

Context is King!

Programmatic Advertising in Germany now and soon

Helsinki, 15th Nov 2023



BVDW – the German IAB

We think "association" in a new and different way

Digital since 1995: The network of future designers #Zukunftsgestalter

+ 10,000 digital experts...

...with expertise from AdTech to Xperimentation & GenZ 😊

+ 650 members & partners

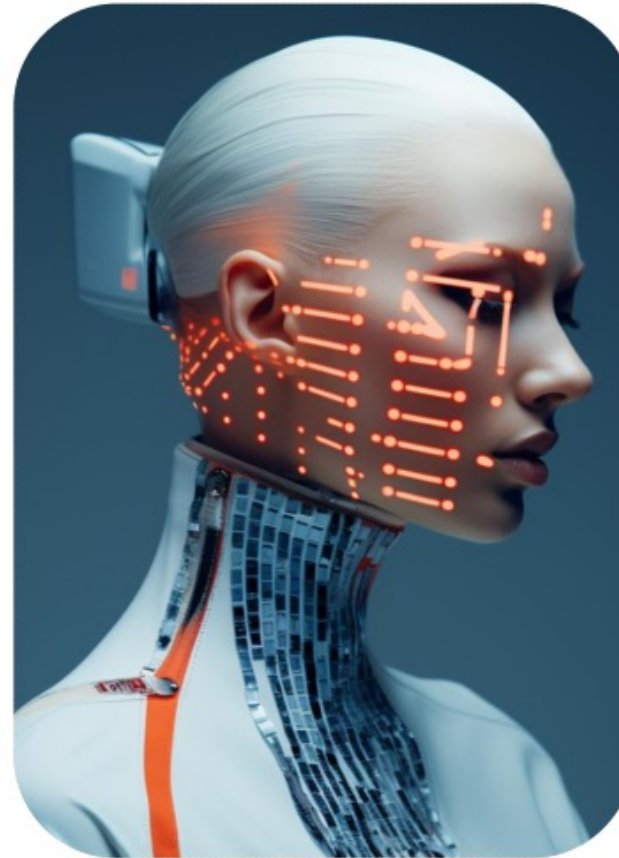
+ 300 events per year

+ 30 focus groups, expert groups & initiatives

2 companies (BVDW e.V. & BVDW Services GmbH) for:
advocacy, opinion making & (digital) business.

