Silverbullet

Back to the future of marketing.

A guide to contextual targeting beyond the cookie

Introduction.

We're living in a global paradigm shift, where privacy concerns, coupled with the cookie's demise, is placing pressure on marketers to deliver more personalised and empathetic campaigns, in brand-safe environments. While this presents many challenges, it also presents many opportunities for marketers to unlock more intelligent contextual targeting tactics.

Navigating marketing without third-party cookies.

The increasingly privacy-savvy consumer is now rejecting the third-party cookie, with a report revealing 64% of cookies are rejected, either manually or with an ad blocker - and this was prior to new privacy legislation being implemented. On top of this, 46% of phones now reject around 79% of cookies, and cookie-based metrics often overstate reach by 30–70%.

By 2022, Google will phase out the third party cookie, something Firefox and Safari have already achieved. Given Chrome accounts for more than 60% of web browser usage, this is a big deal for marketers and advertisers, particularly those who use programmatic. These browsers will still allow first-party cookies - at least for now - but what's clear is the cookie can no longer be relied as heavily upon to inform behavioural targeting.

While this doesn't seem like a big deal for some, for many marketers, using cookies to track and target particular behaviours with advertising around the web has become second nature, and most organisations don't have the technology at their disposal to account for such a significant change to the way they do business. Therefore, marketers need to find a more innovative solution to target audiences without the third party cookies.

With all this occurring in the background, customers are facing all the current challenges COVID-19 is throwing at them, so personalised, empathetic engagement has never been more important.

However delivering messages and offers that resonate with an individual's unique needs and expectations in a brand safe environment, requires deeper data-driven insights and a stronger layer of analytical intelligence.

Empowering marketers with a new layer of intelligent marketing.

A recent Silverbullet survey of UK Chief Marketing Officers found 65% of CMOs have partnered with third-party companies to understand how to make more effective use of cookieless solutions, such as contextual targeting. Similarly, the same proportion (65%) are working with consultancies to maximise first-party data strategies, while 50% are working with partners to develop data profile systems, such as consent-based Customer Data Platforms (CDPs).

Marketers are now shifting how they source and manage customer data and ramping up use of data, AI and natural language processing, to access more granular audience segments and help them deliver highly-personalised and empathetic campaigns with the power of intelligent, contextual targeting. In fact, Marketers report a 186% increase in AI adoption since 2018. So what exactly is contextual marketing and how does it work? Read on to find out more.

Fun Fact: Difference between first-party and third-party data.

Third-party data

Is generally aggregated from many different sources and consists of behavioural or demographic data. It is often collected by an entity that doesn't have a direct relationship with consumers. Third-party data is often an inferred (implicit) data, which means that it is based on past user behaviour and not on information, provided explicitly by the user. Due to the nature in which the data is collected, third-party data has long been posted as inaccurate, and is now heading to its own demise in light of global privacy legislation, and the browser lock-down on cookies.

First-party data

Refers to the data that a business has collected from their customers or audience - that they own and manage. It can be sourced from their own website through cookies or via an app, CRM, customer feedback, in-store beacons, purchases, contact centre, point-of-sale communication, or any other information given with the consent of users. It is a result of direct, trusted relationship and communication with a consumer, which makes it the most powerful.

What is contextual targeting and how does it work?

Contextual targeting is a way to target relevant audiences using keywords and topics derived from the content around ad inventory, that doesn't require a cookie or another identifier.

Contextual targeting works in the following way:

The content around ad inventory on the webpage, or indeed the entities and themes present within a video, are extracted and passed to a knowledge engine.

The engine uses algorithms to evaluate the content based on three pillars, 'safety, suitability and relevance' and the context in which it is produced.

More advanced solutions can layer in additional real-time data related to the viewers context 'in the moment' the ad is viewed and layered, such as if the weather is hot or cold, it's day or night, or if it's lunchtime.

Further, instead of cookie-based signals, it uses other real-time context based signals, such as how close a person is to a point of interest, are they at home or are they commuting etc. If the suitability score exceeds the customer threshold, the Demand Side Platform (DSP) is alerted to continue with the media buy.

Advanced contextual targeting analyses text, audio, video and imagery to create contextual targeting segments which are then matched to particular advertiser requirements, so that advertising appears in a relevant and appropriate environment. So for example, a news article about the Australian Open may show Serena Williams wearing sponsorship partner Nike's tennis shoes, and then an ad for sports shoes could appear within the relevant environment. In this instance, the environment is relevant to the product.

Good contextual targeting also ensures context is not negatively associated with a product, so for the above example, it would ensure the ad doesn't appear if the article was negative, fake news, contained political bias or misinformation. For example, the ad for tennis shoes wouldn't appear if the article is about how bad tennis shoes cause pain.

