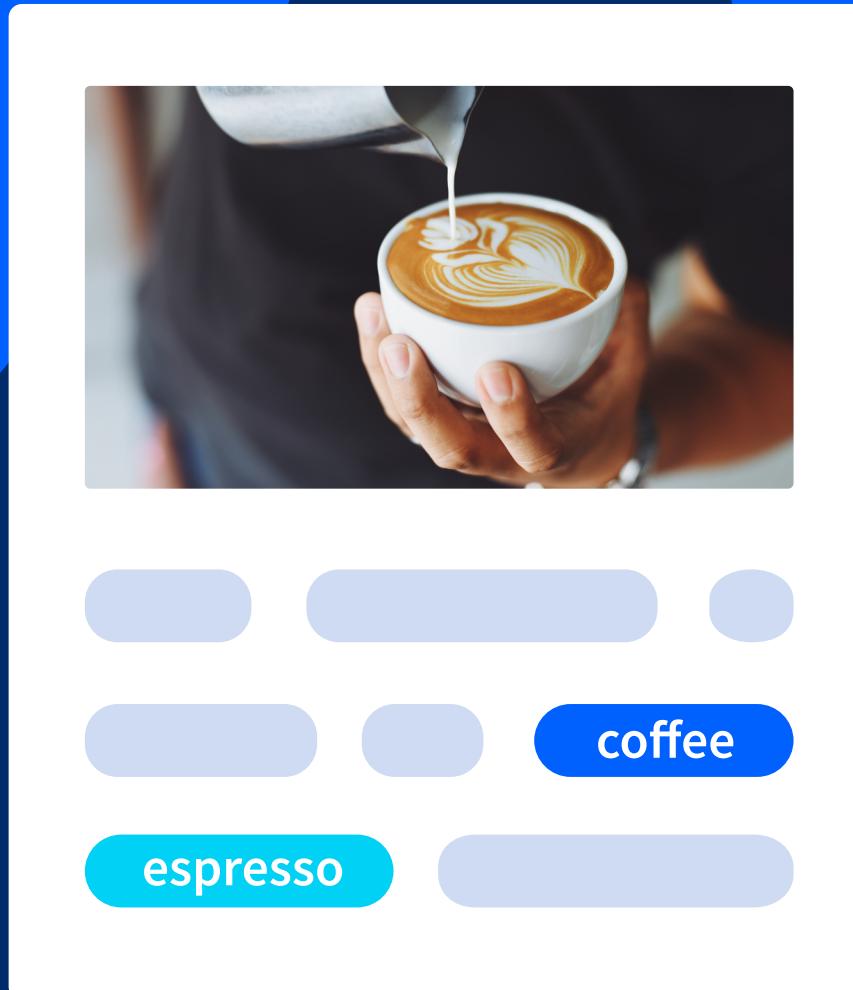




The Guide to Contextual Advertising



➤ Get the Context You Need

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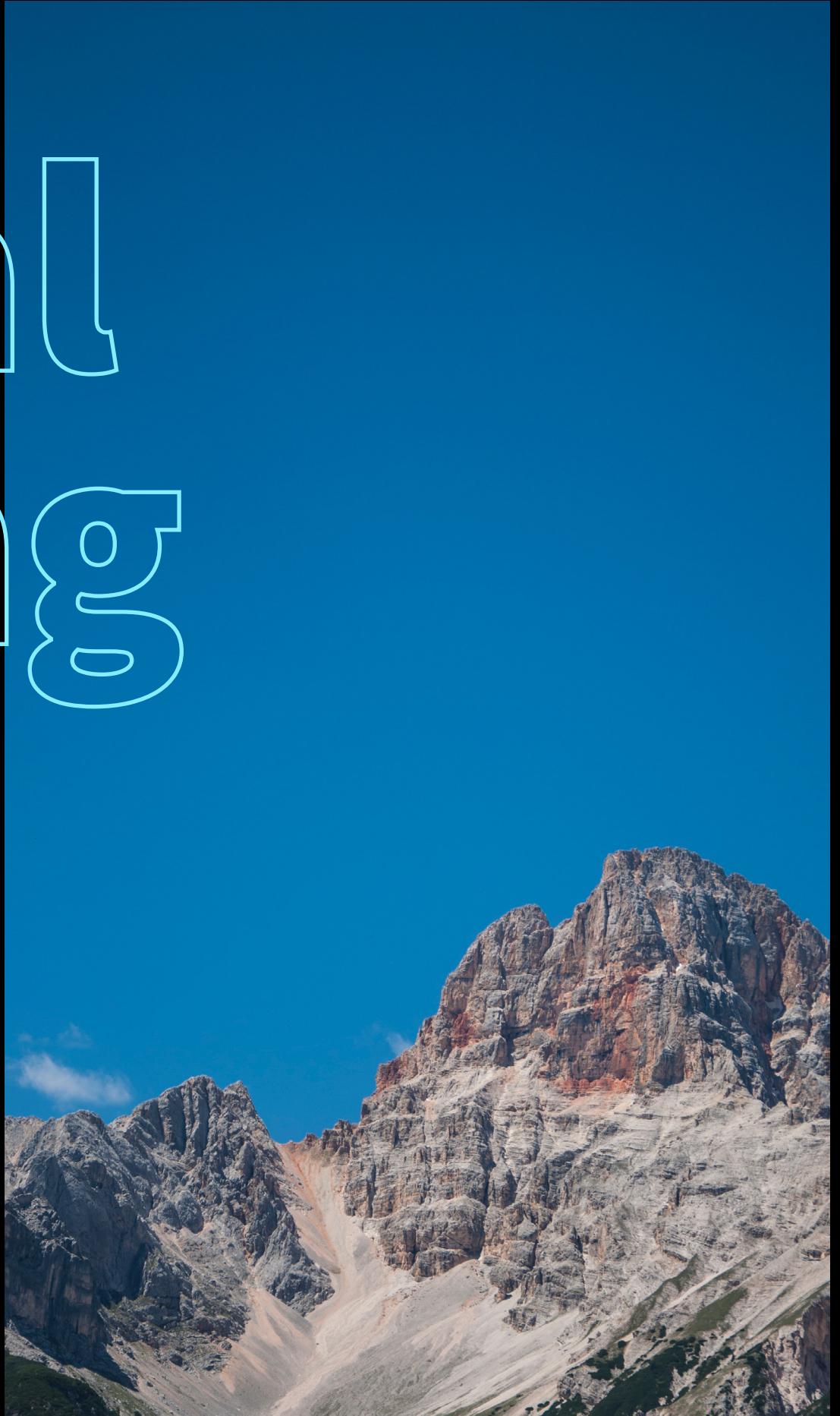


Based on our historical analysis
at StackAdapt, placing ads in the
right context can **increase user
engagement** by a factor of

4 to 10.

Contextual Advertising Has Resurfaced

And it's **better** than ever.



What's Changed

Modern contextual advertising leverages machine learning and artificial intelligence (AI), which has made this targeting method more effective than ever before. Thanks to current technology, contextual is multi-channel and scalable, making it a reliable means for reaching your audience.



The Time is Now

Contextual targeting isn't constrained by privacy legislation because it doesn't collect or use information about users. Instead, it leverages the context next to which the ad appears.

Contextual offers an alternative to targeting with cookies, and aligns with upcoming trends and policy changes. It provides advertisers another option for diversifying methodologies and experimenting with new marketing strategies.

