Bidtellect®

POWERING SMARTER ADVERTISING

2020 NATIVE REPORT

1H Native Report 2020:
Trends That Emerged and Thrived During the Coronavirus Pandemic

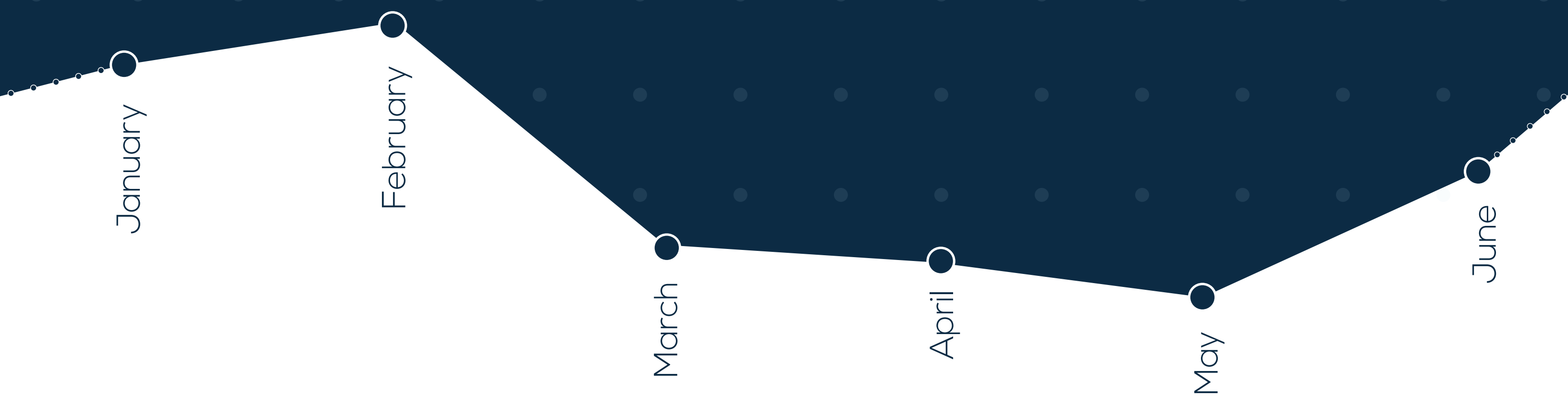
The first half of 2020 has been an eventful, unpredictable, and trying year for many across the world. A history-making global pandemic and civil rights movement have upended daily life and dominated the collective consciousness. As the coronavirus pandemic spread to the United States and Canada and halted life as we know it, the digital advertising industry was just one of many affected by the change. The shift to the "new normal" of at-home work, dependence on ecommerce and at-home delivery, and attention to health and well-being are showcased in Bidtellect's emergent platform trends in this report.

Engagement across ad types and devices still grew across the first half of 2020, despite some pauses and interruptions by advertisers. Deep mobile engagement solidified the shift to use and dependency on mobile devices as the new norm - even for previously desktop-only trends like greater time spent on content post-click, and even during at-home orders when many grew more dependent on laptops. We take a closer look at Travel, Science, and Style & Fashion channel categories, and in Contextual Categories, new trends emerged based on engagement.

Note on Engagement Score™:

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.