Brand safety in a cookie-less era.

Brands are now having to pull ads regularly because they appear in inappropriate contexts, with 99% of advertisers concerned about their ads appearing in brand-safe environments.

There is good reason for this concern. Studies have shown ads that appear near negative content result in a 2.8 times reduction in consumers' intent to associate with these brands.

Additionally, two-thirds of consumers, who previously indicated high purchase intent for a brand, were less likely to buy the brand after being exposed to the same company's ad appearing with inappropriate content; plus the consumer's perception of that brand went down by seven times.

Brand safety is an absolute must for marketers moving forward in this politically and economically volatile environment, and could even make the difference to staying in business. The good news is, contextual targeting ensures brand safety by analysing content and excluding placement on verticals and content deemed to be unsafe.

Truly effective contextual targeting engines are able to process all types of content that exist on a page, to give true 360 degree guidance as to the page's semantic meaning.

Good tools allow for more sophisticated approaches than simple keyword matching, and allow marketers to nominate environments they want to include, and importantly, the ones they want to exclude, such as content using hate speech, hyper partisanship, hyper politicalism, racism, toxicity, stereotyping, etc. For instance, solutions such as 4D enable advanced automatic exclusion of these types of signals through exclusive integrations with specialist partners such as Factmata, and other contextual signals can be added to enhance the safety of where an ad appears.

Is your ad environment brand safe?

A reliable contextual targeting tool can analyse content and alert you to nuanced brand safety violations such as:

- Clickbait
- Racism
- Hyper politicalism or political bias
- Fake news
- Misinformation

- Hate speech
- Hyper partisanship
- Toxicity
- Stereotyping

Contextual targeting beyond text.

Some advanced contextual targeting tools even have video recognition capabilities, where they can analyse each frame of video content, identify logos or products, recognise brand safe images, with audio transcript informing it all, to provide an optimum environment for marketing within and around that piece of video content. This includes, importantly, *every frame* within the video, and not just the title, thumbnail, and tags. This same type of analysis is also applied across audio content and imagery, to ensure the site as a whole is brand-safe.

For instance, a contextual targeting tool can analyse a video that contains images of a beer brand, identify through the audio & video that it is a brand-safe environment, and inform the marketers that it is an optimum channel for and marketing content about beer to appear to the relevant target audience.
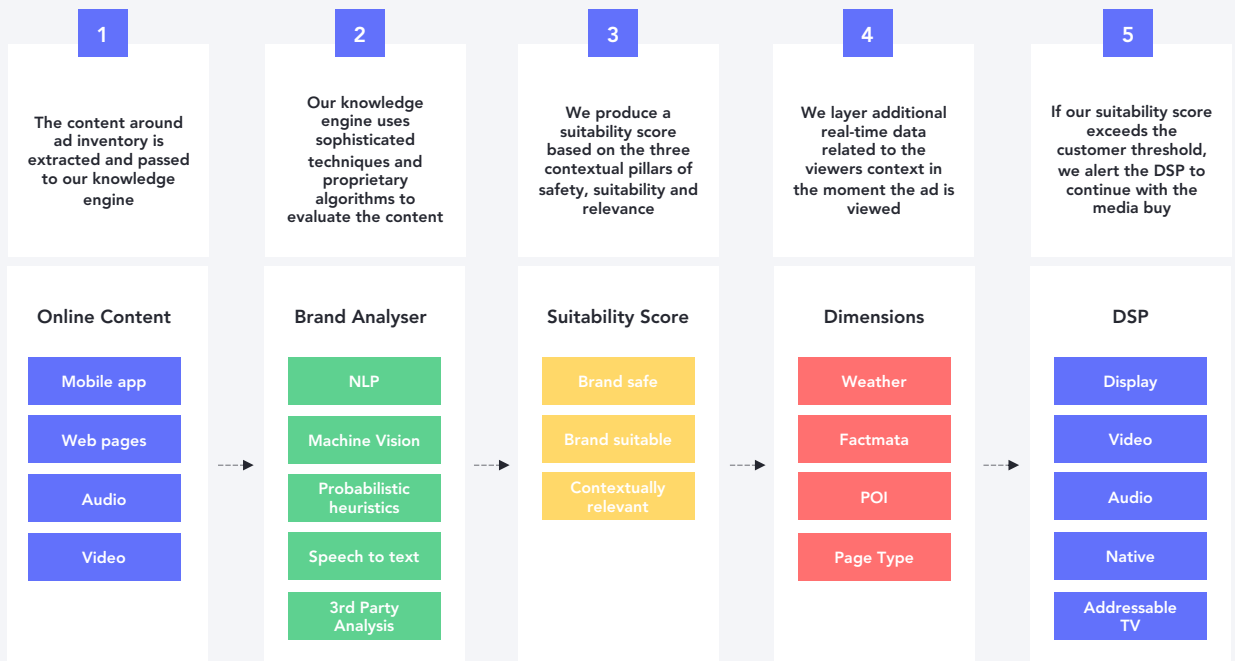
Older tools might only analyse video titles or audio, and don't delve deeply into imagery, meaning ads could end up in an inappropriate environment. For example, the title of a video might be innocuous and deemed 'safe' by an older contextual tool, like '*How to make great beer'* however the content of the video itself might be severely inappropriate, such as a video of underage teenagers making beer - now brand advertising in that environment is something no marketer can currently afford.