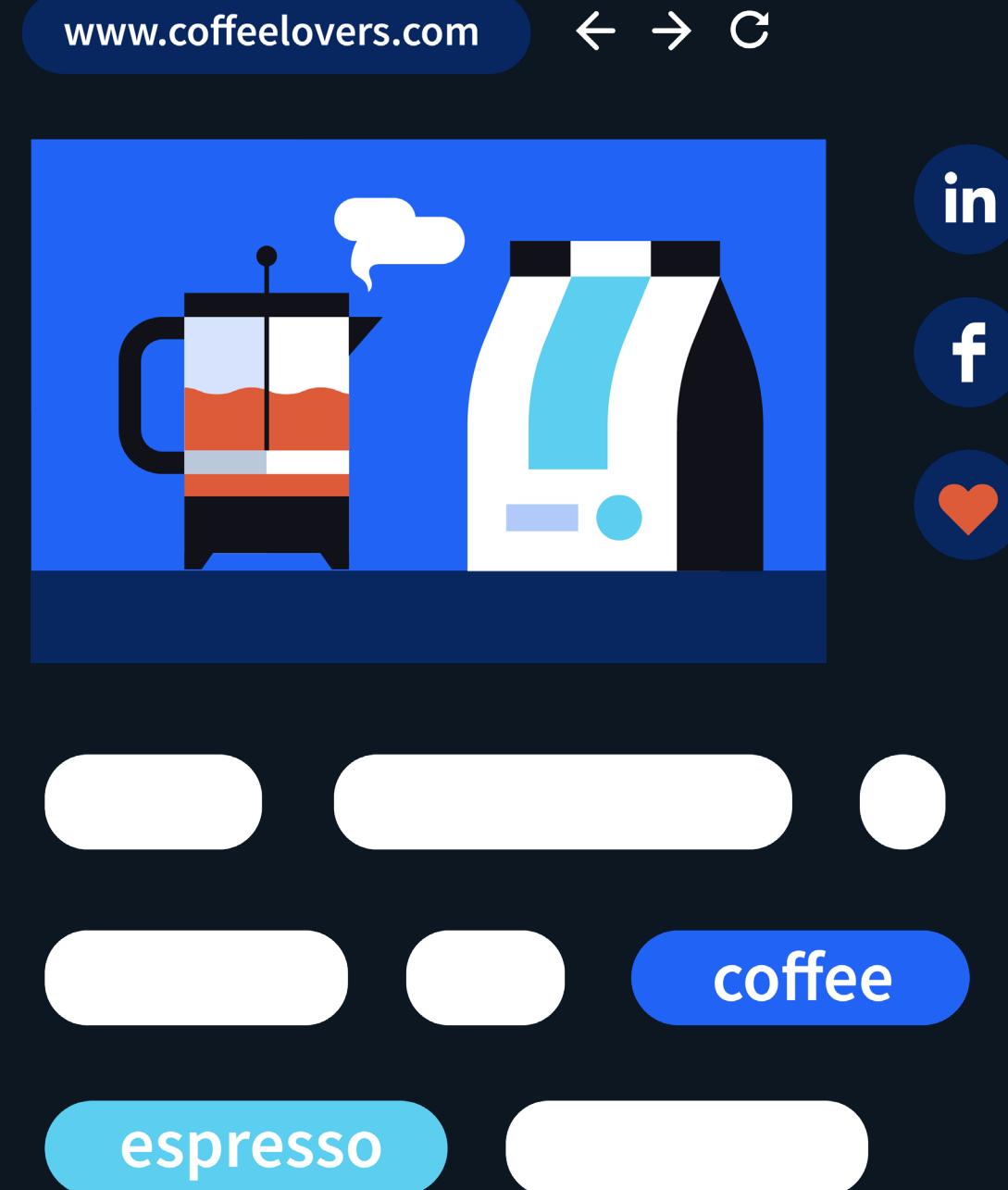


Contextual Advertising Explained

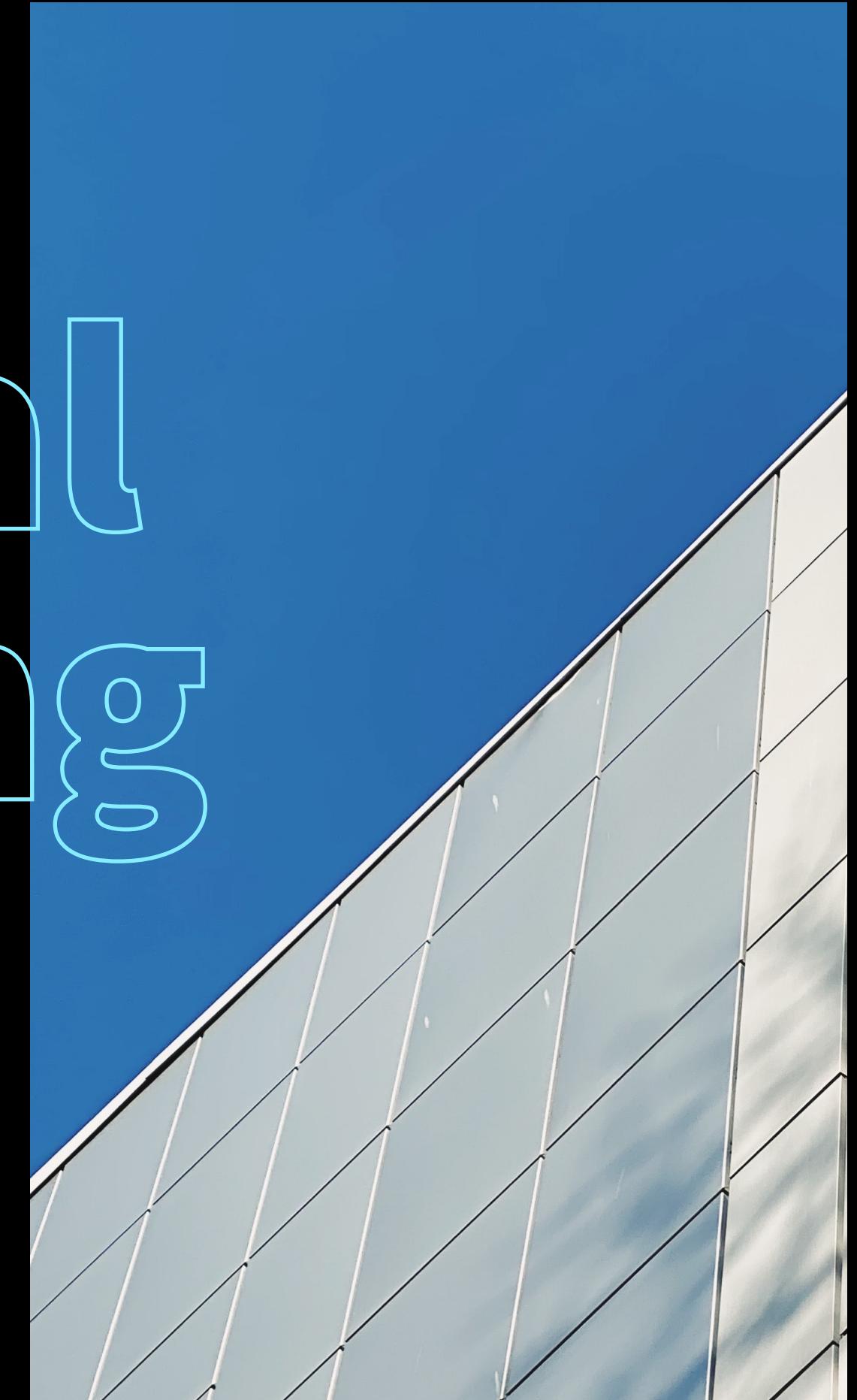


Rather than serving ads based on user behaviour, contextual advertising targets ad placements based on the environment in which the ad appears. Sophisticated algorithms target ad placements based on keywords, website content, and other metadata.

The key difference between contextual and behavioural advertising is that behavioural targeting leverages cookies to target based on a user's past actions, whereas contextual targeting targets based on the content of the page on which the advertisement appears. For example, if a user is reading a blog about coffee, they could be served ads for coffee beans, or coffee makers, as it's likely at that time the user is thinking about coffee-related products.

