

Performance IN



Performance Marketing
Guide 2015

PerformanceIN



Welcome to PerformanceIN's
flagship educational resource; the
Performance Marketing Guide 2015.

Collating the guidance of industry-leading authorities, the following 150 pages promise a series of masterclasses covering all sectors in the rapidly evolving performance marketing industry. Yet again, this is an area of marketing that thrives on a culture of exchanged knowledge, ideas and skillsets.

This guide will serve as a resource not only for those looking to brush up on existing knowledge, but as a starting point for newcomers in the industry, and those looking to advance into other fields in the coming year.

Finally, I'd like to extend a big thank you to all those who contributed making this fourth annual guide more detailed and insightful than ever.

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Display Marketing

Contributed by



Display

Overview

Digital advertising has become a core part of the marketing channel mix for many advertisers. Consumers are spending an increasing amount of time online across a plethora of connected devices, providing ample opportunities for engagement with advertisers. It is forecasted that over 50% of the £15.7 billion spent on advertising in the UK this year will be allocated to digital, outpacing all other traditional marketing channels combined.

Out of all the digital advertising channels, online display has seen the fastest growth over the past two years, with mobile contributing considerably to its success. Within the UK alone, online display advertising is forecasted to grow by 20% in 2015, to approximately £2.7 billion - 39% of which will be allocated to mobile display advertising.

Display has come a long way since the 1990s when it first became prominent in the advertising world. Today, online display spans across desktop and mobile websites, mobile apps, and video platforms. Online display ad technologies and techniques are far more sophisticated than anything we've seen in the past two decades, offering more effective advertising opportunities than ever before.

In its ability to build brand awareness and gain direct response results, online display advertising has become an integral part of online marketing as a whole. It offers advertisers a unique full-funnel view of the consumer that no other form of advertising can boast on its own. But as display advertising expands further, so too does its complexity. The following entry will explain how advertisers go about cutting through the confusion to maximise the opportunities on offer.

What is display advertising?

Display advertising, at its core, is the purchasing of **inventory** from **publishers** to deliver an **impression** of the advertisers' **creative banner** to the user.

Inventory is the advertising space available for purchase by the advertiser.

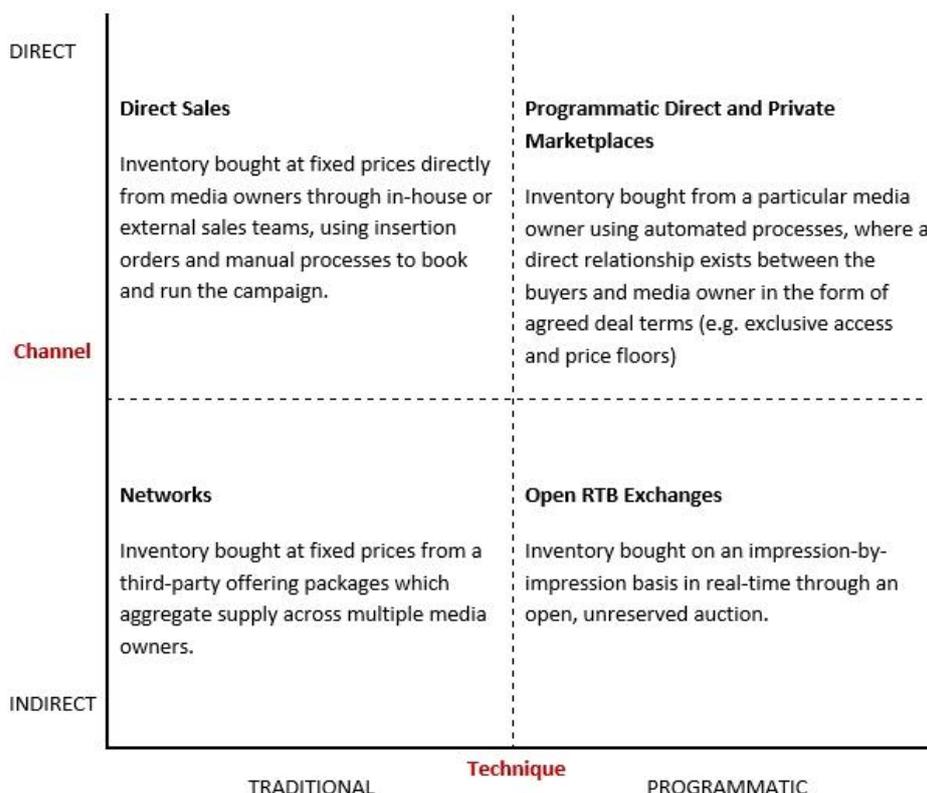
Publishers are the website or mobile application owners who offer the advertising space.

Impression is a single appearance of the advertisers' creative banner on a website. Display ads are usually purchased in a bundle of a thousand, also known as cost per mille (CPM).

Creative banners, also known as 'creatives', are the advertiser's graphic advertisements. The IAB sets the standard for universal advertisement sizes, which has the multiple purpose unit at 300x250 pixels, the leaderboard at 728x90 pixels and the skyscraper at 160x600 pixels. These three sizes are the most popular across the internet, but there are also a range of engaging rich media ads that incorporate video, audio, animation and interactivity.