However **Solutions like 4D** have built an industry-first contextual marketplace that enables select technology partners to plug in their proprietary algorithms as an additional layer of targeting, and partners such as Factmata offer brands protection from racist, inappropriate or toxic content and can be applied to ensure brand safety and suitability are managed correctly.

How It Works:

1	**2**	**3**	**4**	**5**
The content around ad inventory is extracted and passed to our knowledge engine	Our knowledge engine uses sophisticated techniques and proprietary algorithms to evaluate the content	We produce a suitability score based on the three contextual pillars of safety, suitability and relevance	We layer additional real-time data related to the viewers context in the moment the ad is viewed	If our suitability score exceeds the customer threshold, we alert the DSP to continue with the media buy
Online Content	**Brand Analyser**	**Suitability Score**	**Dimensions**	**DSP**
Mobile app	NLP	Brand safe	Weather	Display
Web pages	Machine Vision	Brand suitable	Factmata	Video
Audio	Probabilistic heuristics	Contextually relevant	POI	Audio
Video	Speech to text		Page Type	Native
	3rd Party Analysis			Addressable TV

Choosing the right contextual targeting solution.

Checklist on what to look for when choosing the right solution to enable brand-safe and intelligent contextual targeting

1. Does it analyse more than just keywords and URL strings? Contextual analysis must include audio, video and imagery.

2. Does it use artificial Intelligence, natural language processing and machine vision to understand whole of context, ensuring your ads perform better, and always appear in brand suitable environments?

3. Does it analyse and explore trending content?

4. Does it connect first-party data from your DMP, CDP or Adserver to gain a deeper contextual understanding of your consumers?

5. Does it offer a contextual marketplace to enable in-the-moment marketing and advanced brand safety strategies?

6. Can it scale up as your business grows?

7. Does it facilitate optimal messaging in a brand suitable environment across Display, Video, Native, Audio and Addressable TV?

What are the benefits of contextual targeting and why is it important?

Contextual targeting has actually been shown to be more effective than targeting using third party cookies. In fact, some studies suggest contextual targeting can increase purchase intent by 63%, versus audience or channel level targeting.

The same studies found 73% of consumers feel contextually relevant ads complemented the overall content or video experience. Plus, consumers targeted at the contextual level were 83% more likely to recommend the product in the advertisement, than those targeted at the audience or channel level.

Overall brand favorability was 40% higher for consumers targeted at the contextual level, and consumers served contextual ads reported they would pay more for a brand. Finally, ads with the most contextual relevance elicited 43% more neural engagements.

This is because reaching consumers in the right mindset in the right moment makes ads resonate better, and therefore improves purchase intent far more than an irrelevant ad following consumers around the internet.

This is hardly surprising.

Consumers are bombarded with marketing and advertising on a daily basis, receiving thousands of messages daily. This requires them to efficiently filter out irrelevant messaging quickly, so only relevant messaging gets through for further consideration. We can see this consumer annoyance at the bombardment reflected in the increased use of ad blockers. Consumers are, however, receptive to messages that are relevant to their current situation, and contextual targeting increases the likelihood a message is relevant to them in the moment.
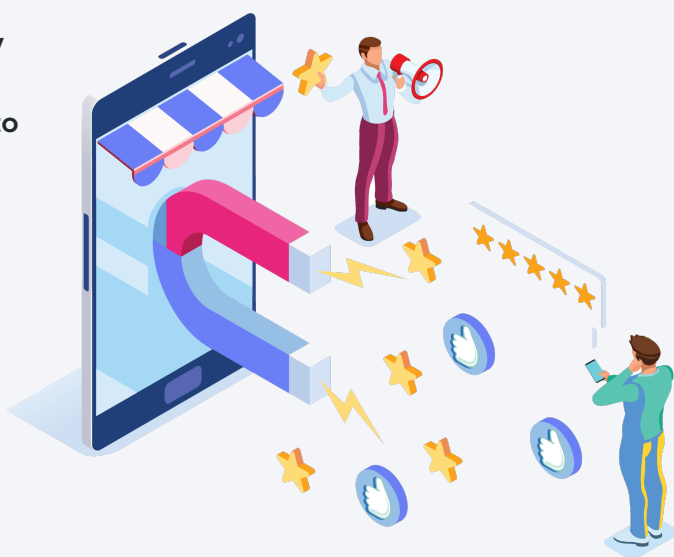
Why programmatic is not dead.

