THE ENDURING EFFECTIVENESS OF CONTEXTUAL TARGETING

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Teads.tv

ROAST

Media Buying After GDPR

The impact of GDPR

On the 25th May 2018 GDPR came into effect, disrupting the way digital media is bought.

GDPR will change the very basis of the programmatic audience buying we have become accustomed to – the data that underpins it.

GDPR re-categorises both cookies and IDFAs as personally-identifiable information, and therefore restricts their use, unless the user gives consent. GDPR can be seen both as a challenge and an opportunity. The constraints that it places on data-based audience targeting provides the industry with a chance to refresh and refine approaches to digital media buying across the board. Now that the details of GDPR have emerged, it has become clear that contextual targeting deserves an in-depth reappraisal.

Digital Performance agency, ROAST, and the inventor of native video advertising, Teads, have partnered to deep dive into contextual vs. 3rd party data targeting prior to GDPR implementation.

Our hypothesis

This study tests one of the solutions for mitigating the effects of GDPR; the hypothesis that:

A carefully curated whitelist using contextual targeting will perform as strongly as a media buy using a 3rd party data overlay.

Testing a model for GDPR-proof media buying

The premise of our test: contextual vs. 3rd party data targeting

In this test, the two targeting methods are directly compared against one another. A combination of click through rate (CTR), hover % and viewability metrics are used to assess the performance of the ad placement:

- Does the ad placement encourage users to click through? (CTR)
- Does the advert's environment allow it to capture users' attention and prompt them to hover their cursors over the content? (Hover %)
- Does its position relative to the fold, or the quality of the publisher's ad ops set-up, allow it to be seen? (Viewability

These metrics cover the key elements of ad unit performance and to measure the impact of our two targeting strategies on media performance. One factor that is not covered is the impact on conversion, which is usually a key consideration for data-led media buying. Due to the scale of the test and its limited reach across the whole conversion funnel, this factor is excluded.

Contextual	3rd Party
Website Scores	Interest - Business & Finance - Advertising & Marketing
Ad Density	Demographic - Occupations and Job Functions - Marketing
Contextual Relevance	B2B Events - Events by Industry - Technology

The contextual approach in this study looks both at the physical attributes of a website and relevance of its content.

One targeting strand used 3rd party data segments to build up a digital profile of our audience, whilst the other deliberately avoided all traces of 3rd party data; a media buy totally impervious to GDPR scrutiny. This second strategy focussed purely on the context of the ad; both the quality of the site it is served on and its contextual relevance to the target audience.

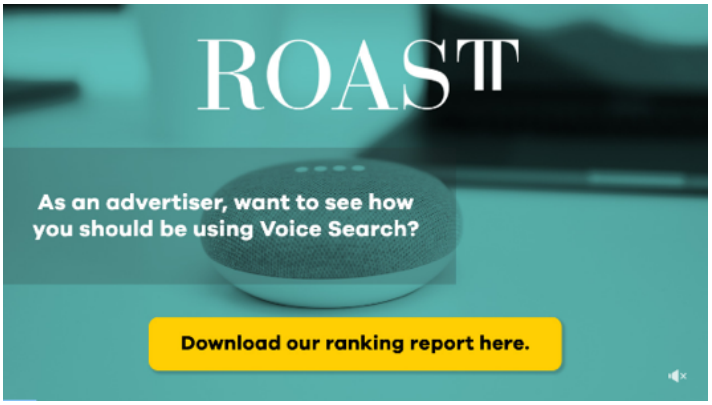
For the activity the inRead scroller display format on desktop was used. Desktop only, as opposed to running across mobile and tablet, was chosen so the test is not encumbered by too many variables that could skew results. The inRead scroller is a non-intrusive placement, supported by The Coalition for Better Ads (https://www.betterads.org/standards/). It stands out well with a large placement size, but still engenders a positive user experience by allowing the user to scroll past if they are not interested in the advert, as opposed to being forced to interact.

Examples of 3rd Party Data

- Lifestage
- Purchase Behaviour
- Demographic
- Credit Behaviour
- Salary
- Household Size
- Marital Status
- Occupation
- Interest

Our ad content: a ROAST media-first

The creative used for the test, across both targeting strategies, was advertising ROAST's Voice Search Report. Since the launch of smart speakers with built-in assistants, such as the Amazon Echo and Google Home, ROAST has been interested in the mechanics of voice search, how people are using the devices and how our clients engage with these interactions, so have produced a white paper on this subject.