Methods to purchase inventory

There are four different purchasing methods for display inventory. There are two buying techniques, traditional or programmatic, and each method can be used to purchase inventory through direct or indirect channels. The chart below explains how these techniques and channels are paired together to purchase inventory.



*IAB UK "The Programmatic Handbook" – September 2014

Where to purchase

Unless purchasing inventory directly from a publisher, the display advertising ecosystem involves numerous business types in the supply and subsequent purchase of advertising inventory.

Agency – Agencies offer a full campaign management service to brands including, planning, creation, buying and tracking.

Trading desk – These are service-based organisations that manage an advertiser’s programmatic, bid-based media and audience buying. These will often integrate with demand-side platforms (DSPs) and work as the agency’s centre of intelligence.

Ad network – These companies represent multiple publishers’ inventory and forge relationships with advertisers and agencies to sell media on those websites. They act as sales rep between both parties and sell aggregated inventory at fixed prices.

Ad exchanges – Like ad networks, ad exchanges allow multiple publishers to sell media on their websites. However, the difference is that ad exchanges auction off their inventory on an impression-by-impression basis.

Supply-side platform (SSP) – These are advertising technology platforms representing publishers and their inventory. SSPs allow publishers to optimise and automate their inventory to be sold to advertisers. They have three primary functions for publishers: (1) unsold inventory can be made available to multiple ad exchanges and ad networks at once; (2) they can easily manage the complex relationships between multiple buyers; (3) they provide tools and reports for use by the publisher.

Demand-side platform (DSP) – These are advertising technology platforms representing the advertisers and their purchasing needs. DSPs use real-time bidding to purchase audiences as well as specific website inventory. DSPs offer the ability to purchase advertisements on multiple ad exchanges and everything becomes centralised including targeting, data, optimisation, reporting and bidding.

Data-management platform (DMP) – These provide marketers and agencies with a centralised view of all their audience data, while helping them manage and analyse data to create a target audience.

Targeting methods

Knowing your audience is a fundamental principle of marketing. That knowledge can then be used to deliver a relevant marketing message to the right person, at the right place, and at the right time. Online display advertising is supported by sophisticated user data and targeting technologies. By pairing multiple targeting methods together, an advertiser can create a granular targeting approach that improves the efficiency and effectiveness of their advertising spend.

Audience targeting can be refined through the following methods:

Demographic targeting - Based on user data such as gender, age, and browser language.

Geographic targeting - Using the computer's IP address to determine a user's location, an advertiser can target by country, city and even postcode.

Keyword and content - Targeting focuses on web pages and applications that contain chosen keywords or content types such as sports, games or travel.

Time targeting - Allows advertisers to show ads at selected dates and times.

Frequency Capping - Dictates how many times a day your ad is seen by an individual user.

As well as the above, behavioural targeting tracks previous user behaviour data including searches made, website pages viewed and advertisements clicked. Using this information, advertisers can then deliver relevant ads to users who have recently shown an interest in products similar to the ones they are selling. Behavioural data can come from first-party or third-party sources. First-party data is information that is owned by the brand. This can be gathered through multiple methods but a primary source is retargeting lists. Third-party data is attached to companies such as eXelate and Bluekai, who gather and sell data insights.

Measuring success

The first step to planning a successful display campaign is to determine clear objectives. An advertiser must then determine which key performance indicators (KPIs) will help them to

measure the success of the campaign. When tracking KPIs, advertisers usually focus on the average cost of achieving an outcome.

The most popular metrics for measuring success include cost per click (CPC), cost per action (CPA), cost per conversion (CPA), cost per view (CPV), cost per download (CPD) and cost per lead (CPL). With clearly measured KPIs and well-defined objectives in place, advertisers can better optimise their online display advertising campaigns more effectively to achieve maximum performance.

Conclusion

For many of us, it appears the more sophisticated display advertising becomes, the more confusing its landscape is. Over the next few years online display advertising is going to continue to grow, but with its growth will duly come a demand for a simplification in the exchange process.

Behavioural Retargeting

Competition in online display advertising is at an all-time high. As online display advertising spend continues to increase, programmatic real-time bidding allows marketers to reach consumers more easily than ever before. The saturation of the online display advertising market means that advertisers need to stay ahead of the competition by creating relevant adverts with personalised messaging. The more targeted and relevant the adverts are to the consumer, the higher the engagement rate and ROI will be.

In the past few years, marketers have watched as digital targeting capabilities have become so sophisticated and granular that adverts can be delivered to relevant target audiences with pinpoint accuracy. With the help of first-party and third-party data, we can now reach the right consumers at the right time, the right place, and with the right messaging.

Upon visiting a website for the first time, it is rare for a consumer to convert to sale immediately. In fact, it is only a modicum who will convert during the first visit. Granular targeting techniques are used by many marketers to increase brand awareness and garner higher engagement from relevant audiences, whereas behavioural retargeting is the most effective way of turning window-shoppers into buyers. Behavioural retargeting works to recapture those who have left a website without converting, increasing advertiser ROI and customer satisfaction.

