



2019 NATIVE REPORT

POWER⚡NG SMARTER ADVERTISING



Introduction

In 2019, the digital advertising industry was rocked by the massive shift to a privacy-first mentality. It seemed that just as GDPR had faded from the lexicon, CCPA and “cookie-free” soon pushed their way in. At worst, it was a privacy panic. At best, a necessary shift in conversation.

A November 2019 Egress survey found that 93% of US IT decision-makers said they had at least taken some steps to comply with privacy regulation such as CCPA or the EU’s General Data Protection Regulation (GDPR) (eMarketer, 2020) And 59% of US IT Security decision-makers improved the use of existing security technologies in and 56% improved data handling practices in 2019. (eMarketer, 2020)

That’s not to say programmatic is suffering. This year, \$46.86 billion, or 88.7% of all US mobile display ad dollars, will transact via automated means. **By 2021, US digital display advertisers will invest nearly \$80 billion in programmatic advertising.** (eMarketer, US Programmatic Digital Display Ad Spending, 2019). Bidtellect’s in-house creative team, [b]+studio, saw a **134% increase in creative requests** from 2018 to 2019.

In conjunction with the industry trends, Bidtellect saw a shift to contextual as a distinguishing capability and asset, forming deeper partnerships with agency partners and offering greater optimization capabilities to clients. **Contextual targeting emerged not just as a privacy solution, but a tool to close the engagement gap.** Engagement by Goal Type and Ad Type further proved advertisers and consumers desire for **safe, high-quality ads that blend into the content on the page** and lead to valuable content.

Engagement by Contextual Category

Not only are data protection standards changing, so are brands' and clients' unique goals. Contextual targeting has emerged as a coveted targeting capability in the privacy-first landscape, targeting based on the information available on the site of the ad space, rather than user data. It's possible to determine a unique ad space's location, the time of day, day of the week, the size and location of the ad on the page, and the page of the site it's on down to specifics about what content is on that page. The look and feel of every single ad placement is unique, and can be correlated even more closely with user behavior.

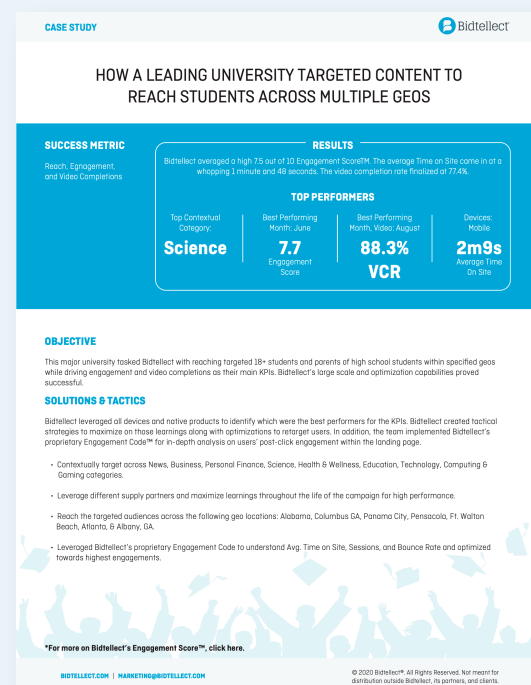
In 2019, Bidtellect's announcement of the deepened partnership between Just Media and Bidtellect underscored the importance and power of contextual-driven decisioning. Just Media initially noticed gaps in the B2B market, with DSPs often unable to penetrate the Native Advertising space and offer tangible analytics on engagements and conversions. With Adblocking and "banner blindness" becoming increasingly prevalent, content advertising with strong contextual-driven decisioning offers an alternative to close the engagement gap.

"Intent has become an important part of our B2B campaigns across clients," said Kathryn Nassar, Media Account Manager at Just Media. "Most of the data segments that judge intent do so by monitoring content registration, downloads, views and general consumption against certain topics. With Bidtellect's contextual targeting we can strategically deliver ads next to the content helping to power that data, complementing our other intent strategies and delivering deep engagement with our content."

Bidtellect's contextual optimization capabilities enabled content to go beyond where standard banner and display ads can reach: in front of the eyes of decision-makers like CTOs and CIOs for meaningful engagement.

Consider this Case Study:

A major university used contextual targeting to reach students, ultimately landing **88.3% VCR** for the month. Contextual targeting allowed them to target based on location and categories like news and business, and science was ultimately the best-performing contextual category.



Engagement by Contextual Category

Bidtellect created the Engagement Score™ to combine the measurement of multiple factors into a single, unified metric. Its algorithm factors in sessions, pageviews, bounce rate, and time on site, to more accurately measure how engaged an audience is in real-time - without having to dig through days' worth of data.