Of the most concern to those fretting the loss of the cookie is what this might mean to programmatic. However, contextual targeting actually facilitates programmatic, to an extent where it surpasses the effectiveness of the cookie. This is good news for marketers, considering a recent report found programmatic retargeting relying on cookies overstated ad reach by 89%, understated frequency by 47%, and understate conversion for display and video by 41%.

However, contextual targeting actually works better with programmatic because it can be served in real time, at scale, in more relevant (and safe) environments, than programmatic fuelled by the third-party cookie can. In fact, ExchangeWire recently reported contextual is actually better aligned with programmatic than any other type of targeting.

New platforms also offer the ability to ingest first-party data from DMP, CDP, ad servers, and other sources, which once fed through an intelligence engine, draws out contextual insights that can be applied in programmatic advertising.

All this means a combination of contextual targeting and first-party data gives brands the opportunity to create a closer connection with their consumers by associating with the content which actually engages them.

An exciting new era in contextually intelligent marketing.

Contextual targeting not only increases purchase intent, it also does so with less spend, making the post-cookie cost per conversion considerably lower - a vitally important achievement in the current economic climate.

And we start to see more contextual targeting tools leverage first-party data from any supported DMP, CDP, or Ad Server, we can now start to see how this can be transformed into contextual intelligence to power actionable omnichannel contexts, saving time-poor marketers and advertisers considerable time and effort by creating and deploying the perfect context all at once. This then ensures the delivery of optimal messaging in a brand safe environment across display, video, native, audio and addressable TV.

Contextual advertising using AI makes a brand more relatable, more relevant and offers more value to consumers, compared to ads targeted at the behavioural level using third-party cookies. Importantly, it helps brands, agencies, publishers and ad platforms to turn a fresh corner in the post-cookie era, ensuring ads are aligned with specific content and context across all channels, easily and quickly.

Moving forward, contextual targeting will allow marketers to get back to what it is they should be doing - forging a real, authentic and empathetic connection with consumers in the right place and at the right time. As marketing goes 'back to the future', contextual targeting will be the smarter and safer way forward to drive better, more meaningful marketing messages at scale.

Key benefits of contextual targeting:

1. No third-party cookies are used

2. Consumer privacy is protected

3. GDPR, CCPA and other privacy legislation compliant

4. Ads appear in brand-safe environments

5. It has the flexibility to provide a better ad experience and connect with customers in more authentic ways

6. Helps save time and drive efficiencies

7. Scales marketing efforts in an omni-channel environment

8. Helps increase purchase intent

9. Can be combined with a brand's first party data to make it even more effective

10. Can be used for programmatic

11. Helps boost advertising spend with lower-cost conversions

12. Easily scalable
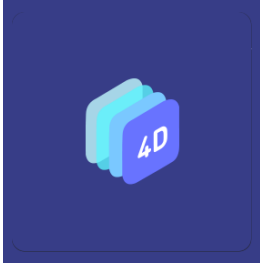
4D

4D is the Silverbullet Data Services Group's contextual intelligence and brand suitability product, with the mission to help marketers and advertisers deliver faster and smarter marketing capability following the impending demise of the third-party cookie. 4D helps brands, agencies, publishers and ad platforms to survive in the post-cookie era, by ensuring ads are aligned with specific content and context across all channels. 4D will enhance Silverbullet's existing offerings in the areas of Audience, Insight and Activation, working alongside its other services and tools to businesses, such as data management, data science, and content engagement.

Find out more about 4D here: https://launch4d.com/
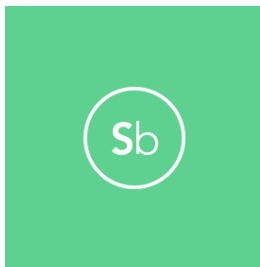
Silverbullet Data Services Group

The Silverbullet Data Services Group is the new breed of data-smart marketing services, designed to empower businesses to achieve through a unique hybrid of data services, insight-informed content and programmatic.

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