What is behavioural retargeting?

Behavioural retargeting creates a more personalised approach than traditional retargeting methods. In traditional remarketing, when a consumer abandons a website, they can be identified across the internet and shown adverts that encourage them to return. While this is an effective way to increase conversion rates, behavioural retargeting takes it up a notch by creating a personalised user experience.

First-party data collection is an integral part of behavioural retargeting and can easily be collected with the use of a Java Script code added to the website. The data collected represents the consumer's behaviour whilst on the website, capturing the items they have viewed, products placed inside the shopping cart and, of course, whether they completed

that purchase. Subsequently advertisements can then be tailored specifically to the items or pages they have shown the most interest in.

With today's technology, advertisers no longer have to build individual creatives for each product or page they wish to retarget to consumers. Dynamic creatives use product data feeds to update ad creatives in real time according to the first-party data associated with a user. Not only does this save time and money but it also delivers highly targeted and relevant ads. In fact, dynamic creatives are so smart that they can retarget a consumer, for example, with accessories to a smartphone that they just purchased, or suggest similar products to a dress that they were just viewing.

Due to its positive impact on conversion rate, behavioural retargeting is often a key component to any successful display campaign. This is why it is a primary strategy for performance display campaigns which focus on reaching specific advertiser objectives - usually cost per acquisition goals. The most common use of behavioural retargeting in performance display campaigns is to show consumers items that they have viewed the most or items that have been abandoned in the basket. This ensures increased click-through rates and conversions as the consumer has indicated a higher propensity to purchase.

Why it's important

Highly relevant and personal targeting – By being relevant and targeted, advertisers are able to reach the right consumer at the right place and at the right time. This ultimately lowers acquisition costs, reduces traffic wastage and increases ROI.

Convert lost sales – No advertiser wants to lose a sale. With first-party data tracking, an advertiser is aware of which user has abandoned items in their basket or dropped out part way through the purchasing process. When paired with behavioural retargeting, this data helps to deliver personalised messaging to those consumers that will entice them to come back and finish their purchase.

Cross-selling and up-selling – Probably one of the most beneficial uses for behavioural retargeting, cross-selling and up-selling techniques target users who have already purchased from the website with products that are similar or relevant to previous purchases.

Maintain consumer relationships – Behavioural retargeting allows advertisers to stay front of mind with consumers who have visited their website, even after they have left.

Best practices and strategies

Segment your visitors – Create highly personal adverts by segmenting website visitors into groups with similar attributes. A fashion retailer may want to create a group for users who had shown an interest in women's fashion in order to retarget them during sales and promotions.

Call to action – For higher performance, include a call-to-action and consider adding a promotion. This prompts the consumer to return for an item they are already interested in, while the promotion entices them to purchase it with more urgency.

Consider time to conversion – Depending on the product or service, the time to conversion will differ greatly. By knowing how typical consumers research throughout their conversion path, advertisers can retarget them more effectively.

Don't forget to target – Granular targeting solutions such as contextual and demographic can be layered on top of behavioural retargeting and are worth serious consideration. For instance, keyword and content targeting will help prevent an advertiser from appearing on a website that may harm their brand. There will be some websites that users visit that an advertiser does not want to be associated with.

Don't be afraid to retarget converters – For retailers who offer products that are purchased frequently, retargeting converters is a great way to stay top of mind next time they are looking to purchase. When retargeting converters, understanding the frequency in which items are purchased is crucial to reducing ad spend wastage. For example, a user who has purchased perfume is likely to be in the market again within the next 4-6 months, which would be the prime time to start pushing them behavioural retargeting ads.

Future

The next step for behavioural retargeting is extending its capabilities across multi-device and in-store interactions. Currently, the technology for tracking online marketing campaigns across devices is in its infancy, reliant upon multiple tracking technologies, and shaky at best. In-store tracking is even less reliable.

This year will see a demand for improving this technology and opening up new opportunities for retargeting campaigns. Facebook's DSP, called Atlas, has taken the first steps to making this a reality. Atlas works by attaching a user ID to Facebook users who are logged into the social media platform. If a user viewed a pair of shoes on a retailer's website as they were logged into Facebook on their desktop, that item can be retargeted to them on their mobile across the Atlas network and vice versa, but only if logged into Facebook on their mobile device as well. While Facebook is an extraordinarily large community, it still creates challenges and limitations for advertisers.

As we begin to see the technology behind retargeting across devices become more sophisticated, in-store tracking capabilities will also grow more efficient and accurate. However, advertisers should expect to see in-store to online retargeting in the future. For example, the ability for advertisers to track what a user has viewed in-store and retarget them with that item online if they have left without purchasing.

It is a growing trend for many people to be watching two screens at the same time and advertisers are looking to take advantage of this. Expect behavioural retargeting to not just be limited to your online devices. Technology is being developed that can allow the device to listen to what is going on around it. If your mobile device hears a Mazda commercial on the TV it can then subsequently deliver those Mazda commercials to your phone.

