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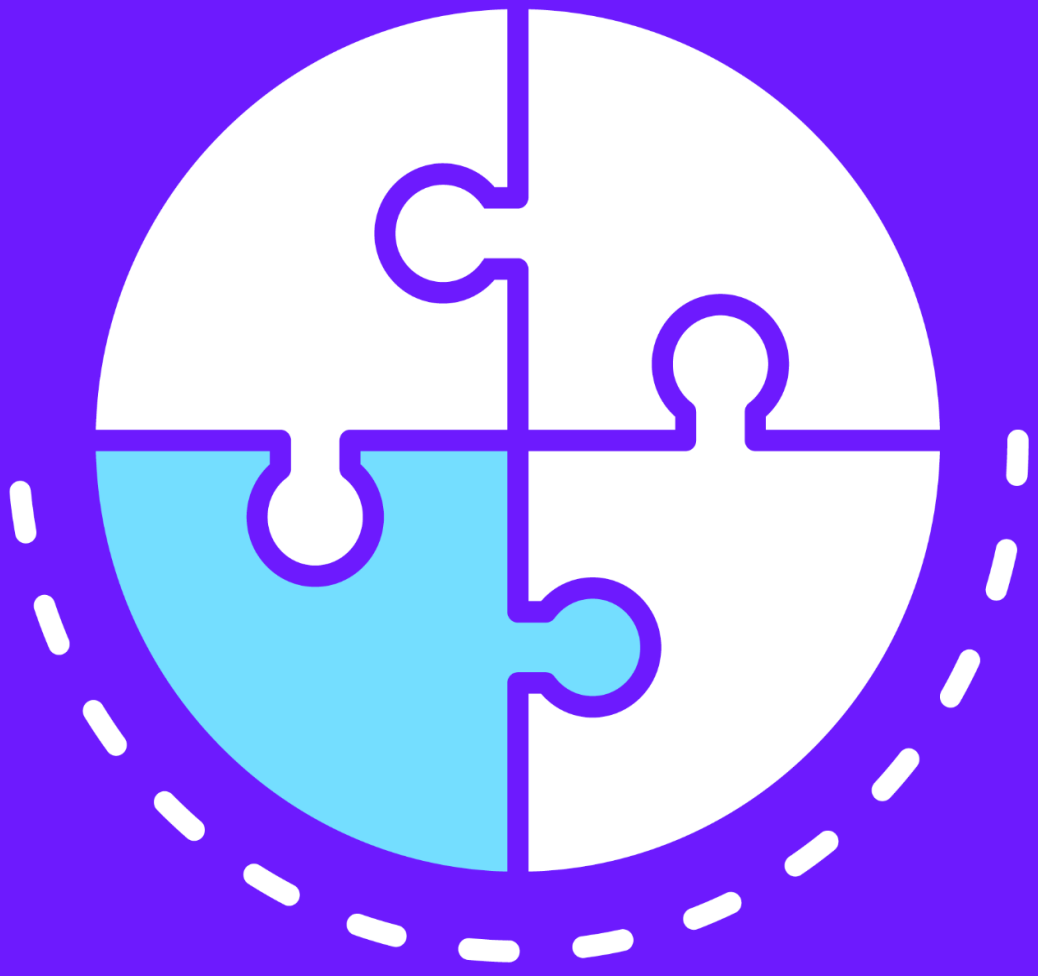

THE IAB EUROPE GUIDE TO CONTEXTUAL ADVERTISING

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Section 1. Introduction

From the beginning, contextual advertising has been a key tool for brands looking to reach relevant and engaged audiences. Indeed, print publishers were the first to use "environment" to sell the promise of reaching audiences, who would likely care about their message or product as they were reading relevant content at the time. With the emergence of online publications, contextual advertising via the web began to leverage search terms, with websites adding keywords to their pages to open up more relevant placements. Eventually, keyword engines integrated directly with publishers' properties, enabling them to sell pages that matched such keywords via their ad servers. Context offers a strong proxy for, and also compliments, audience interest and the development of contextual targeting enables advertisers to identify specific audiences at scale.

As advertising has evolved, so too have mechanisms for identifying interested audiences. For example, third-party cookies and subscription or login IDs have become some of the most popular ways for brands and publishers to identify and reach relevant audiences. However, new policies and regulations continue to emerge, like major web browsers' decisions to end the use of third-party cookies or federal regulations like GDPR, with the aim of offering consumers greater choice and control over the way their data is handled.

A number of factors has made finding 'The right person, in the right environment' increasingly challenging in recent times. And with this trend likely to accelerate, there will be increased reliance on alternate solutions, such as contextual, as a tool to drive user engagement and campaign performance.

As a result, contextual targeting has recently re-emerged as a method of choice for advertisers to provide a good user experience. Identified as one of the many potential alternatives to the use of third-party cookies, contextual targeting enables advertisers to reach audiences based on context, or categories of interest, rather than IDs. Critically, it supports a continued stream of advertising revenue that is essential for publishers on the bounds of privacy regulations.

Fuelled by advancements in technology such as artificial intelligence and machine learning, contextual targeting is now considered a critical element in campaigns and has been widely proven to help brands maintain the relevancy of their advertising to consumers. Its accuracy and precision will only increase as technology and AI continue to evolve.