Revenue by Goal Type:
Dynamic Goal Setting Consistently Earns Highest Revenue



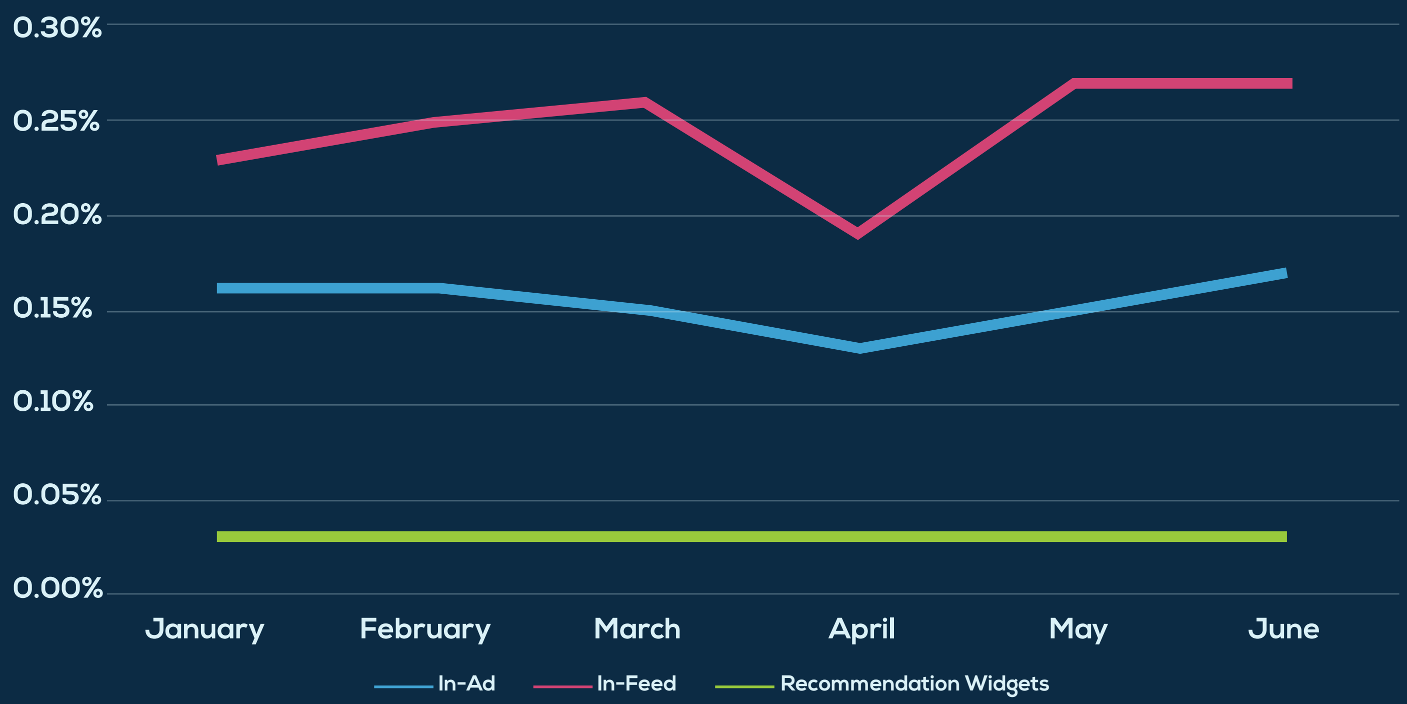
Setting Multiple Goal Types, while technically not a goal type itself, is made possible through Bidtellect's proprietary optimization to support multiple goals simultaneously with variable weighting. The practice consistently brought in the highest revenue for client campaigns, in some months pulling **more than double** the revenue than the leading goal type below it. A full-picture approach to goal setting leads to greater revenue pull, factoring in truer engagement (Engagement Score™), quality supply, full funnel conversions on clicks, time spent with content, and video usage. CTR, while still the industry standard for goal type and ad revenue measurement, held second place, but falls short in delivering full-funnel revenue for advertisers.

Key Stat:

Multiple Goal Types revenue was **68%** higher than CTR in one month, and consistently about double.

Ad Type Engagement:
Consistent Through 1H 2020

//CTR



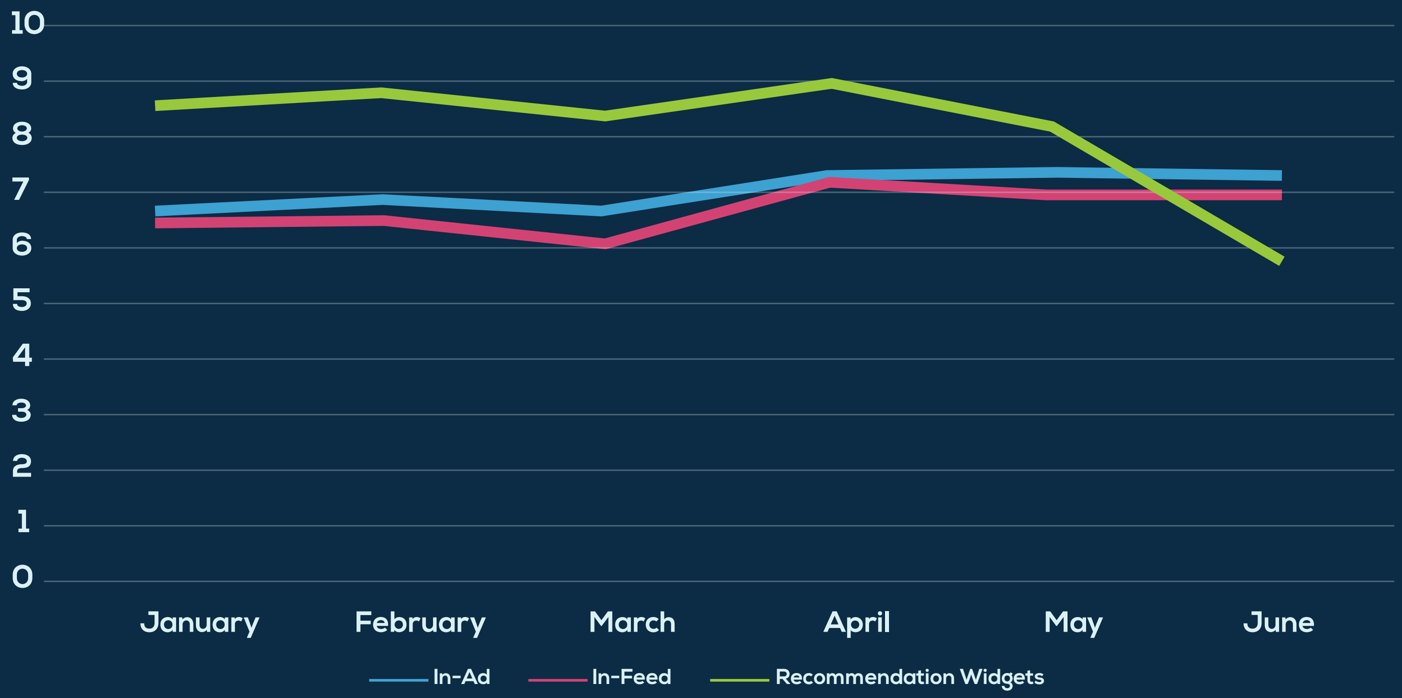
In-Feed was consistently the highest-performing ad type across 1H 2020; average CTR dropped slightly and briefly from 0.26% to 0.19% from March to April as advertisers fearfully pulled campaigns and decreased spend at the onset of the pandemic in the United States. In-Feed CTR not only recovered but improved over the pre-pandemic rate by June. In-Ad CTR saw a slight dip, but similarly recovered to a better than pre-pandemic rate by June. Recommendation Widget average CTR was unaffected by the pandemic, and the rate remained steady through the first half of 2020.