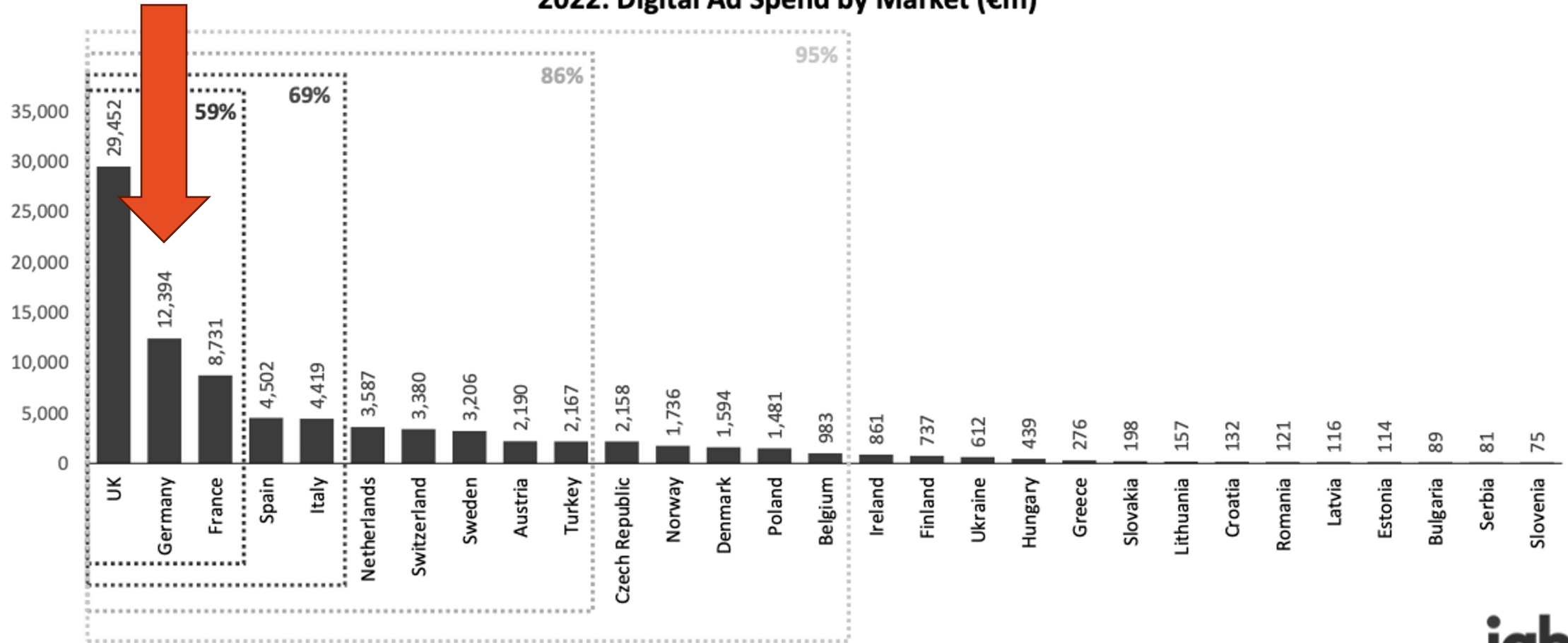
Stakeholder & driving force for the digital economy

Partner for digital companies, our digital society & digital politics



Germany: #2 EU Market in Digital Ad Spend...

2022: Digital Ad Spend by Market (€m)



