effective due to prior user interest and behavioral intent signals. Psychographic targeting focuses on psychological characteristics such as values, attitudes, lifestyle, and personal preferences. It is used for highly personalized campaigns that address emotional and psychological needs of users. For example, environmentally conscious consumers may be targeted with messages emphasizing sustainability (Kotler et al., 2016). This form of targeting reflects the increasing importance of consumer psychology in digital marketing strategies.

Device-based targeting allows advertisers to deliver ads based on the type of device used, such as mobile phones, tablets, desktops, or smart TVs (Fennis & Stroebe, 2020). Mobile ads often require shorter and more concise messages, while desktop ads can include more detailed content and richer visuals. With the growth of mobile-first internet usage, device-based segmentation has become a critical optimization factor (Ryan & Jones, 2009).

Overall, targeting is essential for achieving high relevance and campaign efficiency in online advertising, significantly improving engagement, reducing costs, and increasing return on investment (ROI) (Chaffey & Ellis-Chadwick, 2019; Wedel & Kannan, 2016).

Empirical Findings on Consumer Behavior and Advertising Efficacy

To transition from a purely descriptive theoretical overview to an empirically grounded synthesis, it is necessary to examine how these targeting methods and formats perform in real-world contexts. Over the past decade, numerous researchers have empirically tested the direct impact of personalized digital advertising on consumer behavior, engagement metrics, and psychological resistance. Table 2 provides a structured synthesis of prominent empirical studies, mapping their methodological foundations to their core findings regarding consumer responses.

Table 2: Synthesis of Key Empirical Research on Consumer Behavior and Digital Advertising

Author(s) & Year	Key Criteria / Focus Area	Research Method / Context	Core Empirical Findings & Impact on Consumer Behavior
Tucker (2014)	Privacy controls & Personalized ad responsiveness	Field experiment on social networks	Granting users proactive privacy controls over their data significantly increases the click-through rates (CTR) of personalized ads, as it reduces consumer perceived risk.
Li & Kannan (2014)	Multi-channel attribution & Conversion behavior	Quantitative tracking data in online environments	Consumers do not convert linearly; different channels (search vs. display) hold varying touchpoint values. Text-based search engine ads capture active intent and yield the highest direct conversion probability.
Lina & Ahluwalia (2021)	Personalized ads & Social commerce impulse buying	Quantitative empirical survey on social commerce platforms	High relevance in personalized social ads triggers a psychological state of "flow experience" in consumers, which directly accelerates impulse buying behaviors on social platforms.
Leszczynska & Baltag (2024)	Data sharing willingness for personalization	Empirical consumer survey and behavioral tracking	Confirms the "privacy paradox"—consumers demand highly non-personalized alternatives unless a direct, transparent value-added benefit is visibly demonstrated by the brand.
Yildirim & Gündüzyeli (2026)	AI programmatic ads & Sustainability	Mixed-methods empirical evaluation of AI targeting ecosystems	Advanced AI algorithmic targeting vastly improves real-time consumer engagement levels, but rapidly induces severe ad fatigue if consumers perceive a total loss of tracking transparency.

Source: Author's synthesis based on referenced literature.

As synthesized in Table 2, the empirical data explicitly shows that digital advertising efficacy is a dynamic equilibrium. When ad formats are perfectly aligned with consumer psychology, such as generating a "flow experience" through highly visual personalized social commerce ads, they directly stimulate consumer purchasing actions and impulse buying. However, the data also warns that when tracking mechanisms cross ethical thresholds without consumer-controlled filters, ad fatigue and structural privacy pushback immediately degrade campaign return on investment.

5. Advertising Cost Management

Advertising cost management is a crucial component of a successful marketing strategy, enabling companies to efficiently allocate resources and maximize return on investment (ROI). In the digital environment, where numerous tools are available for performance tracking and analysis, careful planning, monitoring, and optimization of advertising costs has become increasingly important (Tillberg et al., 2020).

The first step in cost management is setting clear objectives and budgets. Advertisers must define whether the goal is brand awareness, lead generation, or sales growth, and allocate funds accordingly. Establishing a realistic budget helps prevent overspending and ensures financial sustainability (Tillberg et al., 2020).

One of the most important aspects of cost management is ROI tracking (Sutherland, 2020). ROI represents the ratio between revenue generated and advertising expenditure. Digital marketing tools such as Google Analytics and Facebook Ads Manager allow precise measurement of campaign performance. Based on ROI data, advertisers can identify the most effective channels and allocate resources accordingly.

Budget optimization is another key strategy, involving continuous adjustment of spending to maximize efficiency. In PPC campaigns, keyword performance can be analyzed and bids adjusted to focus on high-performing keywords (Tillberg et al., 2020). Similarly, social media campaigns can be optimized by adjusting audience targeting, timing, and ad creatives.

Channel diversification is also important, as it reduces risk and increases reach by distributing budgets across multiple platforms such as search engines, social media, email marketing, and display networks. This allows advertisers to test different strategies and identify the most effective ones.

A/B testing is widely used to optimize advertising performance by comparing different versions of ads, headlines, calls to action, or visuals. This helps identify which version generates better engagement and conversions, allowing resources to be directed toward more effective ads (Sutherland, 2020).

Seasonal trend analysis is another important aspect of cost management. During peak shopping periods, budgets may be increased to capture higher demand, while in off-peak periods, spending may be reduced to maintain efficiency (Sutherland, 2020).