Campaign Set-up

To isolate the relative impact of contextual targeting and 3rd party data on media performance the campaign targeting mechanism was the one variable that changed across the two test groups. This table indicates the variables which were kept the same when setting up the campaign:

Campaign Parameter	Notes
CPM	The target CPM was set the same for both targeting lines.
Campaign Duration	Matching start and end dates, ensuring that an upturn in voice search news or PR wouldn't benefit one targeting line and not the other.
Pacing	Both targeting lines paced evenly across the live dates.
Format	The inRead scroller was used across both targeting groups.

There were certain variables that remained beyond control. For instance, within the target CPM parameters it was not guaranteed that media spend was spread evenly across all the sites on the whitelist. This meant that certain sites took a more prominent role in the campaign and that others had little or no media spend against them at the end of the activity.

Furthermore, the whitelist was curated after analysing the performance of 3rd party publisher sites. During the campaign period, it was not possible to account for any large-scale development changes to these sites which may have adversely affected the performance of the contextual targeting line.

Moat tracking was used across both sides of the campaign. Additionally, sites from the whitelist were excluded from the RON buy to avoid cross contamination.

Curating the whitelist

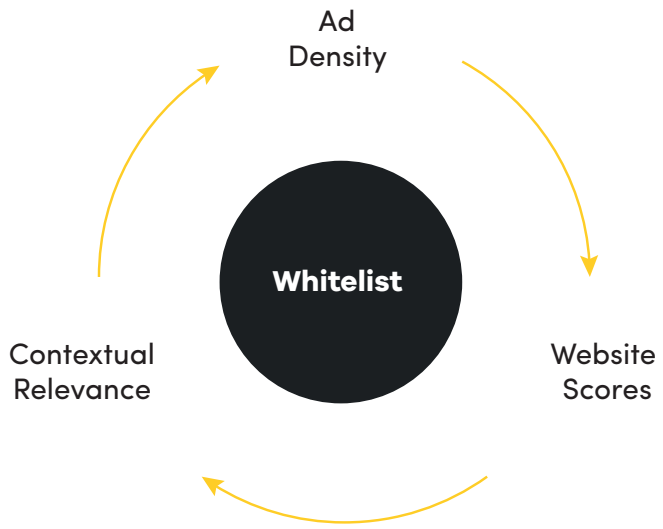


Diagram: Three elements of whitelist curation

The whitelist was constructed using a set of criteria that would determine both the quality of potential website inclusions and their contextual relevance to the advertising campaign. The set of criteria was formed around what constitutes an effective contextual ad placement:

- The advert appeared on a well-constructed and high-functioning webpage
- The advert was surrounded by an appropriate ratio of publisher content to other advertisements
- The advert's content aligned with the surrounding publisher content

Certain metrics, such as site speed and accessibility, were measured in bulk through automated web analysis tools. Others, such as ad density, were measured manually on sample pages from the publisher sites. The final criteria, contextual relevance, required a combination of ad tech and bespoke metrics.

Our whitelist decision-making in detail

Outlined below are the three assessment criteria in more detail. Each of these played a key role in forming the whitelist and went on to inform the insights gathered from the test.

A. Website Scores

Why does site performance matter? The call to our ad server takes place alongside many other requests, all of which contribute to rendering the webpage and its functionality once loaded. The ability of the ad creative to load quickly and fully on a webpage is affected by the other activity surrounding it, for example, heavy video content. Analysing this type of site performance before the campaign began, gave the adverts the best possible chance to be seen by consumers.

The analytics tools that ran over the URL list were the same as those used by SEO, UX and ad ops teams to monitor their clients' sites performance. In this case, rather than assessing a client's site performance for development or optimisation purposes, these tools were running to assess whether certain 3rd party webpages were suitable and accommodating environments in which to place advertising.

The foundation for the testing was a series of website scoring metrics. Each of these scores offered a different perspective on website functionality. Here is an outline of what these scores stand for, as well as the benchmarks that were set out for each (all scores are the mean score out of 100):

- Performance Score (This consists of 23 different metrics, including page redirects and server response time): 45.45 and above
- Accessibility Score (10 metrics): 50 and above
- Best Practices Score (19 metrics): 50 and above
- Speed Index Score (9 metrics): 40 and above

Aggregating these scores and filtering out sites with poor functionality ensured the adverts were appearing on well-constructed webpages.