Q1

News	7.7
Religion & Spirituality	7.7
Hobbies & Interests	7.5
Arts & Entertainment	7.4

Q2

Technology & Computing	7.2
News	7.1
Science	7.1
Hobbies & Interests	6.9

Q3

Science	7.2
Automotive	7.1
Technology & Computing	7.1
Hobbies & Interests	7.1
News	7.1

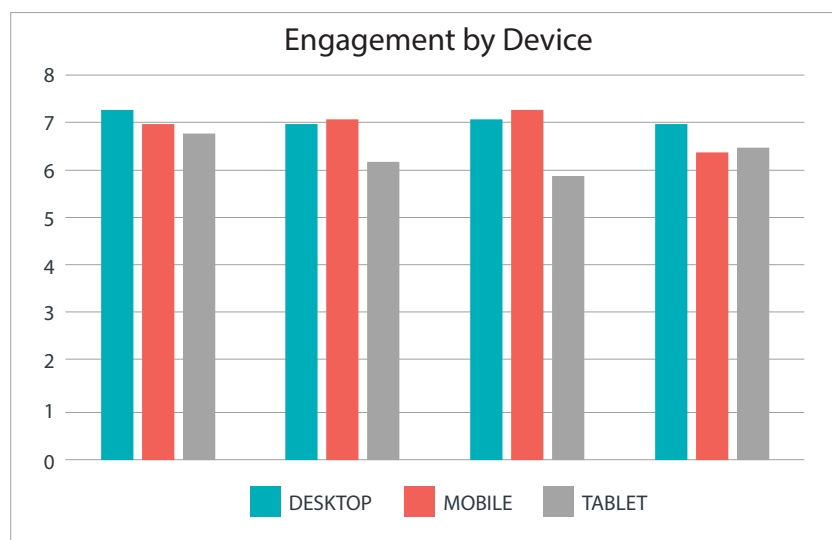
Q4

News	7.2
Technology & Computing	7.2
Automotive	7.1
Law, Gov't & Politics	7

The leading contextual categories are ranked by engagement each quarter of 2019. News maintained top 5 status across the quarters, which is unsurprising. Users are engaged with the site to read and gather information and are open to further content engagement. Technology and Computing earned top engagement from Q2 through Q3, again capitalizing on consumers interest in consuming valuable content and willingness to access further information, proving again the value of our advertisers' content-driven advertising strategy coupled with relevant placement of ads that blend seamlessly into the page. Science maintained top engagement in Q2 and Q3, as did Hobbies & Interests. Automotive earned top engagement in Q1, Q3, and Q4, proving again the importance of research and valuable content consumption

Engagement by Device

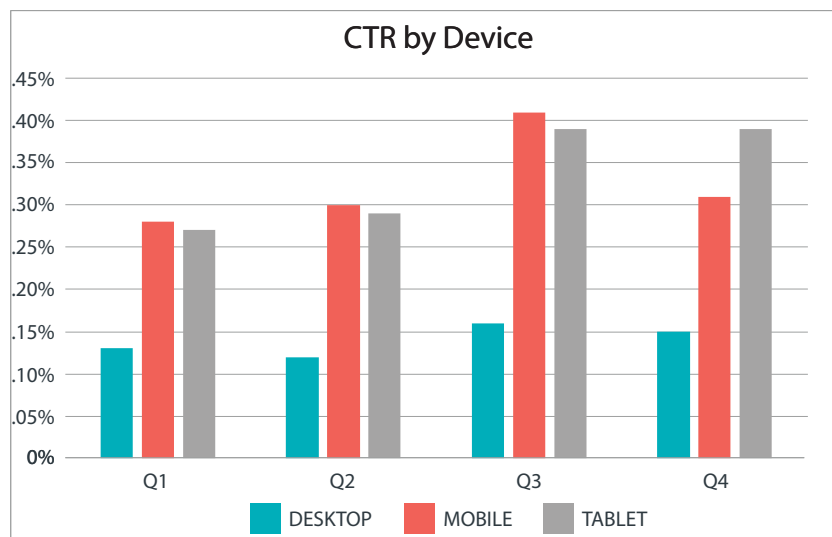
Bidtellect's Engagement Score™ factors in time on site, bounce rate, sessions, and page views. Meaningful, prolonged engagement across devices remained consistent with little distinction, proving the **equal importance of content consumption across devices**.