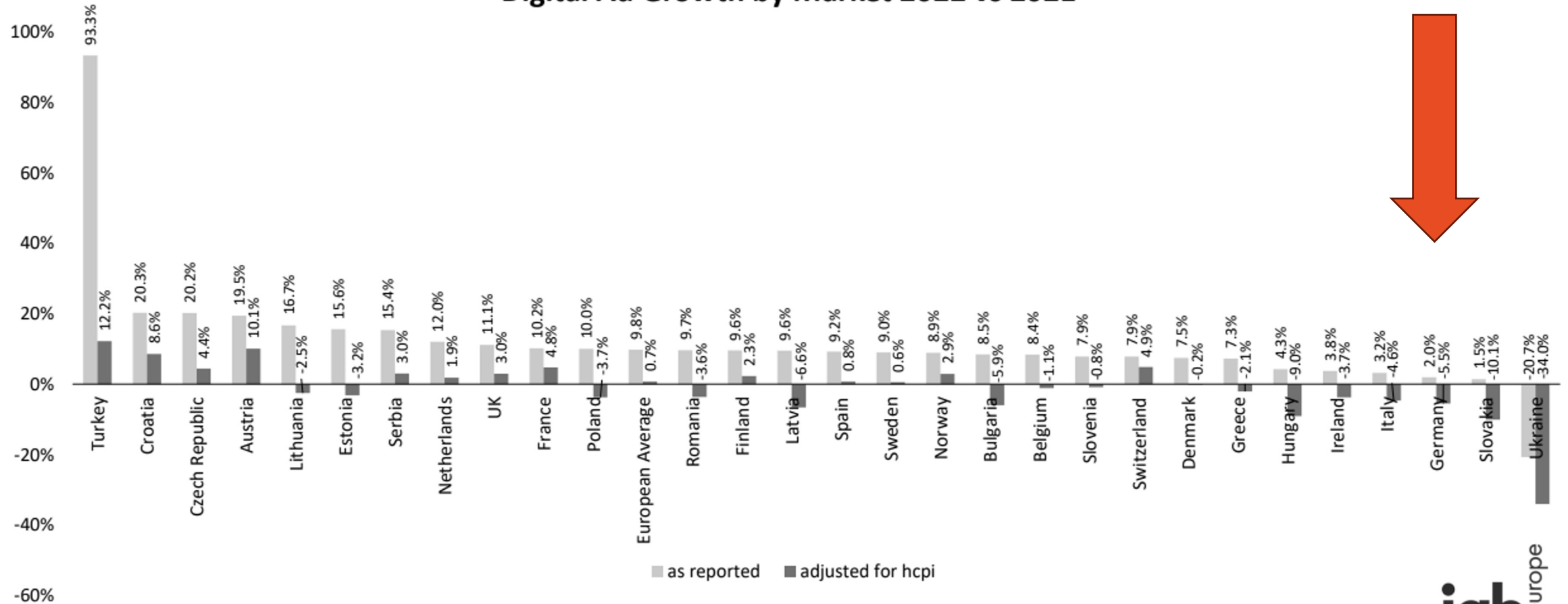
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Source: IAB Europe AdEx Benchmark report (https://stg-iabeurope-iabeuropeold.kinsta.cloud/wp-content/uploads/2023/07/IAB-Europe_AdEx-Benchmark-2022_REPORT-2.pdf)