B. Ad Density

A publisher page which scores highly against the performance metrics but contains an excessive volume of ad placements, or too few, is not a hospitable environment in which to serve an advert.

The process for measuring ad density was as follows. Firstly, a page which reflected the average number of ads one would encounter across the site was identified. Then each ad unit on the page was tallied up – from display units, to video and native – and the total was recorded.

Before counting began, certain parameters were set out to ensure that there was parity across all different forms of digital advertising. For instance, if there was a block of infinite-scroll content recommendations in the footer of an article, this would count as one ad unit rather than tallying up each individual ad.

Once ad density had been measured across all sites, those which didn't fall within the optimal density range (3-7) were filtered out. In order to calculate the optimal range we removed all sites which fell into the upper and lower quartiles for ad density, and selected those which came in between. As explained above, running on sites with too many, or too few, ads wouldn't be considered optimal.

C. Contextual Relevance

In this test, media buying was already steered towards contextually relevant content by real-time 3rd party tools. As part of the programmatic set-up, tech scraped webpages to monitor whether the content of an article aligns with the content of the advertising in this test. This was important both for ensuring ads appear in brand safe environments, and that impressions were bought which are surrounded by relevant keywords.

Above and beyond this ad tech configuration, a series of bespoke metrics were compiled to measure contextual relevance. All sites were grouped into one of four categories:

- Publisher falls under Tech or Marketing verticals (1)
- A subsection of the publisher's site falls under Tech or Marketing verticals (2)
- The site does not contain Tech or Marketing content, but does match the target demographic (3)
- The site does not contain Tech or Marketing content and doesn't match the target demographic (4)

The categories were numbered 1-4. 1 was the most contextually relevant and 4 was the least. Sites from 1 and 2 were then inserted onto the whitelist but only if they had fallen below benchmark on 2 or less of the website performance or ad density scores.

The Completed Whitelist

ROAST Whitepaper Whitelist (Curated: 12/03/2018)					
TOTAL: 40 sites					
Performance	Accessibility	Best Practices	Speed Index	Ad density (3-7)	Contextually relevant publisher
36	37	37	23	34	19

The output of this analysis was 40 curated sites. The table above shows the number of sites which fell within benchmark for each metric.

Ideally each metric would have been individually measured against context however due to constraints on the size of the test the metrics have been aggregated.

One side of the test ran against this whitelist and removed all 3rd party data. This was then compared with a media buy which ran across the entire Teads network (bar those sites on the whitelist) in combination with a 3rd party data overlay.

For our 3rd party data overlay, the segments chosen included "Interest: Marketing & Advertising", "Occupations: Marketing" and "Occupations: Technology" as we felt the ad would appeal to that demographic.

Top-line Performance

Careful contextual targeting and site curation provides comparable results to a 3rd party data overlay.