As online display advertising spend increases, technology solutions will become available at an ever increasing rate. This growth is pushing innovation in the industry and things that we never thought were possible two years ago are becoming a part of our everyday digital marketing campaigns.

Programmatic Real-Time Bidding

Delivering the right ad to the right consumer at the right time is what advertisers strive to achieve. Programmatic real-time bidding (RTB) has made that concept a reality for brands by utilising granular data to make faster and smarter decisions.

Over the past few years, programmatic display has continued to increase its share of advertisers' digital spend. In fact, global spend on programmatic display advertising was expected to reach 42% of total display-related advertising spend last year, compared to 33% in 2013. According to Magna Global, in 2015, money pledged to programmatic advertising will reach 48% of total display-related advertising spend on a global basis.

However, even with its rapid success and growth, IAB research suggests that 25% of European marketers are still not aware of programmatic advertising. This is partly owed to programmatic RTB technology still being in its infancy. As programmatic advertising continues to grow in popularity, so too will the technology advance and new innovations occur.

What is programmatic RTB?

While targeting and campaign management technologies have advanced, the principles of programmatic RTB have stayed fundamentally the same at its core. Advertisers are able to target individual consumers on an impression-by-impression basis in real time, utilising relevant consumer data. Each individual display advertising impression is offered, evaluated, bid for, and purchased in a fraction of a second.

Impressions are purchased by advertisers bidding in a real-time auction. Whether or not an advertiser bids, and how much they bid for each individual impression is dependent upon an automated evaluation of the impression's value to the advertiser based on pre-set targeting parameters.

In most cases an impression is evaluated by whether or not the audience viewing that impression matches the parameters the advertiser has set for their target audience. Users can be identified by overlaying first and third-party data, all in real time. For advertisers, this

means bidding only on the impressions that are relevant to them at no more than what they deem an acceptable price.

As a result, programmatic display has revolutionised the way display advertising inventory can be purchased and increased the performance that advertisers can achieve through online display advertising.

The importance of programmatic

Scale of the opportunity - With 37 billion impressions available to bid on each day, advertisers have the opportunity to acquire audiences at scale on a global, national, or local basis.

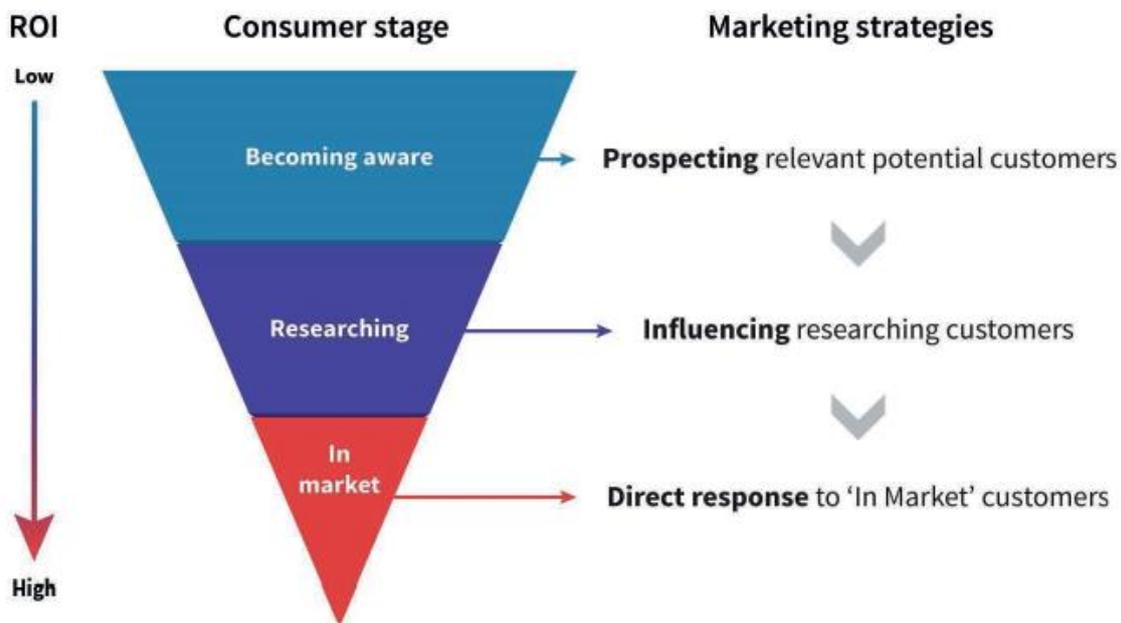
Flexibility and measurability - Advertisers can dissect and analyse each display advert right down to where it was displayed, for how long, and to whom. This means that campaigns can be quickly reviewed and optimised.

High relevance - Programmatic display delivers advertising in real time, on a one-to-one basis. This enables advertisers to serve highly specific ad messages which are based on the individual consumer's behaviour or profile. This builds a truly customer-centric experience with a focus on building engagement.

Cost efficiencies - By reaching more qualified consumers with highly targeted messaging, advertisers can drive higher levels of new customer acquisition and bring back 'lost' customers.