Key Stat:

CTR **surpassed** pre-pandemic rates in all Ad Types by end of 1H 2020.

Ad Type Engagement:
Consistent Through 1H 2020

//ENGAGEMENT SCORE



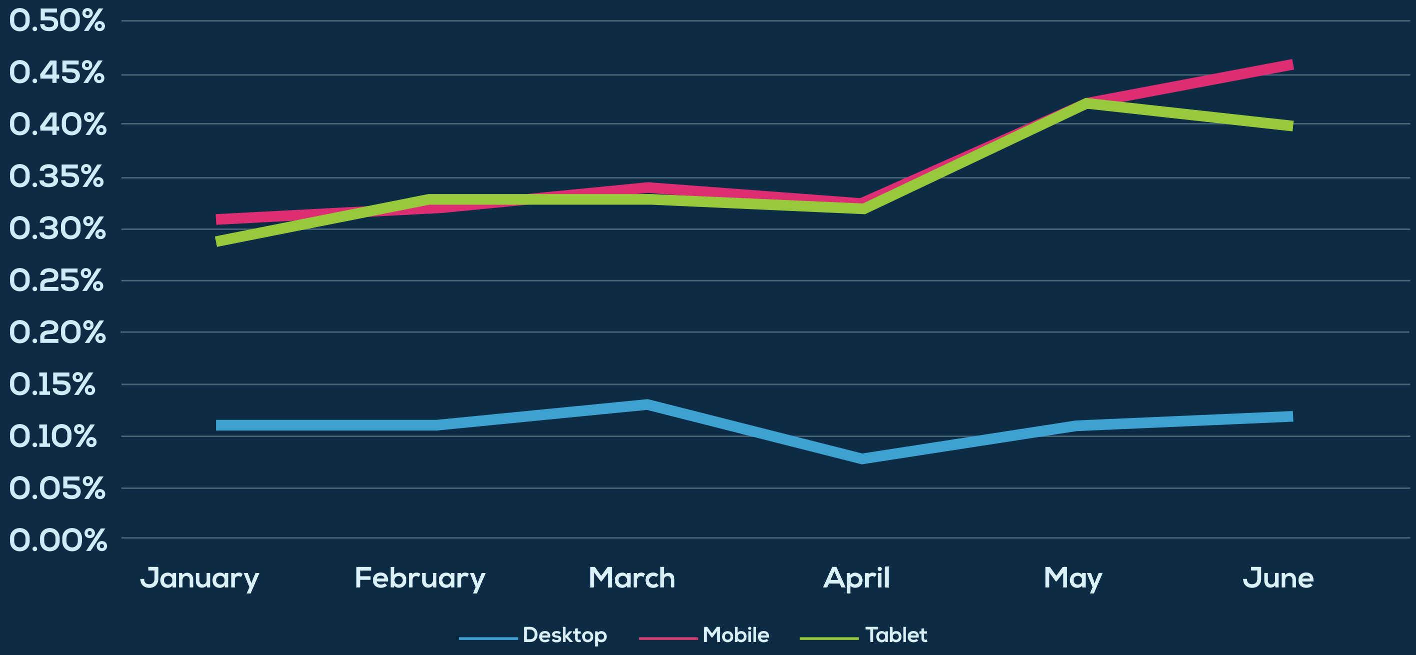
Bidtellect's Engagement Score™ gives a truer, fuller picture of engagement with content. In measuring Engagement by Ad Type using the Engagement Score™, we can see an increase in Engagement at the onset of the pandemic. Engagement Score™ factors in Time on Site in its calculation. In March, April, and May Time on Site per visit was highest, as consumers spent more time consuming content both for information and distraction.