Finally, collaboration with external partners such as digital marketing agencies can provide additional expertise and tools for cost optimization (Tillberg et al., 2020). However, careful selection of partners is necessary to ensure alignment with brand objectives.

Through careful planning, continuous monitoring, and optimization, advertising cost management becomes an effective process that enables brands to maximize resources and achieve desired marketing outcomes.

6. Discussion

The analysis indicates that online advertising represents one of the most effective and dynamic components of contemporary marketing communication. Its primary advantage over traditional media lies in its ability to enable precise audience targeting, real-time performance measurement, and flexible campaign optimization. These characteristics significantly contribute to improved marketing efficiency and higher return on investment (ROI), which is consistent with findings in digital marketing literature.

The examination of different online advertising formats shows that each type serves a distinct role within an integrated marketing strategy. Display advertising is particularly effective in the awareness stage, where the primary objective is brand visibility. In contrast, text-based ads are more effective in capturing users with high purchase intent, resulting in higher conversion rates. Video advertising and social media ads contribute strongly to emotional engagement and brand interaction, while native advertising reduces user resistance by blending seamlessly into editorial content.

The findings also highlight the critical importance of targeting strategies in determining campaign success. Techniques such as demographic, geographic, interest-based, and contextual targeting allow for high levels of personalization, while remarketing further enhances conversion potential by re-engaging users who have already interacted with a brand. These approaches demonstrate the growing importance of data-driven decision-making in digital marketing, where behavioral and psychographic data play a central role in shaping advertising strategies. Although personalized advertising generally improves campaign effectiveness, recent studies indicate that excessive reliance on consumer data may generate privacy concerns and reduce consumer trust. This phenomenon, often referred to as the personalization–privacy paradox, represents one of the most significant challenges for contemporary digital advertising strategies (Saura, 2024; Kumar, 2025; Leszczynska et al., 2024). This data-centric paradigm is increasingly constrained by structural market shifts and consumer pushback. Recent empirical evidence highlights that the rapid deployment of artificial intelligence and automated programmatic algorithms has vastly improved targeting accuracy and campaign automation. However, these developments have simultaneously intensified global debates regarding algorithmic transparency, consumer autonomy, and the long-term sustainability of highly personalized advertising systems (Reeyazati&Samizadeh, 2024; Yildirim &Gündüzyeli, 2026).

On a macroeconomic level, sophisticated targeting technologies are no longer just marketing tools; they actively reshape competitive dynamics and contribute to market concentration, creating complex challenges and structural changes for both consumer welfare and overall market efficiency (Pepall& Richards, 2025). Therefore, modern campaign sustainability strictly depends on finding a strategic equilibrium between tracking precision and ethical data boundaries.

Furthermore, the effectiveness of online advertising is increasingly challenged by strict privacy regulations, consumer resistance to tracking technologies, and the growing adoption of ad-blocking software. Another critical limitation identified in the literature is the increasing saturation of digital channels. As competition intensifies within search engine and social media markets, advertising costs continue to rise, particularly cost-per-click (CPC) rates. Consequently, organizations must actively balance targeting precision with cost efficiency through tools like PPC optimization and continuous A/B testing to maintain sustainable campaign performance.

From a theoretical perspective, this paper contributes to the digital marketing literature by integrating advertising formats, audience targeting strategies, and cost optimization mechanisms into a single analytical framework. Such an approach enables a more comprehensive understanding of online advertising effectiveness in contemporary

digital environments. Overall, online advertising functions as a complex and highly integrated system that requires a strategic combination of formats, channels, and targeting techniques in order to achieve optimal performance.

7. Conclusion

This paper analyzed the key aspects of online advertising, including its main forms, types of digital advertisements, audience targeting strategies, and cost management approaches. Based on the analysis, it can be concluded that online advertising is one of the most efficient tools in modern marketing due to its ability to deliver precise targeting, measurable outcomes, and flexible campaign optimization.

By synthesizing the existing literature, this paper provides concrete answers to the established research questions: In response to RQ1, different ad formats function as highly complementary components within the marketing funnel: video and social formats drive top-of-funnel emotional engagement and awareness, whereas text-based search ads are uniquely capable of capturing immediate purchasing intent and driving bottom-of-funnel conversions. Regarding RQ2, while advanced targeting models drastically improve campaign relevance, their ultimate efficacy is bottlenecked by the personalization–privacy paradox; sustainability requires brands to adopt transparent data practices and balance behavioral tracking with less intrusive methods like contextual targeting. Finally, addressing RQ3, cost optimization cannot rely on static budget cuts; instead, it demands dynamic, real-time strategies, such as continuous A/B testing and diversified channel allocation—to mitigate the financial pressures of rising cost-per-click (CPC) rates in saturated digital auctions. Despite its substantial advantages in budget optimization and ROI maximization, online advertising faces intensifying challenges, including digital market saturation, surging advertising costs, and strict structural constraints regarding data privacy and user tracking. In conclusion, the future development of online advertising is expected to be increasingly driven by advanced analytics, automation, and artificial intelligence, which will further enhance its efficiency and complexity. For marketing professionals, continuous adaptation to these technological, regulatory, and strategic changes will be essential for maintaining competitiveness and sustainable performance in the contemporary digital environment.

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