Strategies and the purchasing funnel

Programmatic display advertising can be used to promote consumers through the full path to conversion. The diagram below illustrates the full-funnel approach.



Advertisers can employ specific marketing strategies and tactics depending on which stage the consumer is at in the conversion funnel.

Becoming aware

Advertisers use prospecting to create awareness and drive new customer acquisitions by serving display banners to consumers who have never been to their website before.

The most common prospecting tactic is 'lookalike' targeting, where an advertiser targets new customers who match an existing customer profile.

Third-party customer data can be used by advertisers looking to target specific types of consumers. For instance, consumers who are interested in buying shoes.

Researching

In the researching or consideration phase, advertisers aim to engage and influence their target audience. Advertisers will use a number of tactics including contextual and placement targeting during this process.

Contextual targeting pinpoints audiences who are browsing content on the internet that is relevant to an advertiser's brand or product. This enables advertisers to decide what content they want their ads to appear against. Advertisers can target specific keywords such as 'outdoor clothing'.

Placement targeting enables advertisers to choose the individual websites, or specific sub sections that they would like their ads to appear on. This enables advertisers to ensure that their ads appear in places where they know their target audience is most likely to engage with the creative.

In market

Also known as the 'purchase' phase, consumers are now considered eligible to be effectively sold to. The goal is primarily achieved through remarketing to users who have visited the advertiser's website before.

Remarketing enables advertisers to target consumers based on their recent on-site engagement. Based on historic engagement, advertisers can then remarket to these consumers with highly specific messages.

For advanced remarketing, advertisers can overlay additional analytics data, such as bounce rates and number of visits to a website, as well as custom data such as device and location to better assess the quality of the consumer and thus improve targeting effectiveness.

Steps to setting up a programmatic display campaign

The hardest part of all advertising campaigns is simply getting started. To give your campaigns the best chance to succeed, here are some of our top tips:

Set clear objectives - Have a clear picture of what you want to achieve from your programmatic display campaign. Define what key metrics to measure and put in place KPIs.

Research your audience - Develop a customer framework to define your target audience and consider the types of consumers who may be interested in your product. Use third-party data sources to understand the internet browsing behaviour of your audience.

Allocate sufficient budget - Ensure you allocate budget to allow the campaigns time to mature through optimisation.

Optimise campaign performance - Have structured testing in place for audience targeting, ad placement, ad creative, budget allocation, amongst other core factors to maximise the budget, reach and ongoing performance across all audience segments.

Attribution - Use multi-touch weighted attribution modelling to improve your decision-making on target audience, budget allocation, and campaign optimisation factors. There are a number of attribution models available, choose the one that best fits your needs.

What the future holds

With programmatic RTB predicted to continue its rapid growth this year, what can we expect going forward into 2015?

Advertisers and brands will turn big data into smart data as they begin to focus more on combining first-party and third-party information to reach consumers with relevant needs and desires. With the wealth of first-party data available to brands, they are looking to have more ownership and control over their data. This will increase the popularity of data-management platforms (DMPs).

With an increase in devices and digital marketing channels, attribution has never been so important to marketers who want to know where their conversions have come from. Technology will continue to advance to help advertisers see and understand the consumer's full path to purchase through integrated paid search and display campaigns. It will be a year of investment by brands who wish to benefit from gaining a better understanding of consumer behaviour. There will be great advancements in reporting technology and advertisers will need to take advantage of this.

It is time for advertisers to update their creatives because the future is all about rich new formats. Dynamic creatives are a relatively new technology, bringing together the best in personalisation and audience segmentation. Not only do dynamic creatives allow advertisers to quickly change messaging which saves time and money, but they are also incredibly effective in turning window shoppers into purchasers. This creative format will alleviate much of the hassle that getting banners designed can cause, and will offer advertisers an easier way to manage retargeting campaigns, causing it to be an extremely valuable asset in the upcoming year.

Another new format to consider is native advertising. While native advertising has been around for years, expect to see it more within the programmatic space. It is a format that pushes content into high relevance and will bring programmatic advertising to the next level.

No marketer enjoys paying for an ad that hasn't been seen. This is why viewability has become a huge issue over the past year. Viewability is a metric that determines the likelihood that an ad will be seen by user. For instance, the lower below the fold the advertisement is placed, the less likely it is to be viewed and the cheaper the ad placement will cost. Recently the IAB even created the first guidelines on display advert viewability. Although as yet they have not had widespread integration, expect to see this become a key metric for many DSPs in 2015.

Mobile Display

Mobile advertising is one of the driving forces behind the rapid growth of online display advertising. Advertisers are beginning to invest a significant amount of their digital advertising spend into mobile because of two main factors.

The first factor is simply the sheer number of smartphone users and the fast rate at which smartphone penetration is growing. According to eMarketer, at the end of 2014 there will be more than 1.64 billion mobile smartphones across the globe, with expectations of surpassing the 2 billion mark in 2016. To put that into perspective, by 2016 there will be more smartphones than PCs in the world.