The aim of this guide is to provide further education on the alternatives to third-party cookies and to help planners and buyers of media navigate contextual advertising. This guide offers a definitive round-up of what contextual advertising is, and the opportunities it provides in Europe, in a post-third party cookie world. It also offers some key considerations and best practices to ensure it is used efficiently and optimised for success.

Section 2. Definitions

What is Contextual Targeting and Advertising?

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.

In its most simplest form it's about identifying the most appropriate and relevant content against which to display an ad. For example, an ad for running shoes could be placed on a news article about an upcoming marathon, or an ad for laptops on a tech ecommerce site. The idea being that it improves the advertising experience, as the user will only be delivered an ad that is relevant in context of the content they are reading or viewing.

This concept of contextual targeting has been fundamental to the marketing mix for well over 15 years but has seen a resurgence more recently due to a tightening on data and privacy regulations. Contextual Advertising, as such, has evolved and now extends beyond just content and keywords on a page. It can now include and is not limited to text, image, audio, location and semantics of content.

Contextual targeting provides an alternative to audience targeting by taking a deeper look at the content on a page and assessing it based on:

1. Categories - What are the topics on the page?
2. Sentiment - Is the tone negative or positive?
3. Emotions - What emotions are being conveyed?

Enabling contextual advertising allows marketers to adjust to the evolving landscape while also engaging with consumers in the appropriate environments. Many advertisers will use a blend of contextual advertising and targeted advertising to achieve maximum scale for their digital advertising campaigns.

Section 3. Why Context is Important

The contextual adjacencies of digital advertising is now a hot topic among marketers looking for a highly effective and privacy-friendly way to target their campaigns.

As consumers increasingly spend more time and money on the internet, they are becoming ever more privacy conscious and data aware, with data privacy remaining a key concern to 94% of them according to the IAS Context Matters study. Coupled with the enactment of stricter data privacy regulations such as GDPR (General Data Protection Regulation) and CCPA (California Consumer Privacy Act), and the decision to sunset the use of third-party cookies and to restrict in-app trackers, there is a universal shift in the ecosystem to incorporate solutions that leverage a privacy-first approach and enable a balance between consumers' privacy concerns and advertisers' need for relevance and precision.

What's more, as the digital advertising landscape is shifting, the impact of context and content on the consumer is coming into greater significance. IAS ran an online survey, to determine the types of ads consumers prefer to see in different environments, and how the sentiment of an article affects their feelings toward the surrounding brands and advertisements. Most consumers want to see ads that match the content of a page. When presented with a real-world example, consumers demonstrated their preference for contextual relevance with 4 in 5 (81%) of consumers preferring the advertisement that matched the displayed content. Additionally, most consumers agreed that the content they're viewing influences their opinion of ads on the page. 7 in 10 British consumers say their perception of an online ad is impacted by the surrounding content on the page.

Contextually relevant ads also impacted consumers beyond preference. Relevant ads were also more likely to foster a favourable consumer opinion toward the brand. 65% of UK consumers stated that they are more favourable toward brands with contextually relevant ads.

Advertisers, as such, are not only increasingly looking for targeting strategies that they can rely on regardless of new privacy regulations and regardless of updates by media companies around the use of user-IDs, but that also enhance user experience. As such, advertisers are amplifying the use of contextual targeting and shifting budgets towards this solution with $412B projected to be spent on contextual advertising by 2025. Contextual solutions provide the scale advertisers need without the use of hashed emails, user opt-in or any cookie-like mechanism, making it even more valuable in the current landscape.

Further fuelling this growth is the evolution from simple keyword targeting to the use of more sophisticated, machine-learning technologies that provide a holistic understanding of the content. This in-depth analysis allows brands to reach audiences in a more meaningful way to create more relevant consumer experiences.

That is the promise and the power of contextual targeting. Rather than trying to build the right audiences based solely on third-party data, contextual targeting helps find audiences based on the content they are viewing at that moment, and then matches brand-suitable advertising for that specific environment.

Section 4. The Contextual Opportunity in a Post Third-Party Cookie World

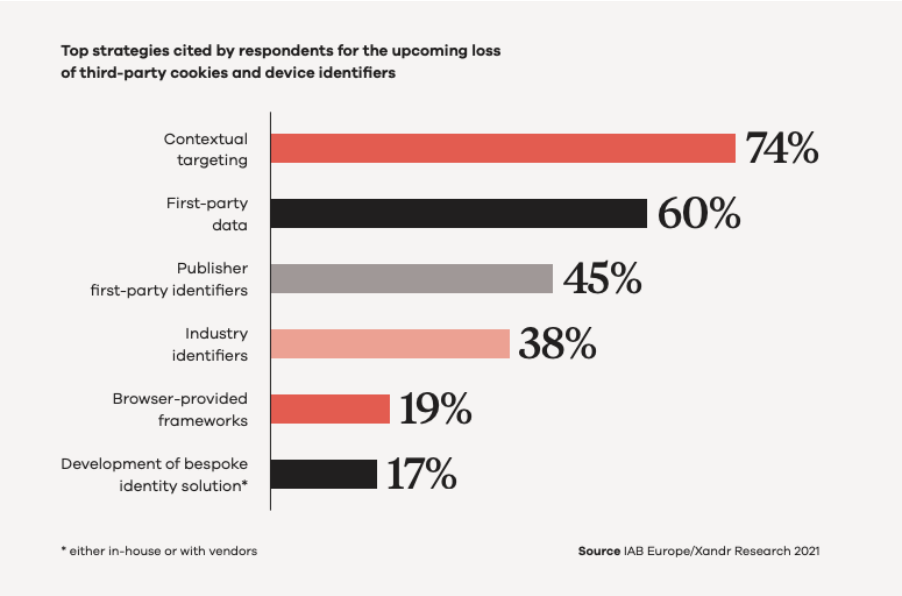
2020 kicked off with one of the most fundamental changes to the online advertising industry, when Google announced its goal of making third-party cookies obsolete by 2022. Where marketers had once relied on cookies for targeting, re-targeting, display advertising, and behavioural marketing in general, they now needed to change tact. And even though this has now been postponed until late 2023, the industry is still very much re-thinking its strategies towards a cookie-less era.