Key Stat:

For one ad type, Time on Site increased **44%** from January to April, the height of pandemic. (Recommendation Widget)

Engagement by Device:
Deep Mobile Engagement Continues to Climb

//**CTR**



CTR varied by device type across the first half of 2020, and all devices experienced a drop from March to April. Interestingly, Mobile and Tablet average CTR recovered better than Desktop, surpassing pre-pandemic rates. 53.0% of the US population are tablet users, a 1.3% increase over last year (eMarketer, "US Tablet Users," April 2020).

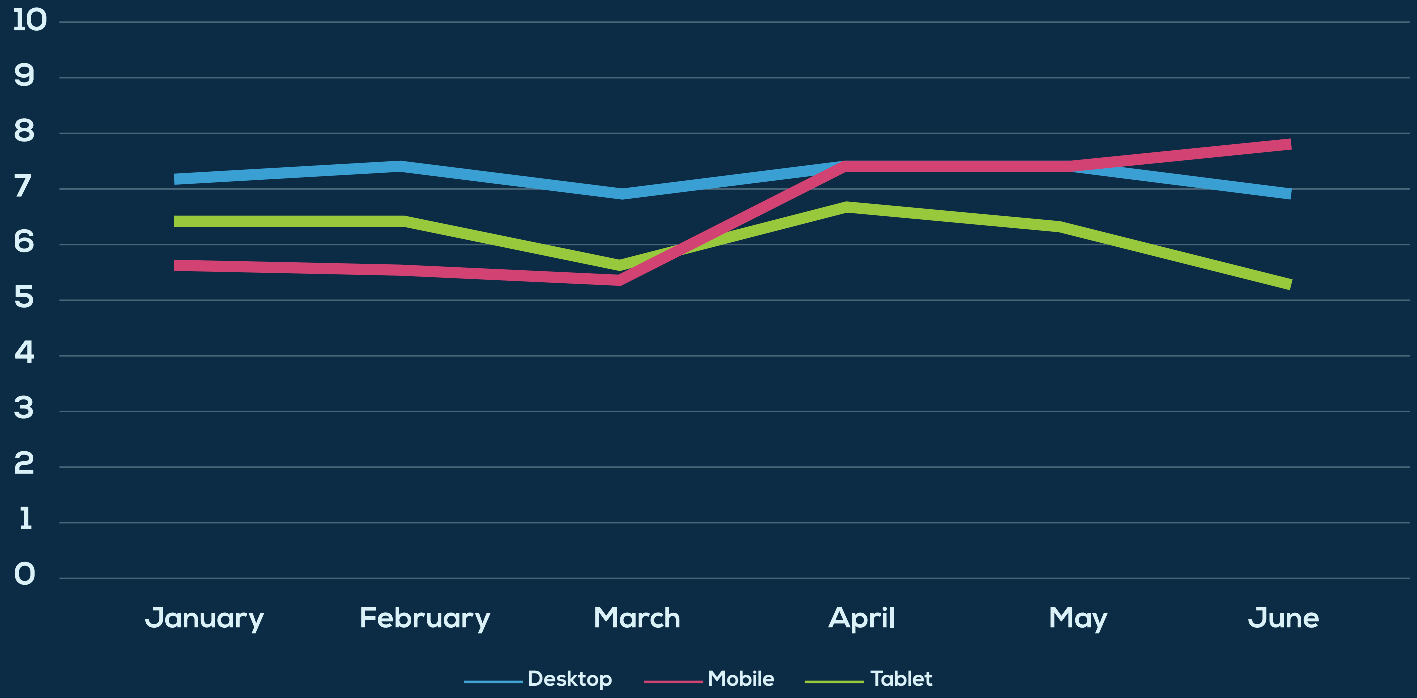
Advertisers should prioritize more spend to Mobile, an opportunity that has continued to grow year after year.