...but stagnating

Digital Ad Growth by Market 2022 vs 2021

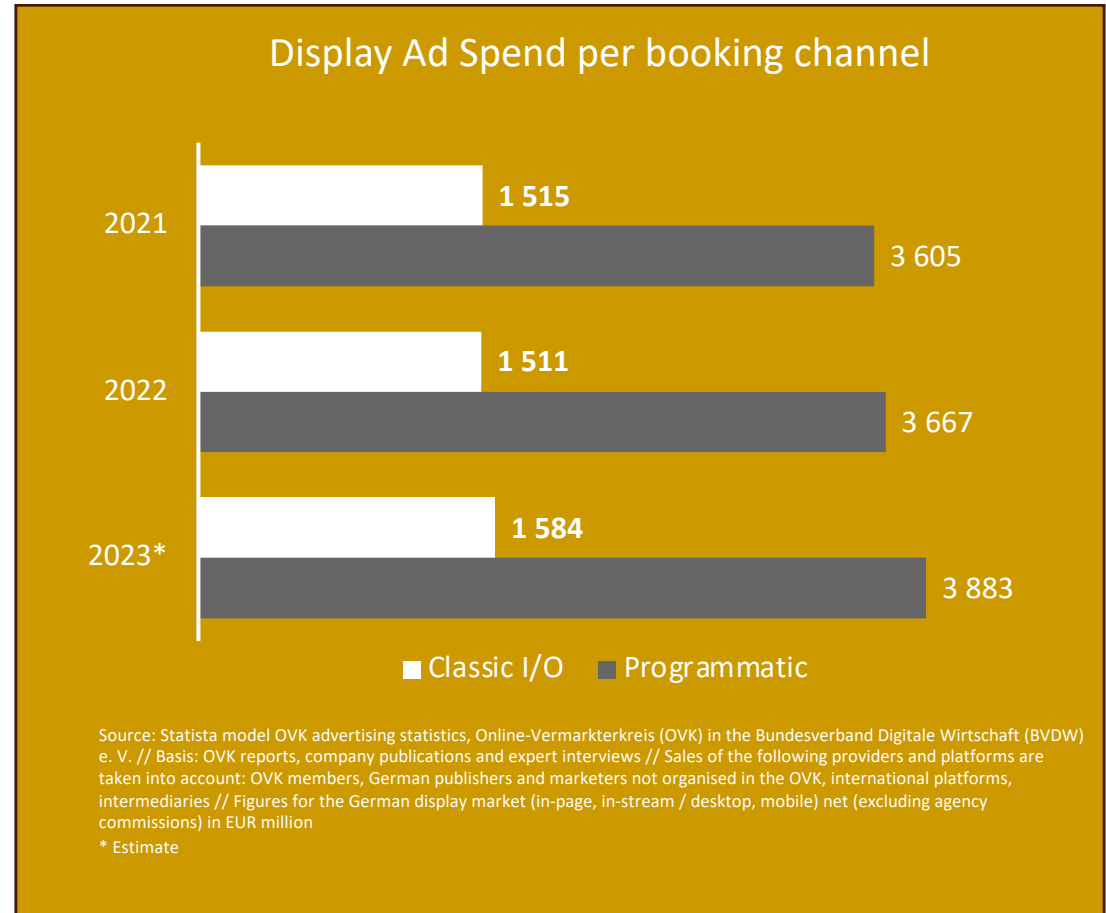


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...with Programmatic still growing

- Programmatic advertising, i.e. the automated targeting of advertising using appropriate technologies, accounts for the largest share of online display advertising revenue.
- In 2022, 3.667 billion euros were traded via programmatic systems.
- Programmatic's share of display revenues thus rose slightly to 71 per cent.
- For 2023, the OVK expects an increase to EUR 3.883 billion and 72 per cent of all online display revenue.
- OVK marketers recognise a trend towards private deals.