Without the use of cookies, marketers need new ways to optimise campaign performance, and to ensure the efficiency and effectiveness of their ad spend. In today's privacy-centric ecosystem, contextual targeting is gaining even more popularity – it's privacy-safe and it works. A DV/Sapio study overwhelmingly shows users are receptive to ads that are relevant to the content they're viewing, with a significant percentage stating that they've actually tried a new brand product as a result of seeing a contextually relevant promotion.

Context Drives Performance:

- **69%** of consumers would be more likely to look at an ad if it was relevant to the content they were reading.
- **67%** said they are open to viewing relevant ads from new brands.
- **44%** have tried a new brand due to seeing a relevant ad alongside a piece of content they were consuming.

The contextual opportunity in a post third-party cookie world is massive. At the end of the day, audience targeting isn't going away, its audience targeting with user-IDs that is disappearing. Brands who have been relying on ID-based targeting will still need their message to reach the right audiences but need to re-evaluate how they achieve these goals. Contextual solutions help to fill the gap left behind as user identifiers become scarce. It helps to scale campaigns by combining data and context for full audience reach. While advertisers will look to leverage the standard contextual criteria that has been around for over a decade including keywords, brand safety, contextual relevance, etc., there will be a significant need for cookie-free audience targeting powered by granular behavioural data. Contextual solutions that can translate consumer behaviours from opt-in privacy-focused panels to content-level signals are needed and available today to ensure brands can continue reaching the right audiences in a post third-party cookie world at scale.



Additionally, when we consider that context is defined by much more than just content (i.e. mindset, moment, screen size, setting, whether someone is co-viewing, etc.), we can identify many new opportunities to generate meaningful impact with campaigns.

As mentioned above, context is much more than keywords, brand safety, an article or a piece of video content that a customer is consuming; it represents a specific moment or mindset that a customer is in and this will have a big impact on the receptiveness to the ads being shown.

When we look at CTV as an example, we can already identify moments that will have a big influence on the impact you will generate with your ads. For instance, if you are watching a 90-minute Hollywood movie with your partner on the couch at 9PM and you see an advert for a last-minute holiday to Ibiza, you might just be in the right mindset to start discussing your next vacation to a sunny island. However, if that same ad would be shown to you at 8AM in the morning while you are tuned in to the latest business news on CTV, it will surely not have the same impact and it might even frustrate you at that specific moment.

4.1 CTV and Contextual Advertising

With emerging solutions like CTV not being reliant on cookies, in this new post third-party cookie era, contextual targeting will play a bigger role. In the context of CTV planning, contextual targeting is even more important if you consider co-viewing. Research by SpotX revealed that 76% of CTV viewers watch together with at least one other person in the room. If we assume for a minute that cookies exist, in this scenario, we might classify this user as a female between 35-44, interested in fashion, fitness/sports and beauty and in the ad breaks, 'she' would see ads for online shopping, sportswear, fragrances, etc. Now if we look beyond the 'cookie' and understand the ads were shown on the latest Pixar/Disney movie at 11AM on Saturday morning, we might have opted to instead show ads for mid-size SUVs, family holidays, etc.

Targeting 'users' without taking context into account will, in many cases, be just as likely to negatively impact your core KPIs and will harm the user experience at the same time. When you can start to think about ways to connect with consumers in the moment and look at the relevant contextual signals we do have readily available, we will not only make those moments more relevant but we will also be able to provide a more meaningful customer experience.

The landscape has grown in sophistication by employing semantic science and artificial intelligence, contextual targeting technology can understand the context, tone and meaning of content at scale, and in real-time. Facets of contextual targeting have also expanded to include an array of IAB categories, as well as in-market, seasonal and custom categories such as Halloween and Black Friday that align with common campaign themes. When used effectively by identifying language-independent concepts and putting in place rules to determine the correct meaning of a word, marketers can drive placements to content relevant to their brand, continue to advertise on suitable news content, and safely avoid that which poses a risk.

4.2 First-Party Data

Additionally, the demise of third party identifiers is prompting new interest in first-party data. Marketers and publishers obtain this from consumers with permission that helps them to convert valuable first-party data into cookie-free targeting solutions that deliver extended reach and meet privacy demands. With this change of the identity regime, the knowledge of what users are interested in and what they care about is shifting to publishers and the primary data that will fuel these audience segments is going to be publisher data.

A publisher understands their readers, users, viewers, and listeners and the content they are consuming on a daily, weekly, and monthly basis. Everything publishers do within digital media ultimately has the end goal of influencing a particular audience – contextual is no exception. By bringing a publisher's insight into contextual targeting you can ensure the environment matches the audience. Publishers can also help offer additional unique insight through bespoke audience tools that identify user's behaviour and what that audience is currently interested in. Incorporating this real-time insight into a contextual campaign ensures the perfect blend between audience and context is achieved.