Key Stat:

Mobile had a **106%** higher CTR than Desktop in 1H 2020. In Q2, the difference was starker at **120%.**

Engagement by Device:
Deep Mobile Engagement Continues to Climb

//ENGAGEMENT SCORE



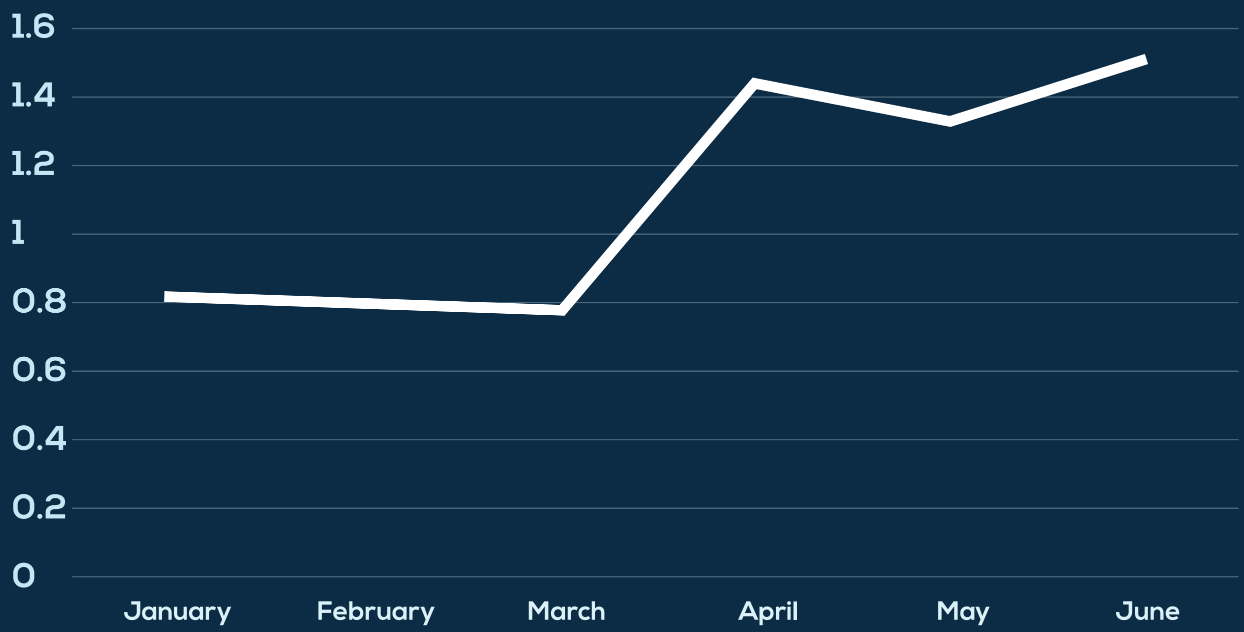
Again, Engagement Score™ by Device Type painted a truer picture of users' pandemic behavior and interaction with ad content. Desktop Engagement remained steady and unchanged from January through June, unsurprising as users already working primarily in front of a computer in an office simply shifted to a laptop at home. Mobile and Tablet Engagement dropped briefly in March at the onset of the pandemic, but quickly recovered in April. Mobile Engagement dropped briefly in March, as well, but leapt back up by April and climbed to the strongest device for Engagement by June. Indeed, users have grown more comfortable engaging with publisher sites and digital shopping through their phones. In 2020, 87.3% of US digital shoppers will shop via their mobile device, a 3.5% increase from last year, according to eMarketer. (eMarketer, "US Mobile Shoppers and Penetration, by Device," May 2020).

Key Stat:

Mobile Engagement increased **35%** from February to June 2020, even with the coronavirus pandemic.

Time on Site:

Users Spend More Time With Advertiser Content on Mobile Devices



In comparing Q2 2019 vs. Q2 2020, mobile usage is higher and desktop usage has dropped, solidifying the shift to mobile usage and opportunity for mobile digital advertising. Even in the midst of widespread at-home isolation, engagement with content and digital ads on mobile climbed, pointing to greater usage and comfort with deeper interaction with content over mobile devices. Previously, users would engage with advertiser content or accidentally click ads (the "fat finger" conundrum), but still not spend as long consuming the content once they go to the page likely due to screen size or the on-the-go nature of smartphone use. The higher rate of Time on Site per visit points to new engagement habits. Advertisers and brands that adjust and adapt content to mobile devices - such as digestible information nuggets and easy shopping interfaces - will thrive.

Key Stat:

In Q2 2020, Mobile users spent **20%** longer on sites per visit after engaging with a Native Ad than Desktop users, and **58%** more than Tablet users.