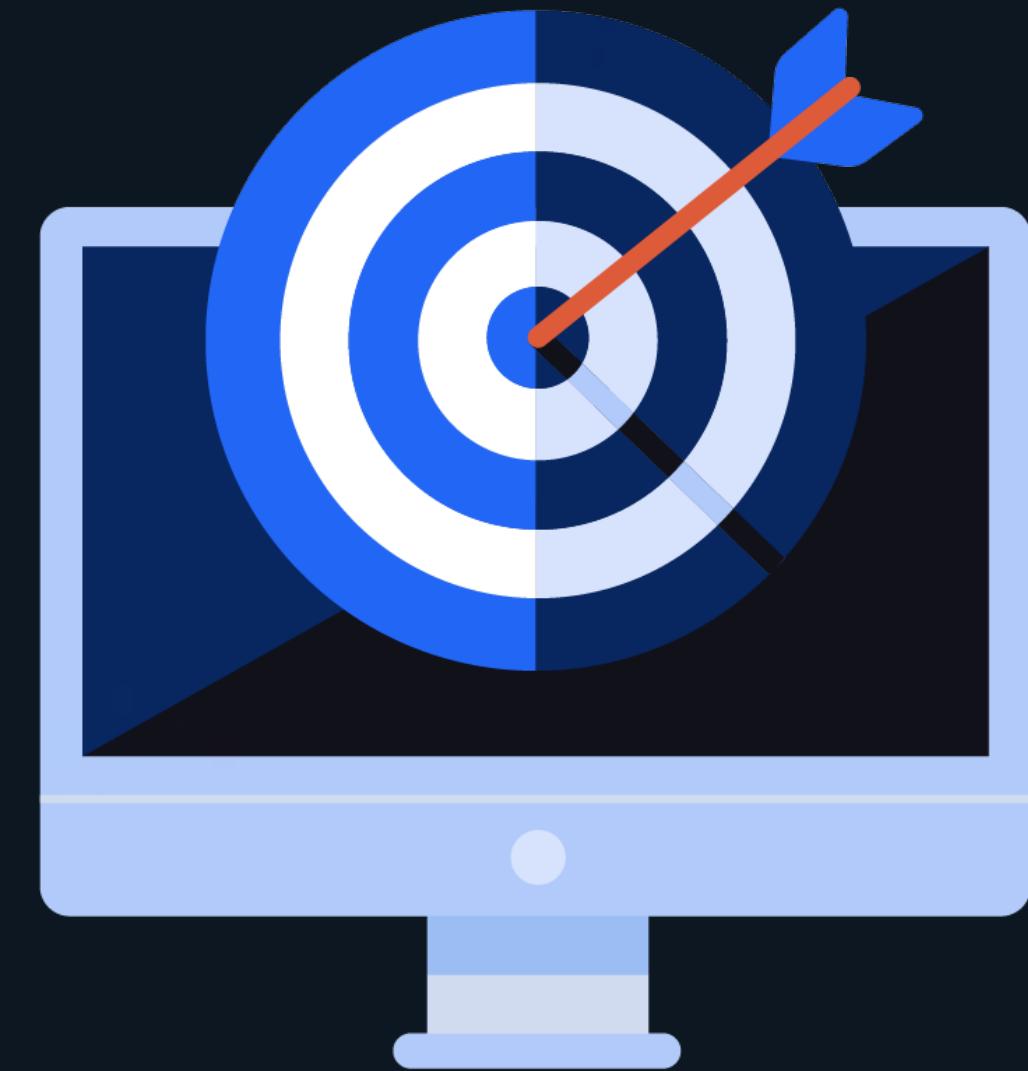


How Contextual Advertising Works





If your DSP offers contextual advertising, the platform will do the heavy lifting of placing your ad on web pages that meet your targeting parameters. Once