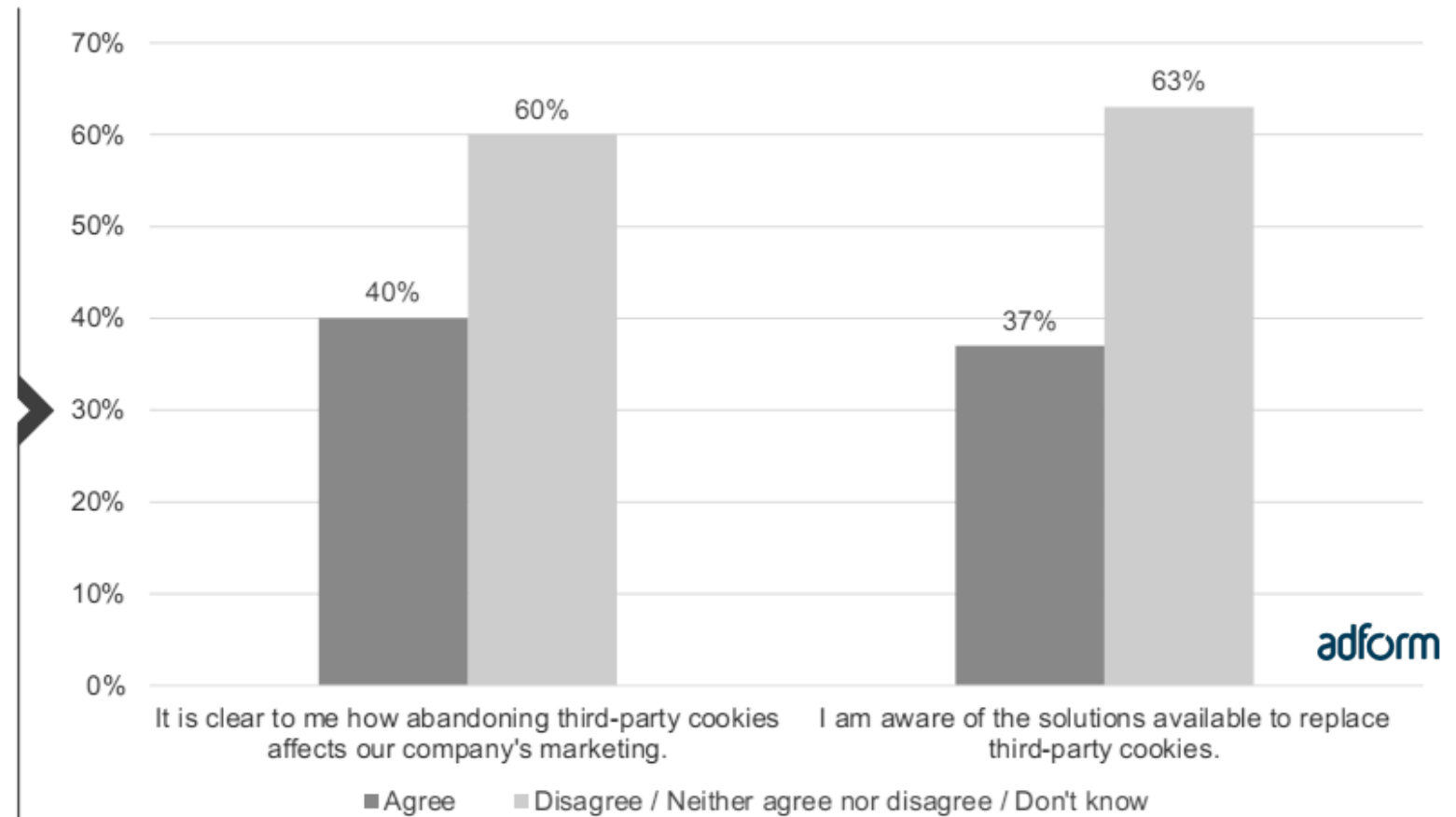
Germany's Programmatic Hot Topics

Poll

- „I am aware of the solutions available to replace third-party cookies“
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Dont know

„Post Cookie“ Readiness in Germany

- **60%** of respondents do **not** have a clear idea how abandoning third-party cookies affects their company's marketing.
- **63%** are **not** fully aware of the **solutions** available to replace third-party cookies.



How strongly do you agree or disagree with the following statements?, n= 370



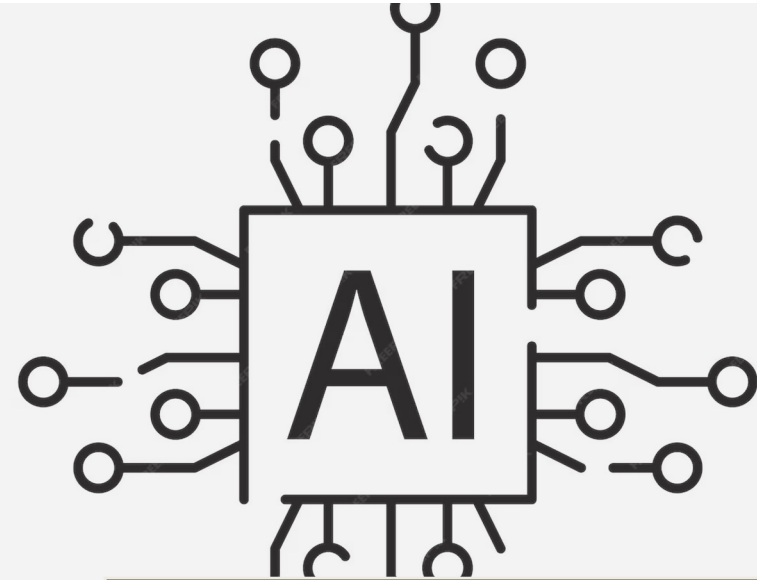
„Post Cookie“ is Now!