By 2019, advertisers recognized the importance of mobile and tablet, and engagement across all devices remained consistent with each other. Interestingly, CTR rates for Desktop were consistently lower than Mobile and Tablet across 2019. The shift in content consumption from desktop-only to handheld devices is evident if not obvious, and the adaption of ads to best-suit those smaller screen environments is a necessity. According to eMarketer, **the average US adult spent 2 hours, 55 minutes on a smartphone in 2019** (eMarketer, 2019).

CTR by Device

Using CTR as a measurement, the most marked increase in engagement from Q1 to Q4 2019 is Tablet. Coupled with Mobile's steady high engagement, it indicates consumers continue to turn to mobile and tablets in greater numbers to engage with content and shopping experiences, and aren't confined to their desktop.



Average CTR for Tablet jumped from an average 0.28% CTR in 2018 to 0.35% CTR in 2019. From Q1 to Q4, it jumped from 0.27% to 0.39%. This is in contrast to Engagement Score measurement, in which Tablet had the lowest score.

Mobile's average CTR from 2018 to 2019 didn't change: it stayed the highest of any device at 0.35%. Desktop had the lowest average CTR, but still jumped slightly from 0.13% in 2018 to 0.14% in 2019.

Revenue by Goal Type

The top goal types of 2019 were CTR, Multiple Goal Types, Completion Rate (Video), Click Through Conversions, Play Rate (Video), Supply Tier, and IAS RTS Viewability Rate.

“Multiple Goal Types” (ranked here as a goal type itself) shifted to top revenue goal type for Q2 through Q4, as advertisers recognized the value of dynamic measurement and optimization - that is, adjusting to best-performing, either through the platform’s automated optimization capabilities or through hands-on team members. CTR, a lingering industry goal type standard, shifted to second place by Q4. The amplified importance of video cannot be overstated, as it held a top revenue spot for all four quarters, and two slots in Q1. The shift to greater privacy and emphasis on high quality advertising is evidenced by the emergence of IAS RTS Viewability Rate and Supply Tier as top Goal Types, with advertisers seeking greater insistence that their ads are being safely delivered to valuable, quality placements. Advertisers value safety, high quality publishing sites and ads, and video.

Q1

1. CTR
2. Multiple
3. Completion Rate (Video)
4. Click Through Conversions
5. Play Rate (Video)

Q2

1. Multiple
2. CTR
3. Completion Rate (Video)
4. IAS RTS Viewability Rate
5. Click Through Conversions

Q3

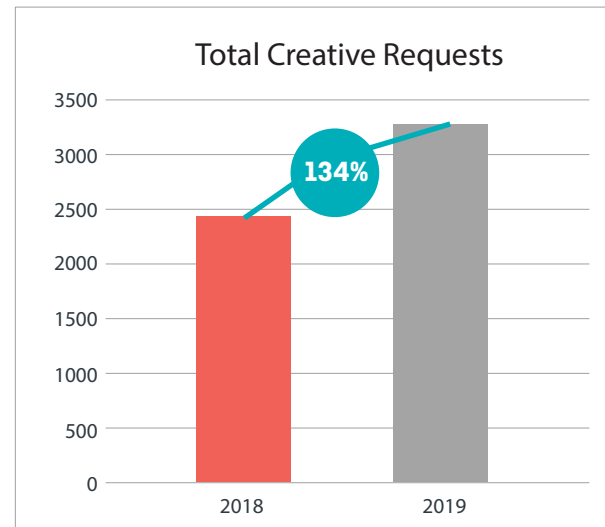
1. Multiple
2. CTR
3. Supply Tier
4. IAS RTS Viewability Rate
5. Average Time on Site