Some measurement companies can also work with advertisers to convert their first-party data into cookie-free contextual signals, to ensure they can continue to target at scale in a privacy-centric manner. This is done using a crosswalk between first-party audience data and privacy-forward contextual signals.

Section 5. A Step-By-Step Guide to Planning Contextual Campaigns

For those looking to incorporate the contextual opportunity with success, follow the crucial steps below:

1. Understand the targeted audience and campaign parameters to define the contextual targeting strategy

To plan for contextual campaigns, advertisers first need to understand the goal of the campaign and the target audience to define the plan and strategy they will execute. Also, it is essential to comprehend what contextual targeting is, as well as gaining more insight into the publisher's inventory, the SSP providers, and testing the scale when applying these targeting capabilities on the DSP's side. Then buyers can begin to apply contextual elements that allow reach into their desired audience.

- Once the contextual provider has been selected, the first step will be to select the contextual segments that most closely align to the campaign goal and target by using contextual categories that align with the IAB. Also to go a step further to target cookie-free audiences. Brands should look to include as many positively targeted segments as possible to ensure scale and then refine the list from there.

- Analyse data points to help advertisers apply a successful contextual targeting campaign after age, gender, geo, language, interests, hobbies, education level, profession, income, civil status, what they consume/ listen / read/ watch

- Consider all possibilities, applying different content categories and segments.

- Know when to layer data or not on the DSP side. Advertisers need to understand that contextual targeting is not based on behavioural targeting. However, advertisers must know when it is possible or not to layer data over publishers' first-party data and third-party data.

- Know where to achieve primary KPIs (clicks, visits, impressions, downloads, LTR, etc.). Depending on the KPI goal, the planner must adapt the contextual targeting strategy to a different media (such as audio, display, OTT, video, etc.) or type of device (Smart Speaker, Smart TV, Mobile, Desktop, etc).

- Keep in mind the duration, flight dates, and budget campaign. When advertisers plan they need to manage the reach, scale, and CPM expectations when applying contextual targeting campaigns.

2. Comprehend and target audiences by their interest in specific content categories

- Advertisers must categorise and divide the core audience targeted by interests and segments. They must target publishers' inventory based on contextual IAB categories or similar, and publishers' first-party data. It's possible to build, package, and target different interests and segments by using information about the app or website such as keywords, content, categories and tags.

In programmatic audio advertising it is possible to break down audiences by interests through music playlists, online radio stations and podcast shows genres such as Books and Literature, Business News, Education, Hit Radio, Rock Music, Science, Sports, Tech, Video Gaming, etc. Also, applying publishers' first-party data such as age, genre, or geo (country, region, DMA, or ZIP Code).

- For example, if advertisers want to target women between 25-45 years old, interested in business and technology in Greater London, they have the possibility to target this type of audience hitting ZIP codes from the Greater London Area. Plus music stations popular between this genre and age, such as Hit Radio genre, and business and tech formats, and applying age and genre targeting.

- Advertisers must include all the elements based on the environment relevance, such as language, location (geo as well as In or Out of Home), Device (Mobile, Desktop, Smart TV, Smart Speakers, and other smart devices), weather (sunny, raining, cloudy, etc.), time of the day (morning, afternoon, or evening), or mood (type of music or content that inspires a specific sentiment).

- For instance, keeping the last example, if advertisers want to target women between 25-45 years old, interested in business and technology in Greater London. They have the possibility to target this type of audience, hitting ZIP codes from the Greater London Area. Moreover, they want to target women only using smartphones during the morning and evening when they are out of the home. Therefore, they can also target the mobile device when the listener uses the mobile phone data connection type or is in specific geo lat/longs during certain time slots in the morning and evening.

Also, it's good practice to adopt the ad creativity to the content language, the time of day, or even to the content sentiment, to be relevant to the audience.

Advertisers must identify how the environment differs when users consume different media types such as audio, display, OTT, video, etc.

- For example, the audience can be alone commuting by public transport watching short videos about sports content, or at home with their family watching a sports movie via OTT content.

3. Identify inventory providers with good quality and scale standards

- Next layer in brand safety, brand suitability, and negative keyword lists, targeting based on the needs of the brand.

- Advertisers must identify what inventory sources can provide the interests and audience segments that match the brief's requirements. In this stage, it's required to get granular information about publishers' inventory related to content (such as type of media, content genres, website and app domains, sites, online radio, and podcast show names). Also, the first-party data richness that publishers can provide.

- Ask about availabilities and forecasts when applying contextual targeting. Advertisers can get information from SSPs, Publishers, DSPs, Ad Networks, etc.

- Lastly, layer in quality criteria such as rankings, viewability and IVT avoidance.

4. Validate and test the reach before starting the contextual targeting campaign

- Leverage planning tools within DSPs and/or forecasting tools offered by contextual providers to gauge estimated impressions available based on the targeting criteria selected.

- Check the reach from the DSP side to ensure the expectations about the scale match the inventory that advertisers can bid on.

- If the reach is low, make the necessary adjustments according to all interests and segments related to the audience targeted. Also, advertisers must double-check all the information related to the inventory with the inventory providers.