The second factor is changing consumer behaviour and their increasing engagement with smartphones. During IAB's 2014 conference, Zac Pinkman, managing director (EMEA) at Millennial Media, discussed the ways in which UK smartphone owners use their mobile devices. He highlighted that:

- 69% of UK digital consumers engage on both computers and mobile devices
- 55% of UK smartphone and tablet owners say they use mobile for location-based services
- Four in five smartphone users in the UK use the internet on their mobile phones every day
- On average, people check their mobile phones 150 times a day. That breaks down to once every 6 ½ minutes.
- Average time spent per month online is 29 hours and 14 minutes for desktop and 41 hours and 42 minutes for mobile
- When you combine these two factors together, it is clear why so many marketers are investing in mobile campaigns.

What is programmatic mobile display advertising?

The process of programmatically buying mobile display inventory is very similar to purchasing desktop inventory. Like on desktop, mobile inventory can be purchased through an automated system either directly through private marketplaces, or indirectly through open real-time bidding exchanges. However, that is about where the similarities end. Advertisers

need to take into consideration that consumers use mobile devices differently, at different times and for different reasons. Furthermore, mobile advertising doesn't allow for flash-based creatives and has its own ad formats to suit smartphone and tablet screens across in-web and in-app inventory.

Trying to make sense out of all of mobile's nuances on an impression basis and in real time can be a daunting task for even the most senior of advertisers. To create a successful mobile campaign, advertisers should consider these steps:

1. **Advanced objective planning**

Have clear objectives of what the campaign should achieve. Design goals to be both measurable and realistic. For instance, traditional tracking methods don't translate into mobile and may require different solutions.

2. **Know your audience**

As with any programmatic effort, advertisers need to develop a framework of their ideal customer. Consider who the target audience is and how they interact with their mobile devices throughout the phases of buying.

3. **Think about the device**

Smartphones allow advertisers to engage with consumers like no other medium can, but added complexity comes in the large number of different device formats to work with. Advertisers should plan how to work effectively across a range of device types.

For instance, smartphones offer great immediacy and quick responses, along with opportunities for branding in the right location, at the right time, and to the right audience. Tablets devices conversely are used more for the slower consumption of content, and are more likely to be used as a second screen in the home, when a TV is concurrently being watched.

Also consider the size of the screen. With smaller smartphones, and smaller screens, what is the best way to get your advertisement viewed? Perhaps consider using video to create an engaging message that takes advantage of the screen size. Tablets offer a larger screen and can be more compatible with standard desktop banners.

Before investing in mobile, advertisers should have a mobile-optimised and responsive website. The responsive website should consider how the audience uses their devices. For instance, if it is probable that they will purchase from a mobile device, a lead form would be the best option to serve.

4. **Reliable and scalable tech partners**

Spend time researching your tech partners. It is important to find credible partners who have the capacity and scalability to manage your needs. Do they offer an easy-to-use interface with data integration capabilities? Such items are important to consider as they will affect the success of your campaign.

5. **Conversion tracking and optimisation**

Tracking, reporting and ongoing optimisation are important for any display campaign, but for mobile the process of tracking and optimising in-app campaigns versus in-web campaigns is completely different.

As discussed in the planning stage, traditional tracking solutions are not effective on mobile devices. In-app and in-web advertising does not support cookie tracking. In these instances, third-party tracking solutions may be required to report and optimise campaigns towards their performance goals if an advertiser does not have a built-in solution.

The importance of programmatic mobile advertising

- **Multiple data points** - There are far more data points than would be available on desktop, giving advertisers even more data to help them understand consumer behaviour. This also hands the advertisers more granular targeting capabilities.
- **It's omnipresent** - Mobile devices have become part of our everyday lives. For many people, their smartphone is the first thing they look at in the morning; the one thing they carry around with them all day and the last thing they look at before they go to bed. This gives advertisers the unique opportunity to reach consumers on a one-to-one basis in a highly engaging way.
- **Immersive** – Programmatic mobile advertising offers new and engaging formats that get the consumer involved. This is especially true with mobile applications which offer banner and video-based adverts.

What the future holds

While mobile advertising offers marketers so much potential, there is still a long way to go. Marketers are playing catch-up with mobile display as the pace of mobile advertising innovation and adoption has not been able to keep up with the proliferation of devices and users globally.

Programmatic technology has both simplified and complicated this problem. Whilst the programmatic process offers an easy platform to purchase mobile inventory, there are now numerous mobile-specific advertising platforms and a disconnect in tracking users across multiple devices. Simplification may be on the horizon as advertisers push towards achieving single view of the consumer across all devices.

The future of mobile advertising is the ability to deliver a consistent message across mobile web and mobile apps, as well as through all other devices. In order to accomplish this, we first need to unify the view of consumer engagement within the single mobile device. Mobile web browsers and mobile apps still use different user identification and tracking methods.

Once a single view of the consumer exists on an individual mobile device, the next step will be to track cross-device interactions. Companies such as Facebook and Google have an advantage in this area as they are able to track users who are logged into their services via a user ID. They still have a long way to go before these technologies are robust and adopted globally.