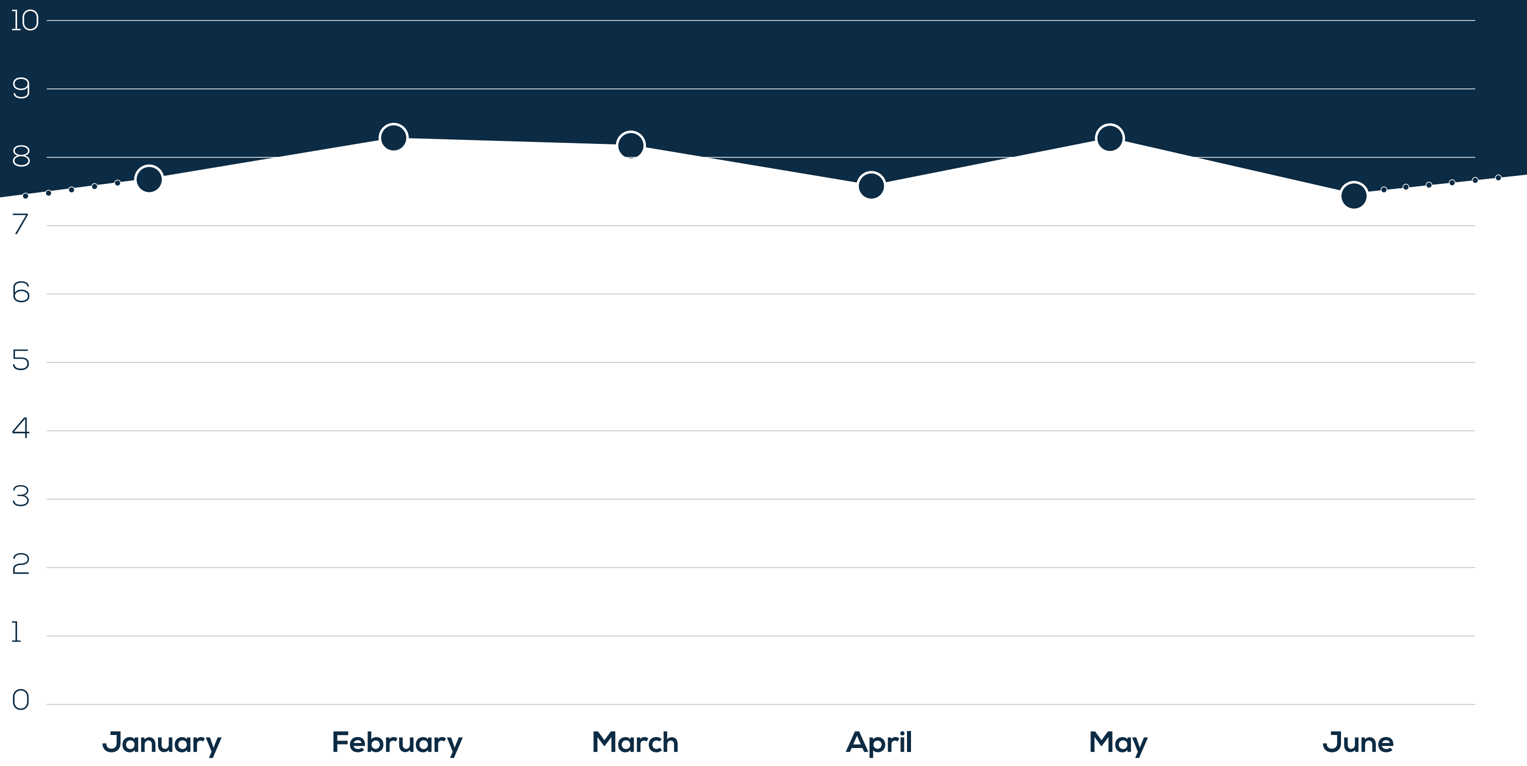
Engagement by Channel Category:

Spotlight on Travel, Science, and Fashion

We took a closer look at three channel categories and how the coronavirus pandemic affected their engagement: **Travel, Science, and Style & Fashion**.