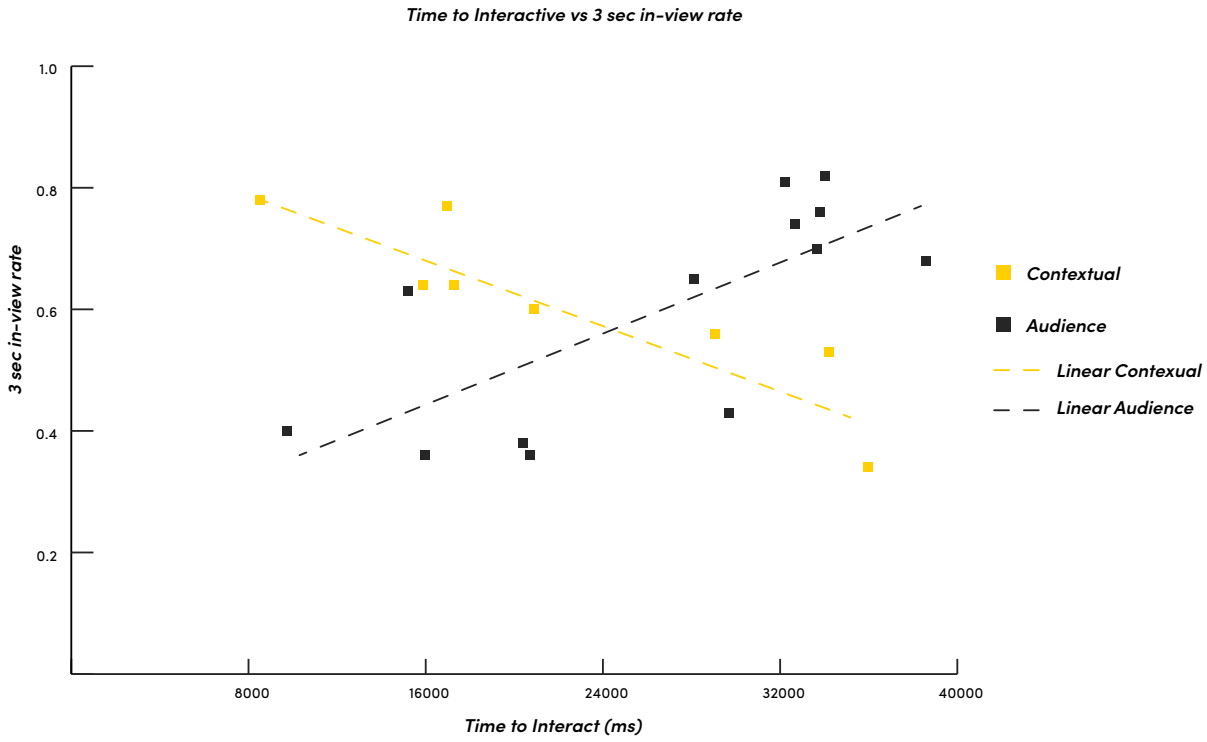
Contextual	Audience
0.236%	0.24%

There was a marginal 0.004% difference in CTR and, likewise, a 0.005% difference in 3 second in-view rate between the contextual targeting strand and the 3rd party data overlay.

3rd party data, often comes at a premium cost, whereas site curation using this methodology, does not. This test showed that data overlay and careful contextual curation provide comparable results. In a post-GDPR world where there may be a scarcity of data, and potentially a price increase, this is good news for advertisers looking for engagement activity (as we removed conversion from consideration).

The results of the test were positive for the contextual approach in the more detailed metrics. The curated whitelist saw a 0.03% increase in Hover % and a 0.03% increase in 5 second in-view rate. Both these metrics are strong indicators of a captive audience (Hover %) and a prolonged exposure to the ad content (5 second in-view rate).

Speed Metrics



Graph A: Time to Interactive vs. 3 second in-view rate

The above graph and below table show the Pearson Correlation Coefficient (http://www.statisticssolutions.com/pearsons-correlation-coefficient/) between the Audience targeting strand and Contextual Targeting strand vs. the measurement metrics. The difference shown between the two shows that for the Contextual strand there is a strong correlation between the reporting metrics and the site speed. This was not shown in the Audience strand where there was no statistically significant link between the two.

