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How to harness the power of contextual targeting

1. What is contextual targeting?

Contextual targeting is a form of advertising that chooses to serve an ad based on the content and environment that the ad will appear in, as opposed to data on the user that the ad is being served to.

Nowadays this may extend beyond just content and keywords on a page; today contextual targeting solutions can be used to serve ads based on several factors that define a page beyond just the content itself. For example, you can target ads based on the sentiment of the content i.e. if it is positive/negative, happy/sad, the placement of the ad, the device it's being viewed on, the time of day, type of ad, and several other factors that we will explore in this paper.

Although contextual targeting has always been a fundamental part of the marketing mix, it is regaining particular interest in today's environment for a number of reasons, some of which have pushed advertisers to such solutions and some of which have drawn them to it.

The push factors mainly stem from consumers becoming more conscious of and protective over their online data and privacy. This change in attitude has developed alongside increasing regulations in this area (such as the GDPR) and the deprecation of third-party cookies by browsers (also being driven by privacy regulation). Another push factor is the realisation that third-party data can have limitations around accuracy, especially when matched across multiple sources, which can lead to optimisation challenges and confusing results for consumers. These factors combined make audience targeting less attractive to some marketers and have also led to a reduction in the availability of third-party data, making audience targeting strategies more difficult to scale. As a result, advertisers are turning to contextual targeting solutions as an alternative method to identify and message to more relevant audiences and interests, in contrast to pure broadcast and reach, where contextual may have previously been positioned.

In parallel, contextual targeting offerings in the market have developed, creating draw factors that have encouraged use and testing by advertisers.

These draw factors are:

Better predictions:

The sophistication of contextual targeting models has increased exponentially. For example, the introduction of AI and natural language targeting enables understanding of the full body of content, not just keywords, which in turn enables more creative and insightful targeting strategies.

Richer data:

Contextual technology has improved not just by advancements in technology but also from richer data being used to power contextual models. For example, this could include site layout and visual attention data to augment the semantic data.

Positive targeting:

As the technology has become more sophisticated, it can be now be used to understand the sentiment of a page. For example, whether an article is talking about race in a positive or negative way. Nowadays advertisers can choose to target a topic not just based on the context, but also the sentiment it has been written with.

As a result, contextual targeting was growing in popularity as an exciting and powerful marketing lever well before the decline of other targeting strategies kicked in.

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2. What are the advantages of contextual targeting and why is it a good choice?

As complicated as digital marketing may seem, the goal of every campaign is simple: reach the right person at the right time with the right message.

That is the promise and the power of contextual targeting. Rather than trying to build the right audiences based solely on audience profiles, contextual targeting helps deliver ads to users who are more likely to be interested in a related brand's message based on the content they are viewing at that moment.

Another way of describing this approach is "mindset marketing", a consumer-centric strategy in which advertisers design campaigns to match the mindset of the customers viewing them, based on the placement and content around each ad.

In the offline world, this type of contextual marketing is common. Think about the athletic clothing logos blanketing stadiums – and players – at major sporting events, all designed to appeal to the armchair athletes watching and dreaming of scoring their own winning goal (or at least wearing the same shoes as the player who did).

In the digital medium, context offers an even more robust set of tools. For example, an outdoor clothing retailer could place its ads around related content tied to camping, hiking, home fitness, and other outdoor activities. It might also find, however, that its ads are highly effective in other contexts; such as nature documentaries, travel advice, barbeque recipes, yoga blogs, or dog training. Therefore, another benefit of contextual targeting is not just the ability to target ads but also the subsequent ability for the advertiser to use the data on best performing ad placements to better understand their audiences and their target audiences' interests.

One of the most important advantages of utilising a contextual approach is that it allows advertisers to identify brand-suitable environments for their advertising based on the context of each word, not just individual terms. This in turn empowers advertisers to utilise more inventory and reach consumers in safe and brand appropriate environments. This idea of brand suitability introduces nuance, which expands beyond brand safety and extends into a spectrum. This means your ads are not just safe or unsafe, rather consumers' mindset is considered and the technology looks at the totality of the page,

as opposed to individual keywords. By evaluating and categorising billions of web pages and other digital content, advertisers not only avoid inappropriate or unsafe content, but also find content that reaches their customers and achieves their business objectives based on their individual voice and insights.