It is not just enough to be able to track users across devices and deliver consistent messaging, but the advertiser also has to consider the ad format they will use. Expect to see new mobile ad formats that are rich in design to engage users beyond the current banner options.

Video Marketing

Overview

Mobile advertising may be growing faster than all display formats at the moment, but video is not far behind and, according to PwC, will outpace the expansion of mobile app advertising within the next few years. Recognised as one of the most promising digital advertising formats available, spend pledged to online video advertising is expected to grow by more than 25% every year for the next five years.

Currently, video is the most consumed form of content on the Internet. According to Vital Media, online videos now account for 50% of all mobile traffic. Furthermore, consumers are viewing approximately two billion videos per week on YouTube, making it the second-largest search engine in the world. Interestingly, TV viewership declined 4% in 2014 as consumers flocked to watch television digitally.

The vast amount of consumers viewing online videos is only part of the reason online video advertising has exploded, and we must also recognise the impact this medium has on the consumer. According to eMarketer, 52% of marketing professionals across the globe believe that video is the most influential advertising format in which to achieve the best ROI. Owing to its engaging and informative nature, 96% of consumers find video helpful in making purchasing decisions, according to ReelSEO.

At The Consumer Electronics Show this year, Neal Mohan, Google's head of display and video ad products, spoke about the influential power of online video advertising. He stated that the best way to reach and influence the consumer is through video. According to Neal, it has the power to stir their imaginations and inspire them in ways that no other format can match.

Advertisers may be excited to hear that, for most consumers, whether they are watching organic content or promoted video adverts doesn't actually matter, as long as it is high quality and relevant to them, says Mohan. With the help of performance marketing and programmatic trading, it has never been easier to deliver relevant online video content to the right user, at the right time and in the right place.

Video and performance marketing

For advertisers looking to take advantage of online video advertising, there are two routes that can be taken: (1) Organic video content; and (2) Programmatic paid advertising. Each of these approaches offers its own benefits, but with a coherent integrated marketing strategy, the two can work together in synergy.

Organic video content

Organic online video content can be used across a brand's owned media channels including, websites, blogs and social media, and can even create uplift in search engine optimisation (SEO). The benefit of organic content is that it is free to upload and distribute online. However, without promotion it has limited reach, unless the brand's publisher network is extensive. While it may propel a brand's reach further by increasing their SEO effectiveness, it is still dependent upon the users who seek out the content and those who share it.

When planning an online video strategy, consider the following items to increase the likelihood of success:

- **Make it relevant and make it high quality.** According to Comscore, professionally produced video which has been optimised for e-commerce outperforms user-generated video by 30%.
- **When adding video to a website, consider placing one on the homepage as well as other popular landing pages.** Forrester Research states that by using video, a brand is 53 times more likely to get on page one of Google's search results. When adding it to all landing pages, the success rate increases by 80%.
- **Put product videos on each product page.** This increases the conversion rate as consumers find videos useful in making purchasing decisions.
- **Add embedded links to appropriate landing pages.** This can also increase the conversion rate.
- **Don't overlook using videos throughout blog posts.** According to Moz, this will attract three times more in-linking domains than plain-text posts, increasing the number of people likely to visit the blog and ultimately benefiting SEO.

- **Use social media to promote videos.** This is an effective way to increase the reach through user sharing. In fact, out of the top 50 most-shared pieces of content last year, 48% were video (Moz).

Programmatic & paid video advertising

Whilst all forms of online video advertising require a budget that in many cases is bigger than a budget for standard online display banner ads, they also allow advertisers to extend their reach to those who might not naturally find their content.

Traditional advertising on TV can cost advertisers large sums. Originally, the same process of direct TV advert sales was used when selling online video advertising inventory. Now, programmatic is gaining in popularity and many publishers are using it to sell their available inventory to maximise yield through not just programmatic RTB, but direct and private marketplace sales as well.

Video, like mobile, is seeing extensive growth and success resulting from the industry leaning towards programmatic trading. Programmatic video advertising is similar to any other form of programmatic advertising. Through an automated process, inventory is exchanged according to algorithms that incorporate advertising decisions and audience data. However, there are several things that set video apart.

Firstly, there are several different ad unit formats in which video advertisements can be displayed. The most common formats are pre-roll, mid-roll and post-roll ad spots. These online video ads appear before, during, and after a video stream. Another method includes embedding an online video ad into a standard or rich media banner creative.

Online video advertising has many benefits over traditional television advertising. As Mohan points out, “The beauty of the internet is that advertisers are no longer constrained by the 30-second video format”, or traditional television advertising. Advertisers can also engage with users as they move between devices. Many advertisers are now allocating more budget to online video advertising as it offers greater reach and visibility of performance.

Why is video important?

What makes video so effective is its ability to appeal to emotions and engage viewers. It is capable of bridging the gap between the medium and the message that no other online advertising format has been able to do before.