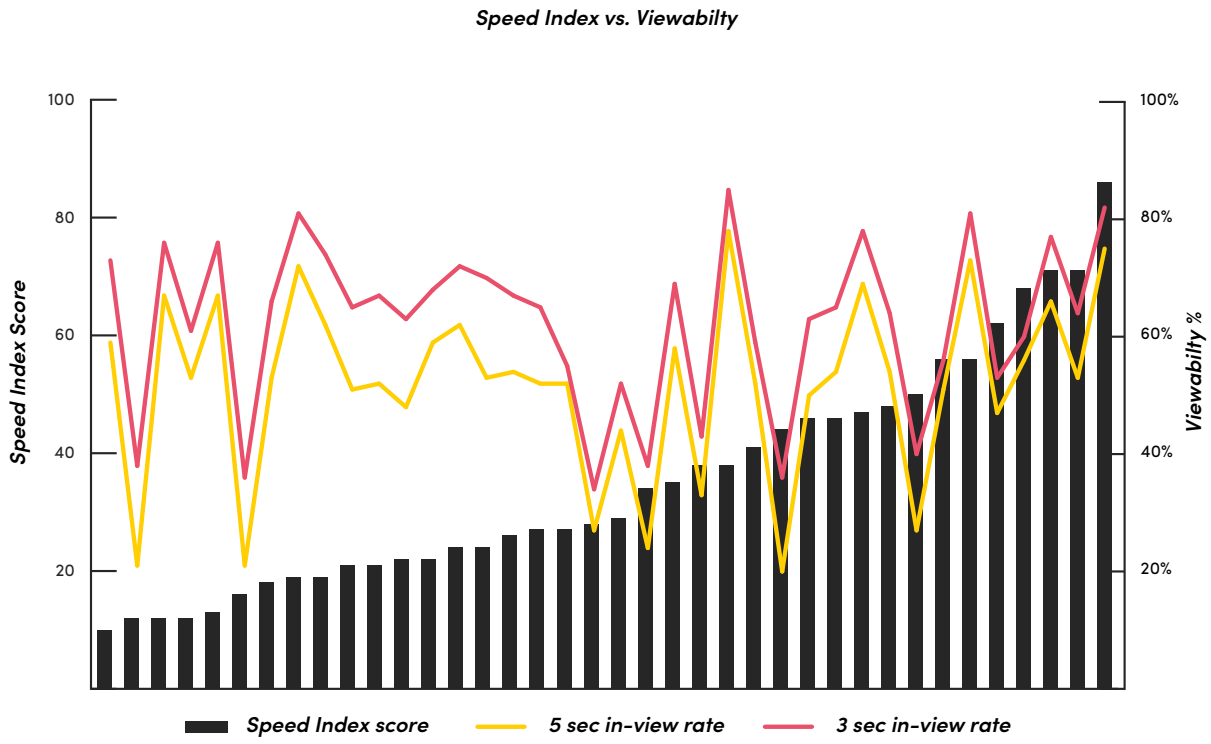
Audience

	Time to Interactive	Time to First Byte
CTR		
1s IN VIEW RATE		
HUMAN AND VIEWABLE RATE	X	
2 SEC IN-VIEW RATE	X	
3 SEC IN-VIEW RATE	X	
5 SEC IN-VIEW RATE	X	
HOVER/ SOUND ON		

Contextual

	Time to Interactive	Time to First Byte
CTR		
1s IN VIEW RATE	✓	✓
HUMAN AND VIEWABLE RATE	✓	✓
2 SEC IN-VIEW RATE	✓	✓
3 SEC IN-VIEW RATE	✓	✓
5 SEC IN-VIEW RATE	✓	✓
HOVER/ SOUND ON		