Q4

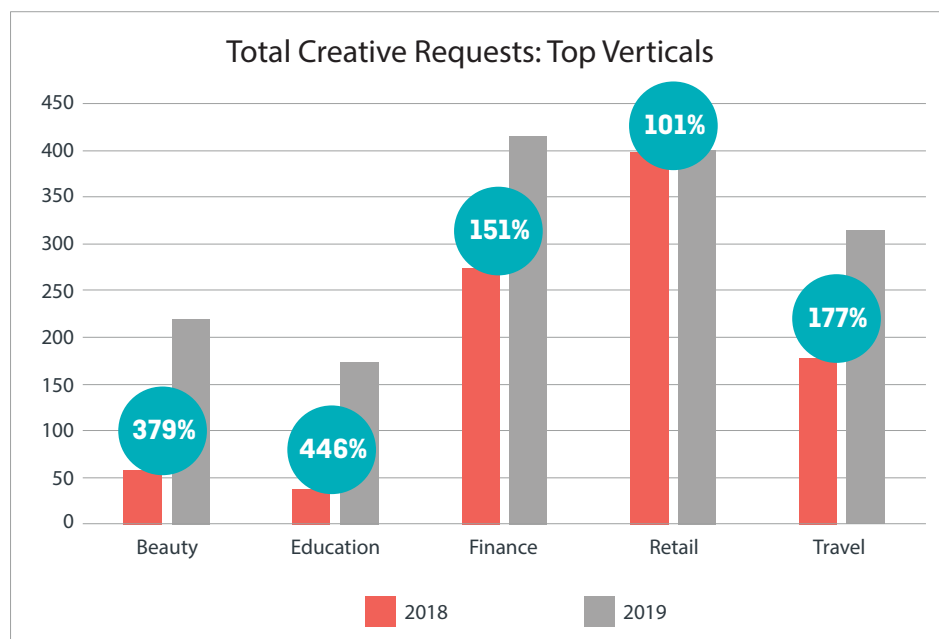
1. Multiple
2. CTR
3. Supply Tier
4. Completion Rate (Video)
5. IAS RTS Viewability Rate

Creative

Bidtellect's in house creative team, [b]+studio fulfills thousands of requests each year, combining art and data-backed best practices to create engaging content assets. **[b]+studio works in conjunction with the data provided by Bidtellect's platform**, continuously testing, optimizing, and altering creatives based on performance and offering recommendations, as well as identifying trends that emerge in each vertical. **From 2018 to 2019, [b]+studio's "request portal" increased by 134%.**



Each vertical saw an increase in requests. Best practices for Education, Beauty, Personal Finance, Travel, and Retail are listed below.



Education: 446% Growth

[b]+studio received our highest leap year over year at 446% in requests for the educational vertical.

Best Practice: For most EDU campaigns, the main objective is to encourage a user to request more information about the school or immediately enroll or register. It's important that the landing page speaks to the value of the institution and showcases success stories. The Native creative should reflect the same with a clear call to action in the description. [b]+studio observed that headlines that speak to the affordability of institutions perform the best.

Creative (continued)

Retail: 101% Growth

Not surprisingly, retail-related requests dominated Q4 2019 over 101% growth YoY. Retail clients caught on years ago about the importance of distributing content, like

Best Practice: Always Bring Value. Make sure a “call to action” in your description. For example, if you want someone to download something, tell them they can do it here. If you want someone to buy your product, tell them how in the description. If you have a promotion code or sale entice the consumer in the headline.

Travel: 177% Growth

[b]+studio saw a 177% lift in travel creative requests year over year. Brands see the value in distributing their content and specials aligned with relevant content.

Best Practice: The importance of beautiful, bright, colorful images to show off destinations and amplify copy cannot be overstated in the travel vertical. Cinemagraphs tend to have more virality, with a 71% higher organic reach than still photographs. Additionally, promoting to listicle content proved highly successful, as it's a simple method to list reasons why consumers should travel to your destination, especially when they are already browsing travel-related content.

Personal Finance: 151% Growth

Year over year, [b]+studio saw a 151% increase in creative requests for personal finance.

Best Practice: By asking a question in the headline, you immediately identify and personalize the experience.

Beauty: 379% Growth

Between small break out brands and our go-to brands, [b]+studio saw a huge leap in Beauty requests year over year, up 379%.

Best Practice: With Native, a “beauty ad” will appear in a feed between insightful and useful articles, so creative should match that style and be just as useful. Bring

About this Report

Bidtellect's Native Report was created to provide advertisers with important insights and trends in the Native Advertising industry. Bidtellect's platform processes over 55 billion Native auctions daily across 58 million distinctly targetable placements, and this number continues to grow quarter over quarter. We analyze data from the start of an auction through post-click consumer activity including but not limited to the metrics captured in this report.

About Bidtellect

Bidtellect is on a mission: to deliver ads that work. We've built a digital buying platform for a consumer-led, privacy-first advertising future. Through our intelligent distribution platform, we deliver digital ads that act as content previews across all devices and IAB-approved native formats and video. When a consumer engages with a brand's content, they engage with the brand, so we utilize our proprietary Intellibid™ technology to power and uniquely measure that engagement. Our context-driven optimization capabilities, post-click engagement measurement, creative services, and unparalleled scale in consumer-friendly ad environments have all been developed to drive performance for advertisers without relying on traditional cookie-based advertising approaches. The result is consistent outperformance versus traditional advertising platforms. Bidtellect. Powering Smarter Digital Advertising.