- Status quo: <50% of display inventory addressable in Germany
- Google Chrome's 1% phase out of 3PC starts in Q1/2024
- Alternatives
 - Privacy Sandbox
 - Identity solutions
 - 1st party data
 - Data Clean Rooms
 - Contextual Signals & Targeting

Talking about Contextual



Contextual Targeting

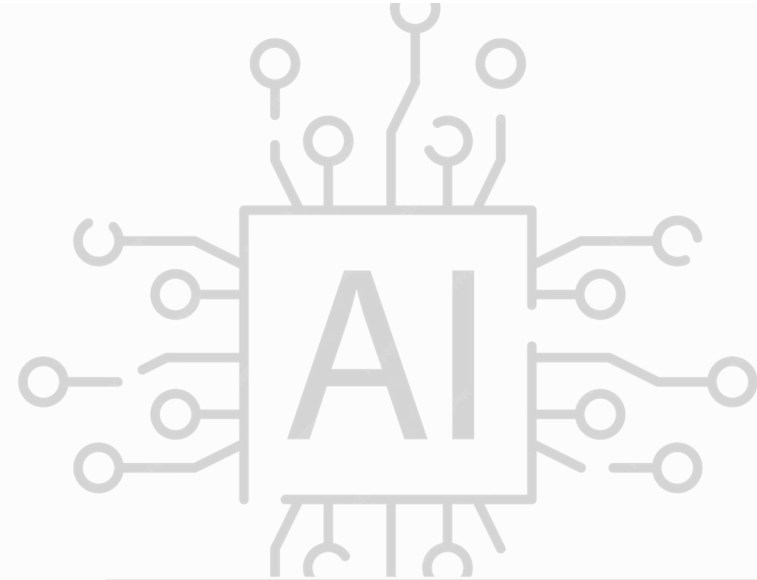


Leverage Contextual
Signals

Talking about Contextual



Contextual Targeting



Leverage Contextual
Signals

OVK Contextual Standard

Goal

- Establishment of a market-wide, provider- and technology-independent standard for online contextual targetingAls eine Lösung für die Post-Cookie-Ära
 - Scalable and with reliable quality
 - With broad support from marketers and publishers

Approach

- Adoption of a German taxonomy based on the IAB Content Taxonomy
- Definition of quality criteria for the assignment of content to the taxonomy categories
- Comprehensive introduction by publishers and marketers
- Implementation of the standard in programmatic systems

OVK-Contextual Standard: Components



Quality

- The technology used is connected directly by the content owner or marketer
- Content per technology is classified and checked manually on a random basis
- Comparison of results between different technologies, if possible
- Publication of the results per content and system