you have your creative all set to go, you'll set up your custom contextual strategy.





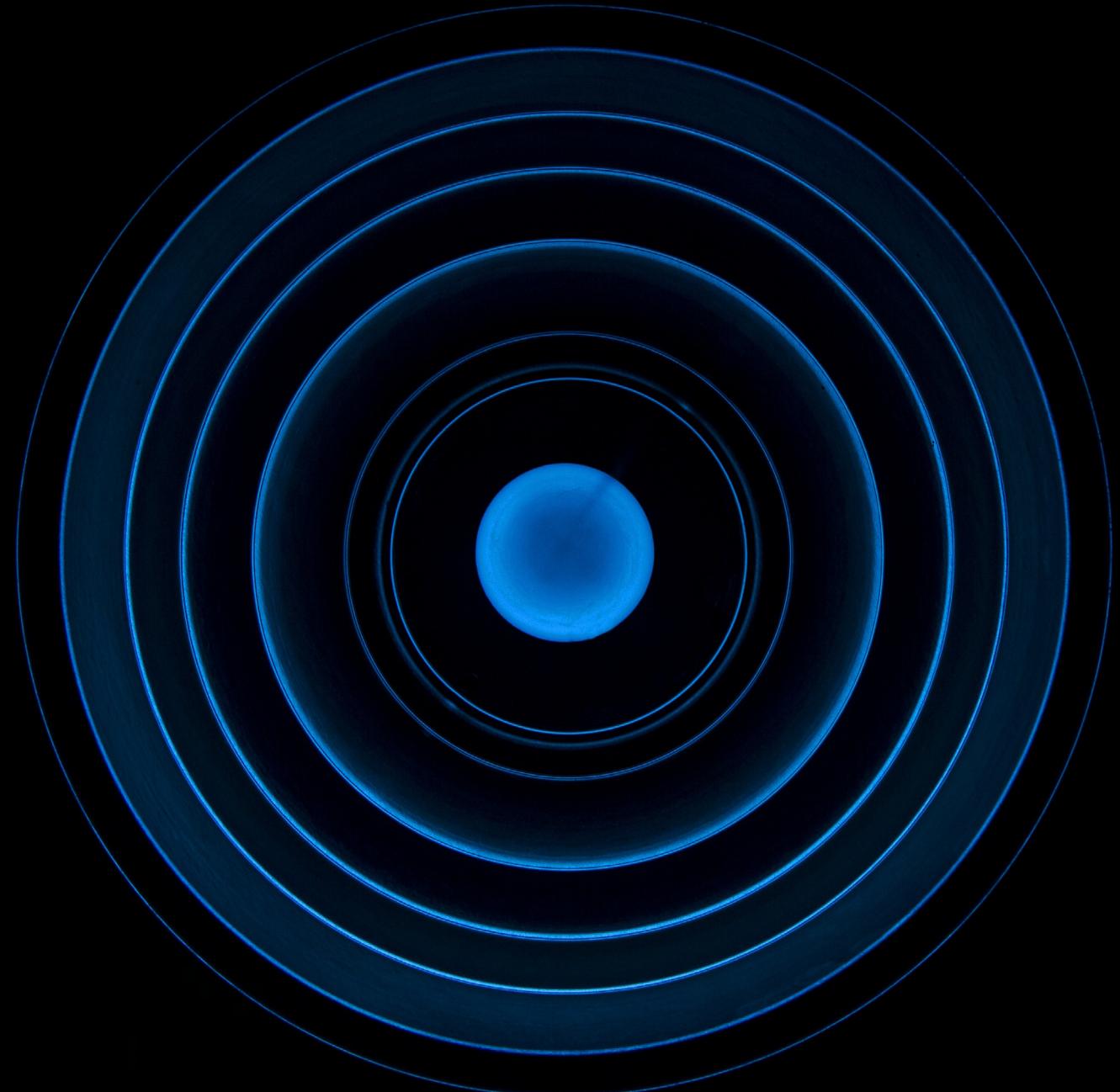
One way that campaign setup for contextual ads works is by inputting in context and out of context phrases.