It's recommended to use a single provider when setting up contextual targeting to streamline campaign setup and to ensure a consistent methodology across all contextual targeting tactics.

Section 6. How to Buy and Apply Contextual Advertising

6.1 Direct Buy

In a direct buy campaign, publishers will need to apply the contextual targeting on their end to form a bundle of inventory and contextual segments. Publishers who follow IAB's contextual signalling Audience and Data Transparency Standard can use self-defined audiences.

Publishers that have a Data Management Platform (DMP) and have cooperation with contextual data providers might also be able to receive additional contextual segments in the DMP, on top of the data they already have.

When using publisher's first-party data, direct buys, or more preferably Programmatic Guarantee, is the best way of locking in contextual advertising impressions. These inventory pools, while highly valuable, do, however, occasionally have low volumes which make accessing these impressions within a biddable environment a little more challenging.

Within a biddable environment it is not possible to have a 100% Share Of Voice (SOV) alignment with a particular contextual channel. If a buyer wants to own the luxury section for 24 hours, for instance, this can only be executed as a guaranteed buy.

Publishers also often have bespoke formats that can be contextually targeted to offer the advertiser a high impact and total page ownership solution. Often these formats are not available in a biddable environment, meaning the only execution option available is via programmatic guarantee.

6.2 Programmatic Buying

Open Marketplace (OMP)

In an open marketplace, by applying your contextual segment at a pre and post-bid level you are ensuring full protection whilst reducing media cost and ad serving costs associated with unsafe inventory. This is achieved because your contextual partner is ensuring the segments are applied within the DSP filtering out unsafe content before you bid on it.

Private Marketplaces (PMP)

Private marketplaces are a great opportunity once you have identified those key partners that are determined as being important to your plan.

However, it is crucial that you don't lose sight of your Brand Suitability goals and ensure that the quality of the media being passed to you via these curated marketplaces or PMPs.

First request that your supply partners pass fully transparent URLs within the PMP/ Marketplace so your contextual partners are able to verify the brand suitability of those URLs. Just like OMP buying, it's recommended that you apply your pre-bid contextual avoidance segments against your PMP to ensure you are paying for quality impressions that meet your brand suitability requirements.

On the other hand, you can centralise seller relationships, generate, or ask for customised deal IDs. Also, you can execute campaigns through audience segmentation data, brand safety, audience privacy preservation, all while improving flexibility and transparency in the media buying process. This process creates a buying method incorporating and mixing publishers' first-party data PMPs in each curated marketplace. Then it allows reaching the desired audience into a single package.

For example, you can ask or search for curated deal IDs from marketplaces. Also, you can ask directly for information such as sites, apps, online radio stations, or CTVs, to double-check brand safety, inventory with GDPR compliance, forecast segments scales, and reporting.

A practical example would be a device packaging specifically for Smart Speakers in programmatic audio advertising. This type of device can be difficult to target in some DSPs. You can package all audiences that are using smart speakers in a single deal ID. Also, if you want granular targeting, you can package in specific Smart Speaker content such as sports, tech, or news genres, audience age, or genre.

It's essential to identify what SSPs make the audience data transactions easier by generating PMPs for a specific, repetitive, or tailor-made use to activate campaigns based on contextual targeting.

Most Demand Side Platforms (DSPs) have integrations with third-party contextual advertising vendors, making it easy to layer contextual targeting onto your programmatic media buys.

Curated Marketplaces

Currently, curated marketplaces help advertisers to transact and buy custom audiences by applying contextual targeting segmentation. Curated marketplaces are essentially bespoke programmatic supply marketplaces that exist within a larger marketplace, designed and built to reduce challenges and enhance value.

In this type of marketplace, publishers with first-party data and data providers can upload their type of content, semantic context, and segments. Then, the inventory can be packaged or combined to make it available to you at scale. In addition, this process creates a selling method to make it easier for you to access a unique inventory via curated deal IDs.

For instance, publishers' inventory is plugged into the SSP, the content is filtered by IAB categories such as sports, healthcare, or beauty genres. Then, you can apply publishers' first-party data to build vertical custom audiences. Lastly, this inventory can be shared through PMPs.

Section 7. Campaign Best Practices

As the digital advertising ecosystem shifts, 2021 is a key moment for the industry to embrace alternate solutions such as contextual advertising. Brand safety and suitability, targeting and optimisation should be prioritised to ensure success. Best practices to consider include:

1. Brand Safety and Suitability

Advertisers should:

- Look to first use brand safety categories and suitability thresholds rather than relying on extensive negative keyword lists that need to be continuously updated during a campaign based on the ever-evolving new cycle.

- Have a clear understanding of the types of inappropriate content specific to your brand's needs. These should go beyond universal brand safety categories such as terrorism to vertical, topical and brand specific contexts.

- Reduce the reliance on your keyword strategy. As we understand keywords are naturally ambiguous and lack context, creating a high error rate where safe context can be blocked and unsafe context can leak through your blocking strategy.

- Remove the keyword exclusion list from your DSP *and* from your preferred vendor and rely on contextual segments in their place. It's also imperative that you apply this approach at a post- and pre-bid level in order to ensure brand suitability whilst minimising wasted budget on non-working media.