Documentation

- Documentation of system functionality
- Documentation of quality assurance



Technology

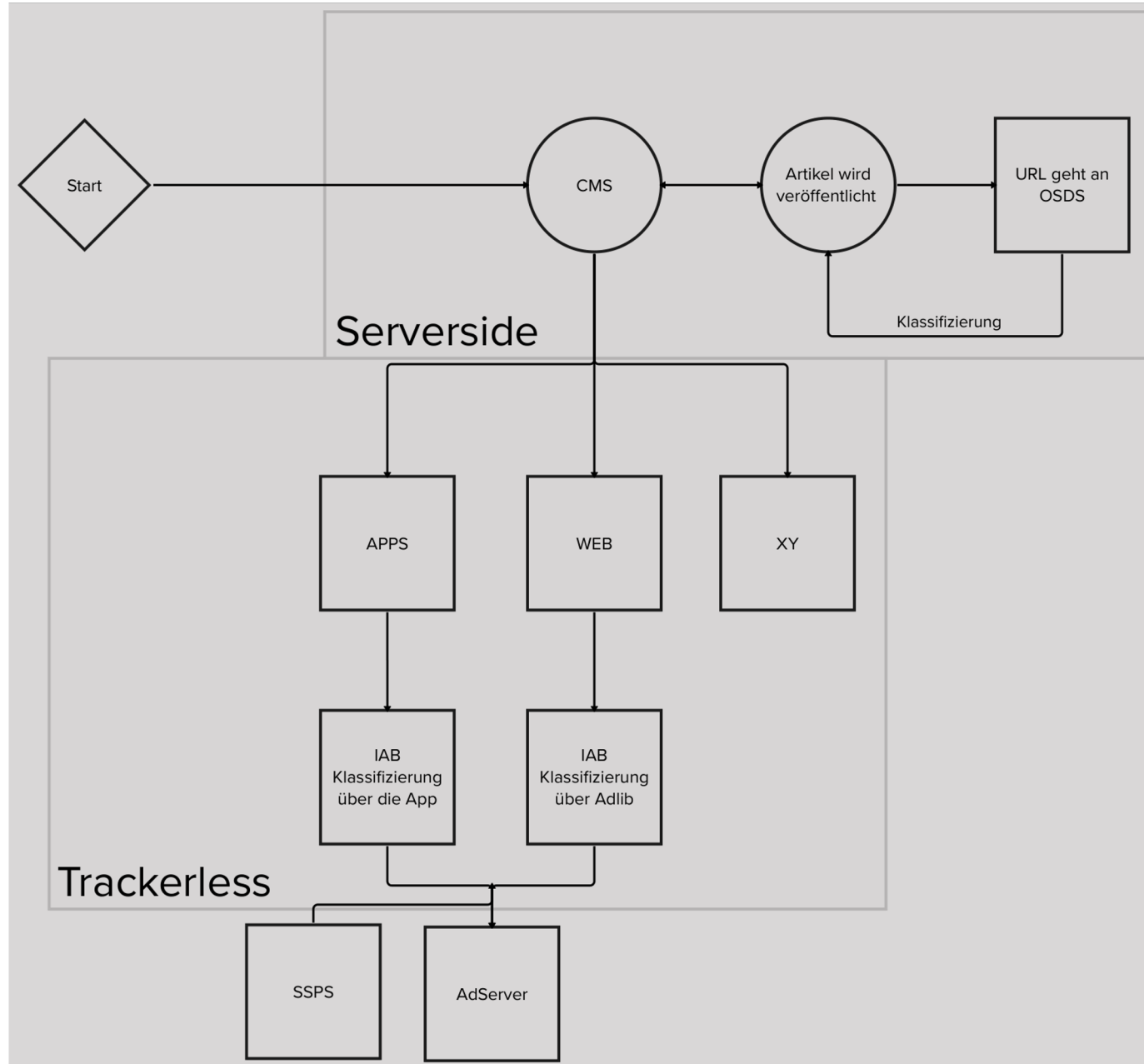
- Use of the German taxonomy adopted by the OVK and based on the IAB Content Taxonomy (min. version 2.1)
- Signaling according to the Open RTB standard



Data privacy

- Exclusion of sensitive categories

Integration example



OVK-Contextual Standard: Taxonomy

- Based on IAB Content Taxonomy (min. version 2.1)
 - Exclusion of sensitive categories, e.g.:
 - Adoption and Fostering
 - Food Allergies
 - Weight Loss
 - Medical Health (eligible only First Aid, Cold and Flu, Dental Health)
 - Personal Debt
 - Religion & Spirituality
 - Disabled Sports
- Signal: „Sensitive Topic“

