

Guide to Contextual Targeting

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1. What is contextual targeting?

Contextual targeting is a form of advertising that serves an ad based on the content and environment that the ad will appear in, as opposed to serving the ad based on a user's data.

Contextual targeting has moved beyond just content and keywords to more advanced solutions informed by a number of factors that define a web page. Ads may be served based on the sentiment of the content, be it positive or negative, happy/sad, other factors that can inform targeting are the placement of the ad, the device on which it is viewed, the time of day and the type of ad.

Contextual targeting has always played a key role in the marketing mix. It is now an increasingly important advertising strategy as a result of some fundamental changes in the digital advertising ecosystem.

One of the most significant contributors to this change has been the growth in users' understanding of online privacy and their desire for protection of their privacy and data.

This has been accelerated by increasing regulations in this area such as GDPR and the phasing out of third party cookies by browsers. There has also been a growing realisation that third party data when matched across multiple sources may have some limitations around accuracy potentially resulting in optimisation challenges.

Consequently some marketers find audience targeting less attractive and there has also been a reduction in the availability of third-party data making it more difficult to scale audience targeting strategies. In this scenario it is not surprising that brands are turning to contextual targeting solutions as an alternative means to identify and communicate to more relevant audiences and interests in contrast to the former usage of contextual targeting which was limited to delivering broadcast and reach.

With the increased focus on CT, new offerings are being developed which have encouraged adoption and testing by advertisers.

- Better Predictions:

With the introduction of AI and natural language the sophistication of contextual targeting models has been greatly enhanced. Full body of content can now be understood rather than just keywords leading to more creative and insightful targeting strategies.

- Richer Data:

The quality of the data used in contextual models may be enhanced to include site layout and visual attention adding further value to the semantic data.

- Positive Targeting

With the use of page sentiment technology, advertisers may choose to target a topic based on its sentiment.

To conclude contextual targeting has come of age and with recent advances in its sophistication it is now well placed to become a significant and powerful tool for strategic targeting.

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/audience 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. This becomes all the more important in the Irish context. In smaller digital markets, 3rd party audience data is limited and often inaccurate or unusable. This is simply down to a lack of vendors who see the commercial benefits of investing in such markets. Advertiser and publisher 1st and 2nd party audience data is scarce and difficult to scale. However, regardless of the size of the market, there are no limitations around contextual and content data. It is both plentiful and accurate.

Contextual targeting removes the individual user from the targeting. It focuses on the environment. This means it does not impinge on consumer privacy rights. It does not rely on the 3rd party cookie being traded. Contextual targeting is not only very powerful today but it is a key strategic commitment for all parties in the digital ad ecosystem. In our soon-to-be 3rd party cookieless worlds, advertisers and publishers will need to work closer together to deliver solutions and ROI for one another. Publishers create the content and understand the audiences it attracts. Advanced technology is available to match audience and context and provide scaled and better alternatives to cookie based buying.

Another way of describing contextual targeting 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. Contextual targeting can be as broad or as granular as the advertisers goals dictate.

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 intend to, and that the content and audiences that they are targeting are in line with their brand values. Advertisers need to understand and ensure they are managing diversity and inclusion in their targeting strategies. To understand this issue better please see [this article](#).

In relation to the Irish landscape, contextual targeting provides buyers with a key tactic to increase adoption of local content and inventory. With an almost unlimited availability of global inventory in Ireland, via broad open targeting, a concerted approach to contextually target relevant Irish inventory will deliver strong campaign performance.

For contextual targeting to deliver, it is important that human oversight and understanding is used. Buy and sell side need to partner, in order to measure uplift around specific contexts whilst also building custom deals and targeting by contextual segments. This again highlights the importance of not relying on broad open targeting, but designing inventory supply from the ground up, then allowing more complex optimisation to take place, on what is high quality, vetted and relevant content.

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. Context has always been important when targeting consumers by making a real connection when they are truly receptive to the message. A contextual renaissance is fast approaching with the end of 3rd party cookies in 2022, the days of chasing consumers across the internet is coming to an end.

Content, context, time and device targeting will reign supreme.

Evolution 1: Context over content – Death of the key word.

Where are we today?