An important nuance to note is that the best context isn't always the same as a campaign's [landing page](#). For example, when advertising vacations to Florida the right keywords may be related to bad weather. This would hone in on the mindset of someone who would be receptive to the idea of a vacation and warm weather.

Once you've input your topic, subtopics and keywords, you can finalize your campaign parameters and launch. The DSP uses an algorithm to analyze the content in each display network web page to try to match your ad with the most relevant content. The ad is served when a placement that matches your targeting is found.



An important nuance to note is that the best context isn't always the same as a campaign's landing page.



The Benefits of Contextual Advertising





Contextual Targeting is Effective and Beneficial

1

When a person is browsing content about a specific topic, it signals their intent at that moment. This targeting tactic allows you to reach users when they are in a receptive frame of mind.

2

Contextual targeting isn't constrained by [privacy legislation](#) because it doesn't collect or use information about users, it protects user privacy. Instead, it leverages the context next to which the ad appears.

3

Contextual advertising gives marketers an opportunity to target niche contexts. You can choose to target by a general topic, or you can use a collection of keywords for more precise targeting.

4

Contextual advertising campaigns are served programmatically, so you can review real-time metrics and optimize for performance.



Taking advantage of these benefits increases the likelihood of an improvement in return on ad spend (ROAS)!

USE CASE

1

Driving Awareness
for a Rehabilitation
Center



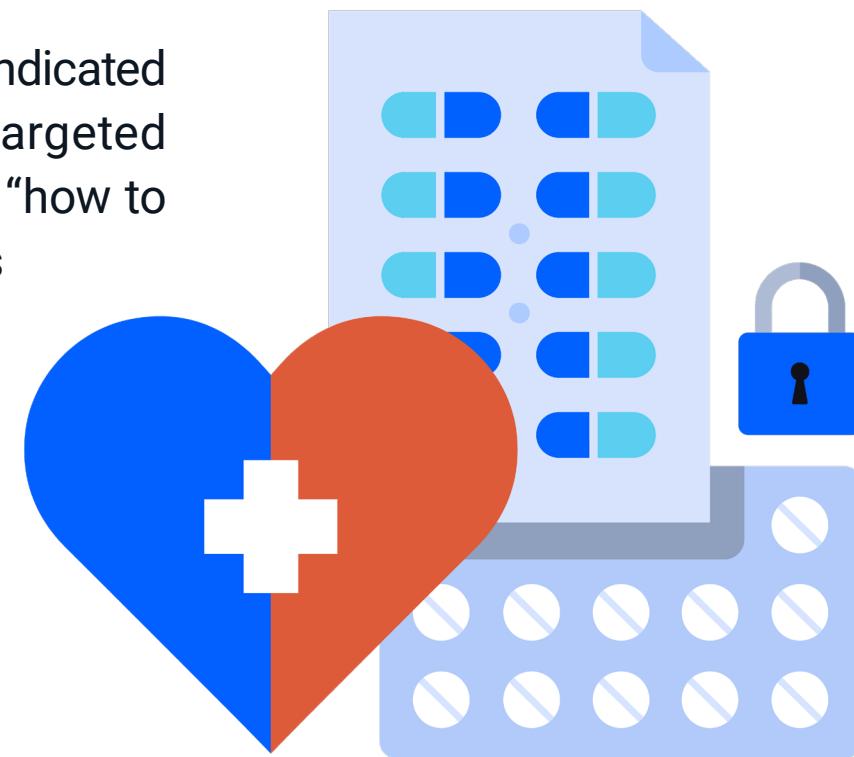
Contextual targeting is especially helpful for marketers in sensitive categories, like pharmaceuticals. This is because behavioural targeting can be considered too invasive of user privacy, and in some regions it's prohibited by law.