- Age-Restricted Products: Advertisers that have age-restricted products or services (e.g. - tobacco, gambling, alcohol, cannabis, etc.) should look to leverage real-time age indexing page classification rather than relying solely on whitelists. Use contextual segments powered by audience measurement solutions that can flag biddable inventory to those pages that over index for specific ages in real-time.

- Work with a contextual provider whose methodology is powered by AI and machine learning with a constant feedback loop to ensure new content is being categorised appropriately.

Once your brand safety and suitability strategy is in place and you have identified the appropriate contextual segments that meet your vertical topical and brand specific needs it is crucial to consider its application in relation to the type of programmatic buying you do. For example: applying segments in the open marketplace or private marketplace (programmatic guaranteed, etc.)

2. Audience Targeting and Scale

Marketers invest a huge amount of resources and revenue into understanding what their consumer looks like, how they behave, what their interests are, what motivates them, etc. Someone who is in the market for a car is not just looking at automotive content, for example.

You should look to test contextual solutions that offer cookie-free audience segments powered by behavioural insights in preparation for the cookieless future. These types of cookie-free audiences can offer a way to reach specific audiences outside of endemic pages, providing more scale.

Understand your consumer's interests

Successful contextual targeting campaigns are dependent on a good understanding of consumer profiles. Whilst it's obvious to target auto pages on behalf of an auto advertiser it is not necessarily the best approach for driving scale and performance. You need to think of contextual targeting as a tool that allows you to bring creativity to your planning when using content as both a proxy for interest and a media vehicle to reach your desired audience. With this in mind it is important that prior to implementing context on your campaign that investment teams and traders have a good understanding of the preferred consumer profile. Once you have this information it is important to work hand in hand with your contextual partner who can advise on the best approach (context) in which you might find these audiences. This should never be a literal approach.

Intelligently increase scale

Cookie retargeting campaigns perform well, but they often have limited scale. Contextual targeting is a complementary solution that can help add scale by targeting audiences that are likely to convert due to high-relevance between the content and your brand.

Optimise based on results

Pay attention to content where you are seeing conversions and work with your contextual vendor to add similar types of content to your targeting strategy.

3. Creative Messaging

Improve the relevancy of your advertising by aligning your creative to the content. For example, a homeware brand is likely to see better results advertising their non-stick cooking pan next to a recipe for pancakes, than they would using a creative for a blender.

Marketers invest heavily into building impactful creatives to entice consumers to products and services. Using the context of the creative to inform the environment in which the ad is placed is a great way of engaging the consumer through relevancy.

Identify the correct contextual strategy that aligns with your consumer profile. It is also imperative that you work with those contextual providers that have flexibility in their solutions and have pre-bid integrations with all the major DSPs in order to maximise and scale the opportunity.

4. Campaign Measurement

While campaign targeting setup is critical, it is also important to have a campaign measurement strategy to allow for mid-flight optimisations. Look for holistic campaign measurement that can provide insight into delivering quality, such as viewability, brand safety and IVT, as well as audience delivery metrics like reach, frequency, age and gender.

Plus, with increased privacy regulation and the deprecation of third-party cookies and mobile identifiers, a shift is not only ushering away from third-party audience targeting but from cookie based measurement solutions in general. It is, therefore, important to leverage privacy-centric approaches to measuring performance. This can be achieved through privacy-friendly attention metrics that go beyond traditional KPIs such as viewability and clicks. According to eMarketer, 98% of marketers believe that deeper attention metrics would help improve campaign performance and advertising outcomes. This is because attention metrics can provide granular insights into user presence, user engagement and ad exposure – how ads are perceived by audiences – enabling brands to make campaign optimisations and create more meaningful consumer experiences.

Contextual advertising insights will also play an important role in helping you to measure and improve outcomes by looking at the impact of different content on user engagement and ad exposure, and then using these insights to optimise campaign performance.

Section 8. Technical Standards for Contextual Advertising

Contextual targeting exists through programmatic because, like any other information, it's part of OpenRTB. OpenRTB is a protocol that enables tech platforms (SSPs and DSPs) to communicate in real time, when bidding on digital media.

Below is the data available from the SSP to the DSP via the bid request in OpenRTB: :

- **Keywords**: When the supply wants to share keywords related to a website or an app, this field is used in the bid request. More precisely, it can be used to define the audience of the content.

- **Domain:** In OpenRTB you have the *domain* (root domain) but in our case the most interesting field is the *page,* which provides the full URL visited by the end-user. Most of the time, the URL is enriched with keywords and can be used to identify the content of the web page.

- **Language**: This is essential in many ways:

    - Content: The supply can inform the buyer about the language of the content in the bid request (language in OpenRTB).
    - Creative targeting: Via an other field (WLAN in OpenRTB), the supply can ask the buyer to send a creative fitting the languages requested.

- **Deal ID**: More and more tech platforms build Curated Marketplaces to allow buyers to reach performance, address challenges and provide new revenue outcomes for the publishers. The only way to pilot and access these opportunities is through *Deal ID*.

- **Category**: The content category of the website or the app is described in this field (cat in OpenRTB). It can contain one or many categories. In order to be on the same page between the SSP and DSP when describing content, there is a content taxonomy, which is useful for contextual targeting and even brand safety.

- **Regulations**: The supply must determine if the bid request is subject to a specific regulation (e.g. GDPR) by detecting where the user is located. Regarding the contextual targeting, this field (regs in the bid request) can be used in a different way by not targeting a user based on the geo but to identify whether or not the content of the web page or the app is appropriate to receive certain creatives (e.g. Children's Online Privacy Protection Act ("COPPA") can be applied here and indicated to the buyer that the audience of the supply is under 13).