Contextual campaigns can be measured and optimised over time to improve ROI, find new brand-suitable categories, and expand their reach. They can also take advantage of seasonal opportunities and real-time events, so advertisers can plan for – and react to – changes in the world of digital content, to ensure their campaigns are relevant, timely, and impactful.

3. What are the limitations of contextual targeting?

The methodology of how a technology accurately recognises the context of a page varies from partner to partner. Some may look at keywords and others may use semantics, A.I or natural language processing.

For contextual targeting to work effectively, advertisers should be sure they understand the methodology of their chosen tech vendor, and their targeting strategy should adjust accordingly.

It is common practice for contextual targeting to be used in conjunction with keyword targeting or blocking. However, keywords have limitations in that they do not consider the wider context that the keyword is being used in. An example may be that an advertiser wants to avoid content related to death and injury, so they therefore choose to block content that includes the words 'shoot' or 'attack' to help mitigate this risk. However, in turn they may also block thousands of pages related to sports or fashion, where such words are being used in a different context, i.e. 'shoots for goal', 'goal attack' or 'photo shoot'.

As brands are more conscious of being ethical with their advertising, they should review their targeting and blocking strategies to ensure that they are not excluding any groups or audiences that they did not intent to, and that the content and audiences that they are targeting are in line with their brand values. To understand this issue better please see this article.

We are working with our members to create practical guidance to help advertisers understand how to manage diversity and inclusion in their targeting strategies.

For best practice when it comes to understanding and using contextual targeting technologies we recommend you check out our Content Verification Guide, which draws parallels to this topic.

4. How has contextual targeting evolved and what's next?

Ad tech is a fast paced, rapidly evolving and complex industry. However, while new technologies, terms, and acronyms come and go, the industry is fundamentally about reaching a human being with unique wants, needs, and interests.

Evolution 1: Context over content

Where we are today?

Rather than just checking for particular words in a URL or webpage, advanced technology can now analyse and understand text on the page in a similar way to the human brain, evaluating not only specific terms but the context in which they are used. This enables advertisers to target content based on the complete meaning and even the sentiment of text. This approach also outsources trust technology, so that advertising can be delivered at scale without the need for manually reviewing a long list of sites or environments. The technology will find, analyse and decide on the suitability of every ad placement.

What's next?

Until now, contextual targeting has been a tool primarily used for text-based analysis. However, we expect to see exciting, innovative growth for both targeting and brand safety solutions moving forward. New contextual capabilities in video, imagery and other interactive formats are emerging to meet the demand of content producers and consumers who are creating, and demanding, more image and video content across the web.

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Typically, analysis of videos and images is done based on meta-data which can be unreliable and inadequate when considering other media channels, such as in OTT (streamed TV).

Emerging A.I. technologies such as Computer Vision allow processing, analysis, and understanding of digital imagery and video content. This is an exciting area that would allow advertisers to unlock a much broader range of content than has been previously possible.

Moving beyond text-only analysis will allow advertisers to fully understand and target based on all types of content on a page, empowering brands to connect with customers in brand-suitable environments.

An alternative approach is to establish trust in new qualitative metrics that are used in other channels, such as OOH (out of home). A blessing and a curse of digital is that every element of a campaign can be, and therefore is, tracked. There is an opportunity to bring digital into line with many other channels in the area, however some argue that this is a backward step.

Evolution 2: Alignment of content and messaging

Where we are today?

There has always been a desire to align data points to creative messaging. Dynamic Creative Optimisation (DCO) is an area that has existed for some time but, to date, has arguably lacked in its ability to deliver on all the data points that are being gathered either from content or audience.

What's next?

The next step for DCO is to be able to fully align all data signals in real-time to deliver something which is truly relevant to the user, whether that be based on the content they are consuming or first or second-party data sources.

With advances in machine learning technology and DCO propositions, we will continue to see rise in both capabilities and results from aligning messaging to content.

Evolution 3: Role of the publisher

Where we are today?