With a contextual campaign, products and services in sensitive categories can drive awareness using in context phrases. AI search engine technology enables a marketer to identify the phrases and keywords that are most appropriate to target. For example, to drive awareness for a drug rehabilitation centre, a marketer would target in context phrases like "addiction," "counselling," "mental support," and "recovery."

Marketers can also identify out of context phrases with contextual targeting. This eliminates phrases from being included in the campaign targeting

methodology. For example, an awareness campaign for a drug rehabilitation center would want to use out of context phrases to avoid placements such as stories about celebrities and gossip sites.

Thanks to the in context and out of context indicated phrases, ads are then served on highly targeted websites, such as blogs that offer tips on "how to get started with rehabilitation." With this strategy, the drug rehabilitation center's contextual campaign can successfully target users with intent, and without the use of any private user information.



USE CASE

2

**Broadening Your
Audience by
Broadening Contexts**



Most consumer packaged goods (CPG) target a broad range of consumers and have a short sales cycle. CPG marketers can leverage contextual advertising to widen the contexts they target to reach new, broader audiences. That way, they can figure out what really works for that CPG brand.

Here are two strategies to try:

1

A mascara brand might want to expand to include phrases related to “cosmetics,” “skincare,” “fashion,” or “health”. This same brand can broaden the demographics that they target. Use contextual words or phrases to target a broad age range, based on milestones they may be approaching. Or, experiment with targeting audiences who are interested in topics related to self-expression.

2

A shoe company might shift from selling hiking boots by targeting content that is outdoors oriented, to targeting baby-related content to sell running shoes. That advertiser can build creative that demonstrates how an upcoming or new parent could relate to using the running shoes. This approach focuses on showing consumers the potential of a CPG product.

USE CASE

3

**Target Audiences
Based on Stage
of Life**



Contextual ads are effective for targeting audiences based on stage of life. Many milestones in life, like starting university, getting married, or having a child, will correlate with the type of content a person is looking at online.



Targeting by stage of life can be particularly useful for some verticals. For example, a company that sells financial services and products can leverage contextual advertising to target audiences based on life stage. If that company is selling an education savings plan, they might target content that is relevant to users who are new parents, or parents of young children.

Seeing an ad for an education savings plan while reading a blog about toddler development will encourage a parent to think about that long-term investment's value for their child's future. Contextual advertising provides an opportunity to reach audiences that are preparing for, or are in the midst of, a specific life milestone.

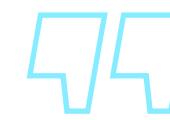
Introducing Contextual Advertising to Your Digital Strategy



With exciting new capabilities in the field of DSP technology, brands have every reason to give contextual targeting a long-overdue refresh in the programmatic toolkit.



You don't need to abandon your behavioural campaigns. Behavioural still serves a purpose in environments where cookies would be enabled, like on mobile. Aim to strike a balance between these methodologies so that you can slowly introduce contextual tactics.



Blending contextual and behavioural targeting will make for a well-rounded strategy.



StackAdapt's Page Context AI leverages patented* AI technology to bring its customers an innovative way of contextual targeting. Speak with the StackAdapt team to learn more and get started.

*US patent 11,748,776

Not a customer yet?

[Request a demo](#) to see how Page Context AI can help your advertising drive engaged consumers.

For more information, visit [stackadapt.com](#).