- **Content**: While the previous definitions talk about identifying the content of a website or an app overall, the field named *content* enables it to be more accurate by providing information about the content in which the impression will appear - the ad slot itself. With this field you can identify the title of the video, provide the name of the series. In the case of audio, you can provide the name of the album etc.

  For example, within the bid request from the supply side, the buyer is notified that the website toto.com is identified with the category "International News" and the video ad slot is playing a video identified with the category "World Soccer". At the end, the buyer can refine the campaign.

A DSP can also send some data to a SSP (via the bid response in OpenRTB):

- **Adomain**: Enables the buyer to inform the supply side about the advertiser (domain of the advertiser) behind the creative.

- **Category**: One or many content categories can be used to describe a creative by the buyer. Same as the supply, in order to be on the same page between the SSP and DSP when describing content, there is a content taxonomy.

- **Language**: The buyer can share the language of the creative explicitly.

Even if the OpenRTB protocol provides fields and data in order to feed contextual targeting, the programmatic supply chain needs to be aligned in many ways:

- This requires significant resources (engineering, infrastructure) for each part (even for the publishers and especially those supporting CTV/OTT, etc.).

- As we're talking about billions of requests per day, you should be able to ingest, analyse and leverage the data.

- Even if the SSP supports the data flow, the integration with the publishers needs to support it.

- Each tech platform is different. For example a connection between SSP A and DSP A is not identical to the same SSP A connected to another DSP B (different OpenRTB version, compliant or not with data, etc.)

How to Leverage Technical Standards for Contextual Advertising

With all the available data, and signals coming from the publishers, the platforms have never stopped innovating in order to create refined ad placements to fulfil buyers needs. Below is an overview of contextual targeting:

- **Semantic targeting**: Based on computer science (e.g. natural language processing), the platforms analyse the content to attribute keywords and/or categories. The full URL can also be used because most of the publishers share some keywords and can be leveraged by the platforms. Brand safety and verification companies use this methodology as well.

- **Sentiment targeting**: The evolution of algorithms enables us to go beyond merely understanding a text or a term, but in addition understand if the content is positive or negative. This feature reduces manual reviewing of lists of sites or apps.

- **Text and media analysis**: More and more platforms innovate to understand the text with the pictures and videos included. Computer science is used to get the right keywords and/or categories for the buyers behind.

  OTT, CTV and audio inventories move in this direction to extract signals from the media played (video or audio) in order to increase the efficiency of ads.

Today many contextual providers use additional signals that come from outside of the content, meaning they are able to offer segments not entirely reliant on keywords. These segments can look like behavioural audiences at first glance but they are tied to an ad impression and not a user ID, ensuring they are more privacy compliant.

When it comes to processing these signals at scale, Artificial Intelligence (AI) is likely to be used. The power of AI is required to harness the scale of machines that think like humans but also have the advantage of speed – otherwise it ends up with arbitrary targeting that does more harm than good for our ecosystem.

As well as leveraging the power of AI, we are seeing a new wave of contextual providers employ the following techniques to reach new audiences for media buyers:

- **Semantic** – These providers derive a deep understanding from the content of a page and are able to understand words and sentences in context. This helps reach audiences in an editorial context where they are likely to be receptive to an ad. It goes back to the saying - right place, right time.

- **Signals** – These providers look at external signals on the bid request such as the user's location, the device they are using and the time of day to inform targeting. These providers can do things such as recognise change in emotion and sentiment based on the content a user is consuming and therefore predict consumer behaviours to a high degree of accuracy.

- **Feedback loop** – These companies are finding out what works for an advertiser's campaign, potentially even from an established campaign, and then discovering content that has similar attributes to build a real-time feedback loop. In this way, a campaign is targeted to the most performant inventory from the get-go, and machine learning means these segments can be constantly updated. This is a good tactic for prospecting, performance campaigns and is driving conversions for brands today.

- **Zeitgeist** – These providers can analyse social data to understand what content a brand's community is consuming and sharing online. From this data, they can build new targeting segments to predict where a brand's audience can be found, or find new audiences that are likely to engage with the brand.

Cookie-free Audience Targeting - Contextual providers that have access to massive opt-in panels - can create cookie-free audience segments based on granular user behavioural data. The privacy-focused opt-in panel is used as a crosswalk between audience and contextual, translating behavioural data into contextual signals. For example, giving advertisers the ability to target predictive audiences of "Young Mums" or "Cord Cutters" based on contextual segments derived from deterministic seed set behaviours. This innovation is elevating contextual targeting to be an even more robust solution for marketers to improve campaign performance.

Section 9. Key Considerations

There are several ways contextual targeting can be used in intelligently to deliver effective results. Here are some of the key considerations for contextual targeting:

Contextual Diversity: Think about contextual as consisting of many parts; topics, feelings, entities and sentiment, not just a binary or linear approach such as targeting keywords.

Massive and modern panels: As user-based identifiers become more scarce, ensure you work with contextual providers who have access to opt-in panels to convert behavioural data to contextual signals.

Contextual classification methodology: Contextual providers can no longer rely on keywords as the main input for their classification methodology. Make sure you use contextual providers that leverage intelligent categorisation powered by AI and machine learning that can detect topical trends in the constantly evolving news cycle and use this information to train and update your methodologies.