Rather than just checking for a particular word on a publisher webpage, advanced targeting technology can now analyse and understand the semantic relationship of individual words on the page in a similar way to the human brain, evaluating not only specific key words but the context of specific sentences. This enables advertisers to target content based on the complete meaning and even the sentiment of text. This can enable both scale and really enhance brand safety for both advertiser and publisher.

What's next?

Until now, contextual targeting has been a tool primarily used for text-based analysis. However, we now are seeing innovative growth for both targeting and brand safety solutions in the Irish market. 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.

Typically, analysis of videos and images is done based on meta-data which can be unreliable and inadequate. Emerging A.I. technologies such as Computer Vision allow processing, analysis, and understanding of digital imagery and video content. This 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.

Evolution 2: Alignment of content and messaging

Where are we 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 are we today?

Publishers have a direct relationship with their readers and have long known the importance of context and relevance. From both an editorial and commercial perspective, engagement and content are the lifeblood for publishers.

In recent years, the digital advertising industry in Ireland has been dependent on big tech's first-party data to provide targeting, retargeting and scale. However the tide has shifted over the last four years as publishers reclaimed control and harnessed the value and power of their audience by deploying data management platforms (DMPs) and offering defined targetable audience segments. The rich 1st party data and engagement metrics that publishers hold, provide powerful insights into their readers' interests and content consumption. These insights can allow advertisers to target and connect with consumers on a deeper level.

What's next?

Publishers are beginning to form alliances that enable contextual targeting at scale across their collective properties and sites, 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 readers to enable better, more personalised ad experiences for their readers. Looking to the future, the possibilities that contextual targeting will bring across screens and formats is exciting.

Evolution 4: The rise of video context

Where are we today?

Today, video is a fast growing and 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 and unreliable.

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 including sentiment analysis and targeting.

Evolution 5: Looking at the moment beyond the content

Where are we today?

Contextual solutions today have centred on 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, device etc. All these factors can help an advertiser understand more about the context of an ad, beyond just the content it is being served against. The better we understand the mood, emotion and psychology of the user, the better we can serve a more personalised ad experience, which in turn can help to maximise effectiveness. These capabilities are available today and will gain further traction in the future cookie-less programmatic environment.

5. Contextual targeting best practice

Contextual Targeting has proven its value industry-wide for many decades. To provide more in-depth points of consideration, this final chapter outlines some of the best practices when creating a contextual strategy.

Take a multifaceted approach, beyond keywords. Contextual targeting evolved beyond keywords to include different factors, such as topics, feelings, entities and sentiment. When planning your contextual targeting strategy, take the opportunity to understand the factors readily available that can be considered and combined for a long-term basis. Navigating through the different factors will enable you and your team to make insightful decisions on brand suitability and sentiment targeting, for example, a 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. With sophisticated technology available, contextual targeting can offer a powerful set of tools that goes past text-based analysis, empowering a brand's strategy by returning insightful data on factors such as ad placement and ad clutter and playing an important part in how effective your advertising will be.

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. Engaging with content owners and Premium publishers to understand the set of tools they can offer is also useful. Overall, learnings on taxonomy, categorisation and the latest industry improvements are key points to create a strong contextual strategy.

Start broad, then narrow down as appropriate. When it comes to contextual targeting it is important to start with broad segmentation, refining it to achieve a balance between scale and performance. As any digital campaign, contextual campaigns can be optimised overtime, exploring tools and targeting categories further can result in better ROI.

Harvesting data 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. Check with your contextual partner for insights and new segments that can be used for upcoming campaigns.

Look at the creative and think about how the messaging could inform the context that is being targeted. Take advantage of seasonal opportunities and real-time events, a proactive approach can lead to more relevant and impactful campaigns.

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.

Be aware of the limitations of contextual targeting, especially when using keywords. Different platforms can present different pre-sets and thresholds for keyword lists. Exploring available industry guidelines or checking with contextual partners for more information on best practices can be useful when using keywords for targeting or blocking.

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.

Play to the strengths of the Irish digital advertising industry. Given the smaller size of the Irish market, there is great opportunity to develop close partnerships between advertisers/agencies and publishers to deliver impactful digital advertising powered by contextual targeting (harnessing the new sophisticated CT targeting models and new technologies such as AI).

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