In 2019, publishers' revenue streams became more dependent on big tech's troves of first-party data. But the tide is beginning to shift as publishers reclaim control and harness the value of their datasets with independent alternatives to the tech platforms.

What's next?

Publishers are beginning to form alliances that enable contextual targeting at scale across their collective properties, while other industry consortiums are providing identity alternatives. Most importantly, there is more willingness among publishers, media buyers and tech providers to work closely to address these issues. With identity challengers on the horizon, and advertisers seeing the growing importance of first-party data, publishers are in a strong position to leverage their direct relationships with users to enable better, more personalised ad experiences for their users.

Looking to the future, the possibilities that contextual targeting will bring across screens and formats is exciting. While likely that regulations and consumer viewing habits will continue to shift and evolve, contextual targeting - capable of delivering scale across a range of KPIs - will remain a safe bet for technology platforms, advertisers, publishers, and ultimately consumers. Continued industry collaboration will be key to the development of contextual targeting.

Evolution 4: The rise of video context

Where we are today?

Today, video is a fast growing and ever important component of the media mix, which poses both opportunities and challenges for contextual targeting. To date, technologies have often relied on metadata to be able to understand the context of video content, but this has a lot of limitations as metadata provides very little detail and can be misleading.

What's next?

Due to the dynamic nature of the medium, brands require evolved technology that helps them to understand and control nuanced contextual environments that are suitable for their brands, beyond labels in the metadata.Human input and technology solutions with advanced A.I. will usher in the next era of video context understanding.

Evolution 5: Looking at the moment beyond the content

Where we are today?

Contextual solutions today have centred around understanding the content of the page i.e. the words, videos, pictures, or audio.

What's next?

There are many signals outside of the content itself that can help advertisers understand more about the moment an ad is being served in. For example, location, time of day, ad size, ad placement etc. are all factors that help an advertiser understand more about the context of an ad, beyond just the content it is being served against. By this, we mean that you can better understand the mood, emotion and psychology of the user, and can use this to serve a more personalised ad experience, which in turn can help to maximise effectiveness.

These capabilities are available today and gaining traction in cookie-less programmatic marketing. To better understand some of the page factors outside of content that play a part in the effectiveness of an ad, we recommend checking out our Rules of Attention study, conducted with Lumen and IPSOS MORI.

5. Contextual targeting best practice

This final section covers the industry-wide best practice to remember when considering contextual targeting strategies.

- **Take a multifaceted approach.** Contextual targeting nowadays goes beyond keywords and consists of many factors, such as topics, feelings, entities and sentiment. When planning your contextual targeting, consider how you can target by using a combination of these tactics. For example, your brand may typically choose to avoid content about race or religion, but would consider targeting such categories if they were being talked about in a positive sentiment

- **Think of the page beyond the semantic content.** Factors such as ad placement and ad clutter play an important part in how effective your advertising will be. Check out our Rules of Attention research for more information on factors that play a role in effective ad placement

- **Start broad, then narrow down as appropriate.** When it comes to contextual targeting it's important to start with broad segmentation, refining it in order to achieve a balance between scale and performance

- **Evaluating learnings to find new audiences.** By evaluating the performance of your contextual categories, you may be able to identify new audience types that are interested in your brand and you should therefore consider how contextual learnings can expand your targeting and reach

- **Factor in brands' own consumer insights.** What is deemed a suitable environment should be tailored according to brands' own consumer insights and brands should work closely with their contextual technology partner to ensure that the advertiser understands how the technology identifies and categorises this content type

- **Take time to understand the technology.** Brands should ask questions about how the technology of their chosen contextual partner(s) works and what methodology is used to categorise content. Doing so can help ensure you use the tool effectively (The 'Questions for your content verification partner' section in our Content Verification Guide is a good starting point)

- **Be aware of the limitations of contextual targeting, especially when using keywords.** Refer to our Content Verification Guide for more information on best practices when using keywords for targeting or blocking

- **Look at the creative** and think about how the messaging could inform the context that is being targeted

- **Audience understanding beyond 3rd party and personal data.** Consider how contextual can be a proxy for audiences in environments that have limited support for third-party cookies e.g. matching target audience profiles (where trackable) to environments that over index for a similar profile

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