Travel

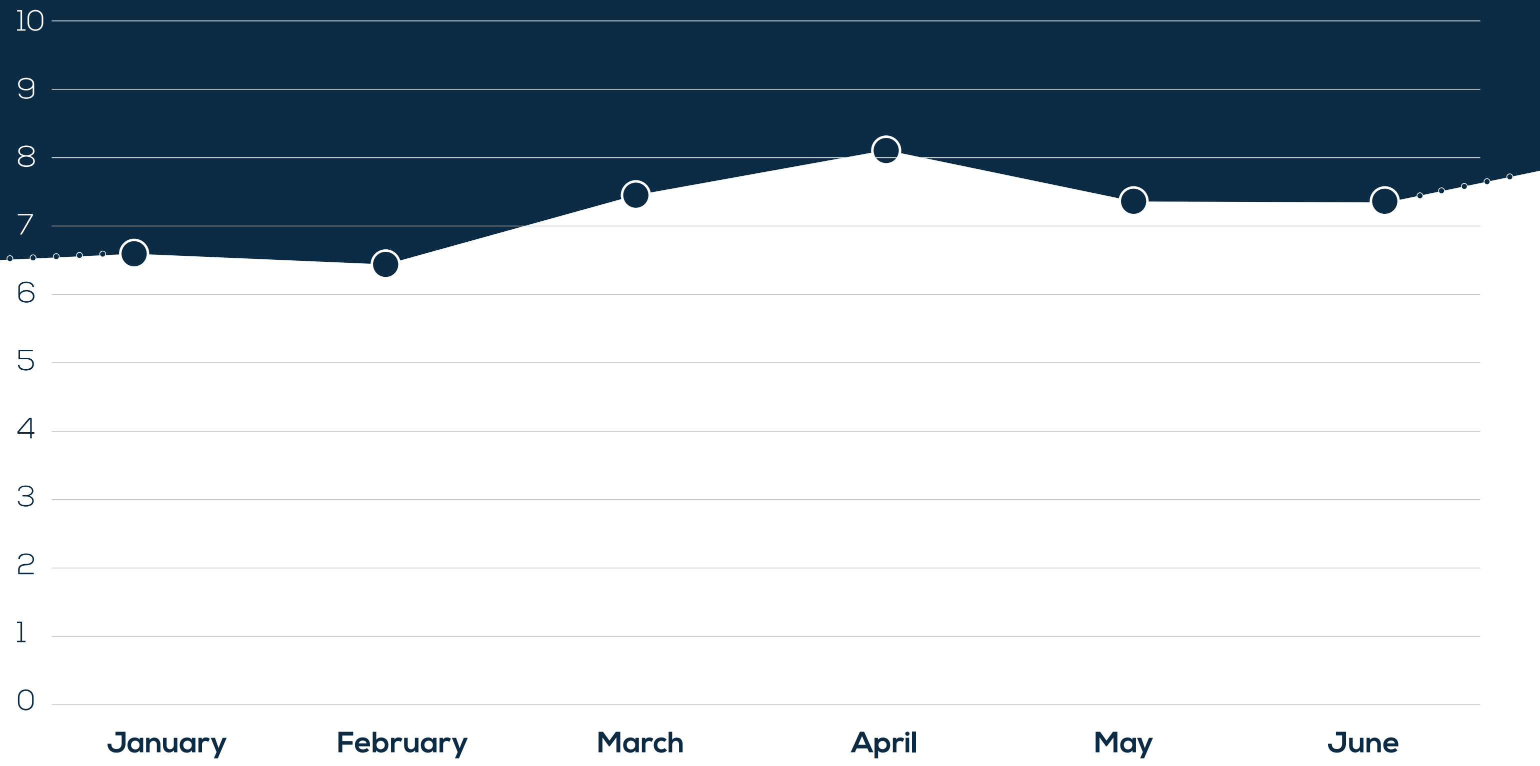
Travel was notably one of the hardest industries hit by the coronavirus pandemic, as airline travel and hotel bookings stopped completely at the height of the pandemic. Even with a decrease in advertiser spend, engagement in the Travel category still **increased by 3%** from January to June 2020.



Key Stat:
Engagement in the Travel category still increased by **3%** from January to June 2020.