Campaign KPIs: Think about your KPI's and work back from there. Know whether you want to prioritise scale or performance.

Brand suitability: Don't think about keywords you want to avoid, but think about the topics or type of content you want to avoid.

Broad segmentation: 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.

Creative messaging - Look at the creative and think about how the messaging could inform the context you choose to target. Play with the creative message in a campaign so it resonates with the context of the environment it is placed in. For example, brands that have corporate goals around reducing their environmental impact should be running their campaigns against content promoting sustainability.

Transparency: Check up on the transparency of your provider through A/B testing on the accuracy and precision of their classification.

Video/CTV: Today contextual providers can classify video and CTV content by leveraging a combination of the second-by-second audio and frame-by-frame visual recognition technology to provide a true understanding of the video content. This can be done for VOD, OLV and live-streamed content. Be sure to keep this in mind when thinking about utilising video for your campaign.

Key Considerations for Publishers

Bart Sieswerda, Director, Business Development, Nordics & Benelux, Rakuten Advertising

"Contextual advertising is making its way back into the boardrooms of most advertisers today and will be one of the driving forces for changes after the years of predominance of behavioural and cookie-based targeting. As an industry, we should embrace contextual advertising for all of its obvious benefits and apply our learnings from the 'old ways'. When we truly start putting our customers first again and are mindful about privacy, brand suitability and our messaging, we might actually get consumers to start liking advertising again (beyond just being a necessary evil to access premium content for free). This does mean that the industry will need to make some drastic changes;

1. Focusing on relevancy, context and brand safety rather than very granular behavioural segments will offer advertisers new opportunities to reach their target audiences.

2. Measurement should focus on the impact (e.g. CTR/VTR, incremental reach, brand uplift, etc.) of campaigns that only use contextual signals vs. campaigns that have relied on cookies/third-party data. When we are able to prove the impact of contextual advertising on our core KPIs, the conversation will become much easier.

3. Publishers should do more to safeguard brand safety/brand suitability and focus much more on accurately identifying the content in which the ads are being shown. Even if we are 100% certain that a device is owned by a 34-year old male who likes fast food, if this 'device' is watching 'Sesame Street', it might not be 'the best idea' to show an ad from a fast-food chain or soft-drink.

Section 10. What the Future Holds for Contextual Advertising

Contextual targeting capabilities have advanced massively in the last 12 months to provide increased confidence to advertisers that context has the power to be an invaluable and highly effective targeting solution. Due to the privacy-focused nature of contextual targeting, contextual-based solutions have the staying power and will remain a key piece of advertisers' cookie-free targeting strategy. But there are still challenges to overcome:

- **Relevancy**: A greater focus is needed on relevancy, context and brand safety rather than very granular behavioural segments to offer advertisers new opportunities to reach their target audiences.

- **Measurement and KPIs**: Contextual targeting still has some limitations, especially around measurement and attribution in a cookieless world. This remains key for both publishers and buyers and also for the end-user experience, especially with frequency capping. More focus should be placed on the impact (e.g. CTR/VTR, incremental reach, brand uplift, etc.) of campaigns that only use contextual signals vs. campaigns that have relied on cookies or third-party data. When we are able to prove the impact of contextual advertising on our core KPIs, the conversation will become much easier.

- **Text and media analysis**: Analysing and extracting signals from pictures, audio or video would provide additional revenues but this is still a fresh concept that needs more work.

- **Dynamic Creative Optimisation (DCO)**: While computer science is evolving around the content, the next challenge is ensuring DCO is based on contextual targeting. The next step for DCO is to be able to fully align all data signals in real time in order to deliver something which is truly relevant to the user. Whether that be based on the content they are consuming through to first or second-party data sources that an advertiser might possess.

The key to the future expansion of contextual targeting is industry collaboration. Technology platforms will need to work with those specialising in contextual targeting, allowing them to build on top of their technology in order to provide advanced, comprehensive solutions for advertisers. In doing so, these platforms will be able to offer brands a better understanding of high-performing content that inform successful online and offline marketing strategies and build accurate and extensive audience profiles based on more than assumptions about past behaviour.

Technology platforms can also play a role in contextual advertising by working with publishers to use AI to identify and filter content for context, and package premium brand-safe content for advertisers. Brand safety, especially in times of national or global crisis, is critical to advertisers' confidence – and thus to publishers advertising revenue.

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.

Section 11. Summary

Utilising alternate solutions, such as the contextual advertising opportunity, is essential to ensuring success in a post third-party cookie world. The contributors of this guide have, as such, created a clear and precise step by step guide for planners and buyers to understand the opportunity of contextual advertising as one such alternative solution.

Whilst the concept of contextual advertising isn't new, it's evolving and growing and expected that $412B will be spent on contextual advertising by 2025. But as with any opportunity it is important that we, as an industry, work together to support the buying of this medium.

This guide highlights some of the key considerations to help contextual advertising thrive. But in order to overcome key challenges around reach, measurement and optimisation and to enable it to reach its full potential, we must work collaboratively.

IAB Europe is working with some of its members to provide additional insight into post third-party cookie solutions, such as contextual advertising, in a series of webinars, guides, and working groups.

Now is the time to prepare for a post third-party cookie era and we're excited to see how contextual advertising will flourish.

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