Relationship between speed and viewability

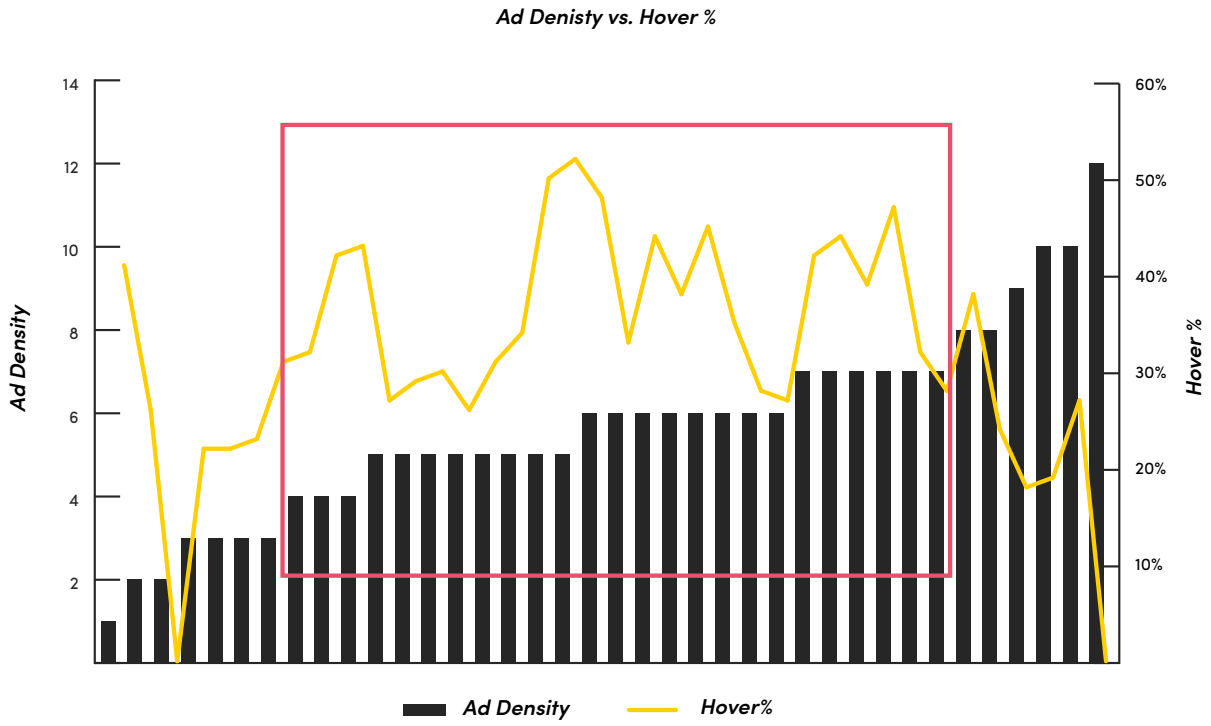


Graph B: The correlation between Speed Index vs. Viewability

The test proved that there was a correlation between site speed and viewability. The speed and functionality of a site dictate how likely the user is to scroll below the fold. Likewise, speed can dictate how long a user keeps above the fold content in view. For instance, if certain content is still loading and the advert has already been rendered, it will remain in view for longer due to slow speed.

Not many, if any, brands or agencies are using tools to curate their sitelist on this metric pre-campaign. The high-performing ad placements which were in-view for 3 seconds or more tended to be from one of two sources as can be seen above on Graph B. Either these ads were on sites with a high-speed index or on sites with a very low one. The test was inconclusive as it showed that long in-view rates can be both a positive or a negative. It can be a positive when an advert is served, rendered and remains on a fast-moving webpage for multiple seconds as the consumer is far more likely to absorb the content in this kind of environment. Whereas, it can be negative if the ad remains on page and in view due to a laggy, low-quality publication.

Working towards an optimum ad density



Graph C: The correlation between Ad Density vs. Hover %.

Looking across the key metrics, it becomes clear that the optimum level of ad density is between 4-7 ads on a page, as seen above in Graph C. This was unexpected, as it seemingly would make more sense for the only ad shown to have the most cut through. However, the learning from the test is that it requires several adverts on the page for a user to be aware. This requires a good ad ops set up on the back end, to ensure the adverts are displayed in a non-intrusive way, and across an entire web page so it doesn't make the user ad blind, but ad aware.

Site Performance in Focus

Some sites were taken from the curated whitelist activity (marked CURATED SITELIST), whilst others were from the 3rd party run of network audience campaign (marked RON AUDIENCE). Site names are omitted, but an indication of the site's vertical and size is provided.

Site 1: Tech publisher. Top 1,000 Alexa rank in UK CURATED SITELIST

Performance Score	Accessibility Score	Best Practices Score	Speed Index Score	Ad Density
82	60	56	28	8

This site was inserted into the whitelist due to both its contextual relevance and its perception as a high-quality publisher with rich editorial content. The site had a below average aggregate score. Its performance score was very good, however, due to the large amount of bulky editorial content and rich interface of the webpages, the speed index score is particularly low. Its inclusion was justified by the fact that we would want to align Voice Search with the quality content on the site, making allowances for the below-average speed.

The performance of this site is testament to the fact that the numbers should have been strictly followed. CTR and hover rates were below the campaign averages and ad unit benchmarks. Further to this, the 5 second in-view rate was less than half the campaign average. Context, in this case, didn't outweigh the effect of poor website scores.

Site 2: Lifestyle publisher aimed at Millennials. Top 150 Alexa rank in UK RON AUDIENCE

Performance Score	Accessibility Score	Best Practices Score	Speed Index Score	Ad Density
63	58	81	50	9

This popular lifestyle publisher had the highest aggregate score on the list. However, this strong pre-campaign profile didn't lead to a strong media performance. The site generated no clicks, the lowest hover % and below-average in-view rates.

So why the discrepancy? There are two likely reasons. The first is the high density of ads on the site. When the average number of ads on page were tallied up, this site had 9, which put it in the upper quartile of the list. The second is that the site's demographic and content had very little overlap with the target audience and ad content.

Site 3: IT publisher. Top CURATED SITELIST

Performance Score	Accessibility Score	Best Practices Score	Speed Index Score	Ad Density
45	71	56	71	5

This site is an in-depth news site for IT professionals. As such, the content of the campaign was particularly relevant for its user base. Furthermore, the site scored above average for all four of the website performance scores, appearing in the top quartile for Accessibility and Speed. It also fell within the optimum range for ad density (recording an average of 5 ads per page).

The strong campaign results delivered by this publisher demonstrate the effectiveness of curated whitelists and contextual targeting. Here is a snapshot of those results:

- CTR 4.6x higher than the campaign average
- Highest hover % of all publishers
- 5 second viewability rate, 3% above average

In summary, the perfect balance was struck between contextual relevance and quality of ad placement. When these two factors both align, strong performance follows.