Style & Fashion

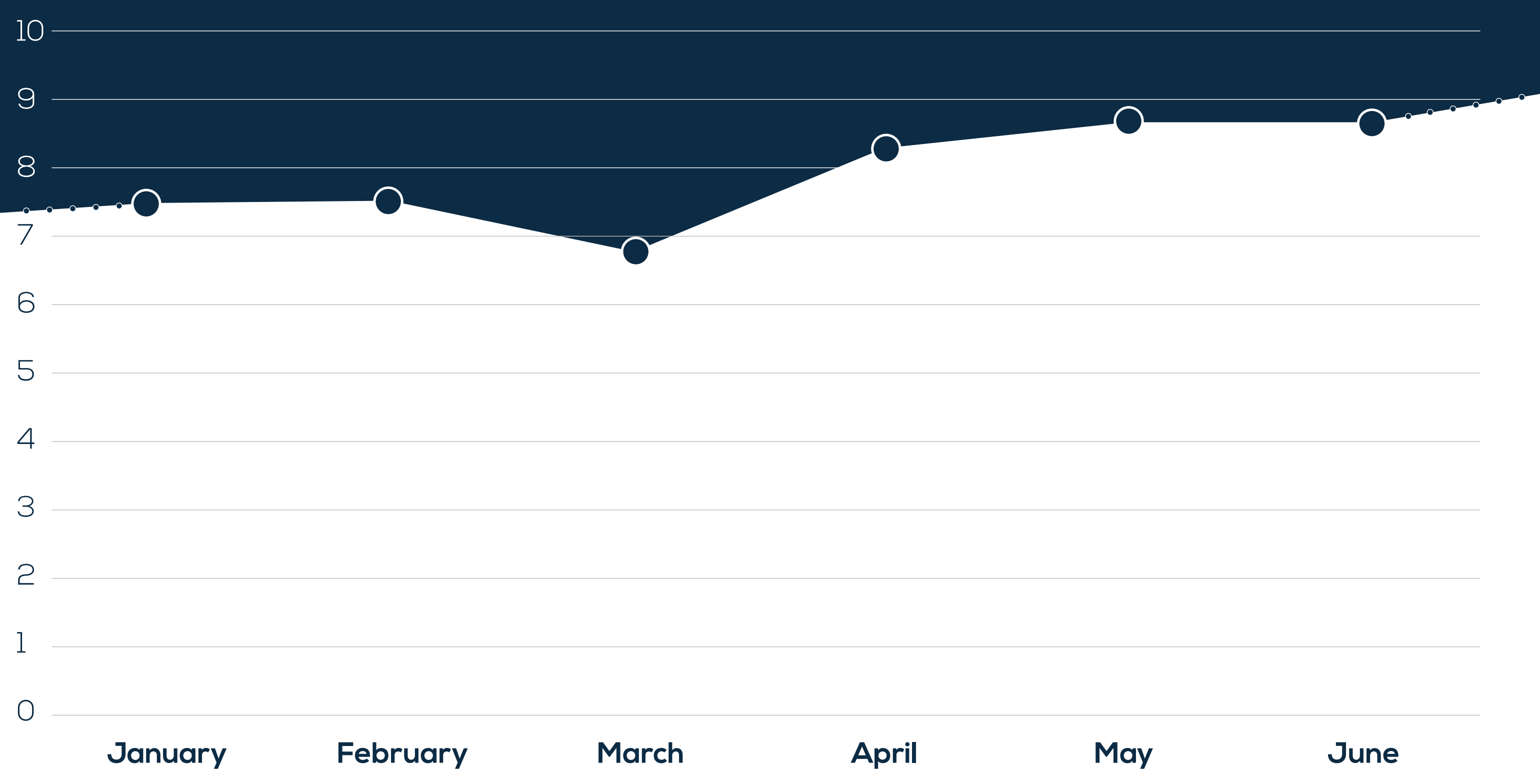
Style & Fashion saw a similar leap in Engagement, but at the height of the pandemic itself in March and April. While other categories suffered, fashion brands and editorial content created and capitalized on the new trend of stylish **at-home loungewear and masks thrived** thanks to eCommerce.



Key Stat:
Engagement in the Style & Fashion category increased **21%** from February to April, the height of the pandemic in the United States. From January to June 2020, Engagement increased by 10%.

Science

After an initial dip at the height of the pandemic, Science saw **engagement climb** rapidly in just a month from March to April, with renewed consumer interest in science, likely as it related to the pandemic, as well as online learning.



Key Stat:
Engagement in the Science category increased **15%** from January to June 2020.

Engagement by Contextual Category: Representative of New Trends

With the onset of the privacy-forward, cookie-less movement, contextual targeting - targeting based on the information available on the page or site of the ad space, rather than user data - is on its way to becoming industry standard. Contextual targeting is often just as if not more successful in predicting what a consumer engaging with the content will be interested in engaging with next.

Bidtellect's platform technology further distinguishes itself from the industry by its **mastery of contextual optimization**: optimization that does not rely on user data or cookies. As such, contextual category engagement is consistently top-performing and leading category subjects give a true indicator of consumer tastes and trends.

TOP 5 AVERAGES FOR Q1

1. News
2. Personal Finance
3. Technology
4. Business
5. Religion & Spirituality

TOP 5 AVERAGES FOR Q2

1. Science
2. News
3. Real Estate
4. Technology & Computing
5. Personal Finance

Top contextual categories in Q1 and Q2 are far from surprising, indicating the subjects consumers were spending the most time engaging with. As compared to Q1 and Q2 2019, Sports and Hobbies & Interest categories are notably absent from top contextual categories. As professional sports were all but suspended or cancelled due to coronavirus, consumers turned their attention to more pressing topics to engage with: Real Estate and Personal Finance, and advertisers thrived in these categories.