These factors contribute to online video advertisements achieving much higher click-through-rates (CTRs). According to DoubleClick, video ads see a CTR of approximately 1.8% —compared to only 0.6% for mobile ads, 0.2% for display ads, and 0.1% for flash ads. Online video advertisements are also an effective form of brand awareness.

As humans, the combined visual and audio stimuli causes our brain to respond more effectively, ultimately improving message and brand recall. Users also have a tendency to turn their attention to mobile devices during television adverts. This offers advertisers the opportunity to engage with consumers. Audio targeting technology exists that allows advertisers to target consumers on mobile devices based on what can be heard in the background.

For many advertisers, getting an online display advertisement noticed can be difficult. Video ads, unlike any other format, have a viral reach. With the explosive nature of social media, it only takes a few people to start sharing an ad for it to replicate over and over again across the internet.

What does the future hold?

The scarcity of ‘premium’ video inventory has in the past hindered online video advertising. However, as the programmatic trend continues to spread, expect to see more online premium video inventory becoming available. It is going to be easier to access premium online video inventory as the way users have taken to video tells us there will be an increase of inventory available.

Mohan states that we are moving towards an abundance of premium online video inventory as the previously minimal, concentrated purchasing channels are beginning to fragment across channels and devices. Recently, YouTube launched Google Preferred, which reserves the top 5% of “premium” video inventory (based on views and engagement) for a selection of preferred advertiser and agency partners.

This year we will see an active effort in confronting measurement challenges including viewability. Similar to standard programmatic RTB, online video advertising faces discrepancies about how to measure if an ad has been viewed and how that benefits the conversion rate.

According to Mohan, Google found that a full 56% of video ads are never seen by human beings. In order to combat this statistic, the group announced at the beginning of January that ActiveView metrics wouldn't be available for all video campaigns. Already available on Google's Display Network, ActiveView allows marketers to see how many of their ads have actually been viewed.

Case Study

Autodesk and Net Media Planet

Autodesk, Inc. is an American multinational software corporation that makes software for the architecture, engineering, construction, manufacturing, media, and entertainment industries. Currently, over ten million professionals in 185 countries are using Autodesk products to save time and money, gain a competitive advantage, and change the way ideas are brought to life.

The challenge

Autodesk's main objective was to drive online growth through an increase in traffic and online sales.

The solution

Net Media Planet approached the challenge with the use of paid search and display advertising. The group created and leveraged the synergy between Autodesk's ongoing pay-per-click campaign (PPC) and newly added display campaign.

The process

Net Media Planet's main aim was to use PPC to drive traffic, and utilise remarketing lists for a number of different products. Variations were tested across international markets, including Scandinavia, the Czech Republic and Italy. In September 2013, this approach was fine-tuned by using retargeting lists to deploy highly relevant and specific ad copy, as opposed to generic ad copy. What this meant was that someone searching on a branded term that previously visited the Maya product page of Autodesk would be shown Maya product copy instead of generic ad copy.

In January 2014, a display campaign was added to the ongoing PPC campaign. PPC campaign insights were added to the display campaign set-up structure including remarketing lists, day-parting analysis and buying cycles. These initial attributes helped to accelerate ROI from display advertising, as initial testing was expedited. For example, by

looking at the buying times for a visitor to click on a PPC ad (conversion lag) Net Media Planet could then apply this weighting to the display campaign.

Another example where the application of PPC insights to the display campaign added value was in understanding the number of times a person had clicked onto a PPC ad (touch points). This helped develop an understanding of the time it took for visitors to convert to buyers, in this instance highlighting the fact that visitors clicked on ads several times, indicating a longer buying cycle.

The results

From January 2014 - August 2014, traffic driven from search remarketing campaigns increased by 400%. Display remarketing activity brought lost customers back into the market through search, indicating that when correctly paired with display ads, PPC is more effective. Autodesk saw an increase in overall traffic by 141% and a 300% uplift in sales between January 2014 (when display activity first started) and August 2014.

You can see more results from the campaign in the [PerformanceIN case study section](#).

Case Study

Cotswold Outdoor and Net Media Planet – Driving Brand Awareness, Profitably

Cotswold Outdoor is an award-winning, multi-channel retailer with stores throughout the UK. The group has over four decades of experience in outdoor retail, which includes clothing, products and equipment. Following a highly successful paid search campaign, Cotswold Outdoor asked Net Media Planet to extend the brand's online reach and increase sales, cost-effectively, through online display advertising.

The challenge

To drive brand awareness whilst maintaining positive ROI.

The solution

The approach was to use online display advertising to target consumers with a known interest in purchasing outdoor products.

Strategy

Net Media Planet used its proprietary technology, Mercury, and third-party data to identify niche sites with an audience that matched Cotswold Outdoor's target demographic. This, together with rich demographic data, helped the group inform the media planning and buying strategy.

With a range of dynamic and creative ad formats, it was able to build brand awareness and drive revenues during peak sales periods.

Results

The campaign achieved over 14.9 million impressions and contributed to 12% of all sales revenue in the first three months of launch. This was achieved at very positive ROI, where the return was eight times higher than the investment



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To be a part of next year's Performance Marketing Guide please get in touch.

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