Site 4: News publisher. Top RON AUDIENCE

Performance Score	Accessibility Score	Best Practices Score	Speed Index Score	Ad Density
55	69	81	56	2

This site had one of the top 3 viewability rates despite the fact it came from the 3rd party audience targeting group. This quality of performance also carried through into other metrics, with the site scoring comfortably above benchmark for CTR.

The site's website scores were typically on or above average and it had the second overall aggregate score. Like Site 2, the site was omitted from the whitelist because it had little or no contextual relevance to the campaign. The site is the UK domain of a French news and lifestyle publication. However, unlike Site 2, there was not a particularly high ad density. Meaning that, even though the content of the webpages was not contextually relevant, the publisher provided a hospitable location for the ads and achieved a good amount of cut-through with the target audience.

Contextual relevance isn't an essential criterion. With the support of 3rd party data segments, an 'irrelevant' site with consistently above-average website scores can still perform as well, or better, than one where the ad content perfectly matches the publisher content.

Conclusion and Next Steps

In this conclusion we will seek to answer these three questions:

- What are the key learnings from the test?
- What factors are most important when building a custom sitelist?
- How feasible is it to carefully curate sitelists for each individual piece of programmatic activity we run?

What are the key learnings from our test?

A main takeaway was that the campaign results of contextual and curated media buys are very similar to campaigns where 3rd party data is overlaid. Whilst not applicable for all campaigns, the test has proved that a comparable result can be achieved by applying care and attention to other parts of the campaign set-up, shifting the focus away from the 3rd party segments which the industry has come to rely so heavily on.

A logical extension of this test would be to increase volume further, allowing statistically significant analysis around the impact of the individual sub-categories of Website Scores, Contextual Relevance and Ad Density. The volumes of this test unfortunately did not allow for this level of analysis.

What factors are most important when building a custom sitelist?

The test also showed that carefully curated contextual campaigns are not solely about the matching of ad content to similar publisher content. When diving into the details of site-by-site performance, it is apparent that website performance scores matter. One of the insights from the test was that publishers with high performing website scores can deliver strong results regardless of their contextual relevance to the campaign. In identifying this, a new strategy for whitelist curation has been revealed; one which is based on using SEO expertise to assemble a collection of well-development sites to run media against.

From the site analysis, it is clear that the potential rewards for combining both contextual relevance and site performance are sizeable. However, no matter how contextually relevant a site is to an ad campaign, if it is slow, glitchy or muddled with ads, the media buy will not resonate with the end user. In chasing this holy grail of contextual targeting, it is important to resist the temptation to shoe horn in poorly-constructed websites just because their content seems a great fit for the campaign.

How feasible is it to carefully curate sitelists for each individual piece of programmatic activity we run?

The learnings from the test form a model for constructing a thoroughly-planned contextual media buy. The rigour that was applied to testing and curating the publisher sites cannot be carried out for every media buy and at all scales. However, moving into a media landscape which will be governed by the GDPR, the thought processes that media planners and buyers will have to exercise if they want to ensure their digital advertising continues to reach audiences cost-effectively and in a way that will resonate, have been shown.

A great practical starting point for leveraging these methods of whitelist curation would be to begin to build out a repository of publishers whose webpages are hospitable environments for ads. This knowledge can then be overlaid onto a variety of different campaigns and media buys, ensuring that any curated or stock whitelist is cleansed of poorly-developed web properties. Storing up this kind of knowledge will allow agencies and advertisers to run a more refined, more sophisticated form of contextual targeting, at scale, after GDPR.

Glossary

GDPR

General Data Protection Regulation

Cookies

A small text file that is stored in the user's computer – cookies provide a way for the website to recognize you and keep track of your preferences.

IDFAs

Identifier for Advertisers

1st Party Data

Your website's own data

2nd Party data

Someone else's 1st party data

3rd Party Data

Data acquired from a multitude of aggregated sources – often from information gathered from internet interactions.

SEO

Search Engine Optimisation

CTR

Click Through Rate

CPM

Cost Per Mille

Whitelist

A chosen list of sites that a campaign runs on

Ad Density

Number of ads displayed on a webpage

Accessibility Score

The weighted average of all the accessibility audits

KPIs

Key Performance Indicator

Viewability rate

The percentage of impressions where the ad is in view

Hover rate

The percentage of impressions resulting in a user hovering on an ad

For any further questions,
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