Relational ID System		Content Taxonomy v2.1 with Tiered Categories				Replacement
Unique ID	Name	Tier 1	Tier 2	Tier 3	Tier 4	
193	Adoption and Fostering	Family and Relationships	Parenting	Adoption and Fostering		Sensitive Topic
219	Food Allergies	Food & Drink	Food Allergies			Sensitive Topic
231	Weight Loss	Healthy Living	Weight Loss			Sensitive Topic
287	Diseases and Conditions	Medical Health	Diseases and Conditions			Sensitive Topic
288	Allergies	Medical Health	Diseases and Conditions	Allergies		Sensitive Topic
289	Ear, Nose and Throat Conditions	Medical Health	Diseases and Conditions	Ear, Nose and Throat Conditions		Sensitive Topic
290	Endocrine and Metabolic Diseases	Medical Health	Diseases and Conditions	Endocrine and Metabolic Diseases		Sensitive Topic
291	Hormonal Disorders	Medical Health	Diseases and Conditions	Endocrine and Metabolic Diseases	Hormonal Disorders	Sensitive Topic
292	Menopause	Medical Health	Diseases and Conditions	Endocrine and Metabolic Diseases	Menopause	Sensitive Topic
293	Thyroid Disorders	Medical Health	Diseases and Conditions	Endocrine and Metabolic Diseases	Thyroid Disorders	Sensitive Topic
294	Eye and Vision Conditions	Medical Health	Diseases and Conditions	Eye and Vision Conditions		Sensitive Topic
295	Foot Health	Medical Health	Diseases and Conditions	Foot Health		Sensitive Topic
296	Heart and Cardiovascular Diseases	Medical Health	Diseases and Conditions	Heart and Cardiovascular Diseases		Sensitive Topic
297	Infectious Diseases	Medical Health	Diseases and Conditions	Infectious Diseases		Sensitive Topic
298	Injuries	Medical Health	Diseases and Conditions	Injuries		Sensitive Topic
300	Lung and Respiratory Health	Medical Health	Diseases and Conditions	Lung and Respiratory Health		Sensitive Topic
301	Mental Health	Medical Health	Diseases and Conditions	Mental Health		Sensitive Topic
302	Reproductive Health	Medical Health	Diseases and Conditions	Reproductive Health		Sensitive Topic
303	Birth Control	Medical Health	Diseases and Conditions	Reproductive Health	Birth Control	Sensitive Topic
304	Infertility	Medical Health	Diseases and Conditions	Reproductive Health	Infertility	Sensitive Topic
305	Pregnancy	Medical Health	Diseases and Conditions	Reproductive Health	Pregnancy	Sensitive Topic
306	Blood Disorders	Medical Health	Diseases and Conditions	Blood Disorders		Sensitive Topic
307	Sexual Health	Medical Health	Diseases and Conditions	Sexual Health		Sensitive Topic
308	Sexual Conditions	Medical Health	Diseases and Conditions	Sexual Health	Sexual Conditions	Sensitive Topic
309	Skin and Dermatology	Medical Health	Diseases and Conditions	Skin and Dermatology		Sensitive Topic
310	Sleep Disorders	Medical Health	Diseases and Conditions	Sleep Disorders		Sensitive Topic
311	Substance Abuse	Medical Health	Diseases and Conditions	Substance Abuse		Sensitive Topic
312	Bone and Joint Conditions	Medical Health	Diseases and Conditions	Bone and Joint Conditions		Sensitive Topic
313	Brain and Nervous System Disorders	Medical Health	Diseases and Conditions	Brain and Nervous System Disorders		Sensitive Topic
314	Cancer	Medical Health	Diseases and Conditions	Cancer		Sensitive Topic
317	Diabetes	Medical Health	Diseases and Conditions	Diabetes		Sensitive Topic
318	Digestive Disorders	Medical Health	Diseases and Conditions	Digestive Disorders		Sensitive Topic
319	Medical Tests	Medical Health	Medical Tests			Sensitive Topic
320	Pharmaceutical Drugs	Medical Health	Pharmaceutical Drugs			Sensitive Topic
321	Surgery	Medical Health	Surgery			Sensitive Topic
322	Vaccines	Medical Health	Vaccines			Sensitive Topic
323	Cosmetic Medical Services	Medical Health	Cosmetic Medical Services			Sensitive Topic
405	Personal Debt	Personal Finance	Personal Debt			Sensitive Topic
453	Religion & Spirituality	Religion & Spirituality				Sensitive Topic
454	Agnosticism	Religion & Spirituality	Agnosticism			Sensitive Topic
455	Spirituality	Religion & Spirituality	Spirituality			Sensitive Topic
456	Astrology	Religion & Spirituality	Astrology			Sensitive Topic
457	Atheism	Religion & Spirituality	Atheism			Sensitive Topic

OVK-Contextual Standard

Status

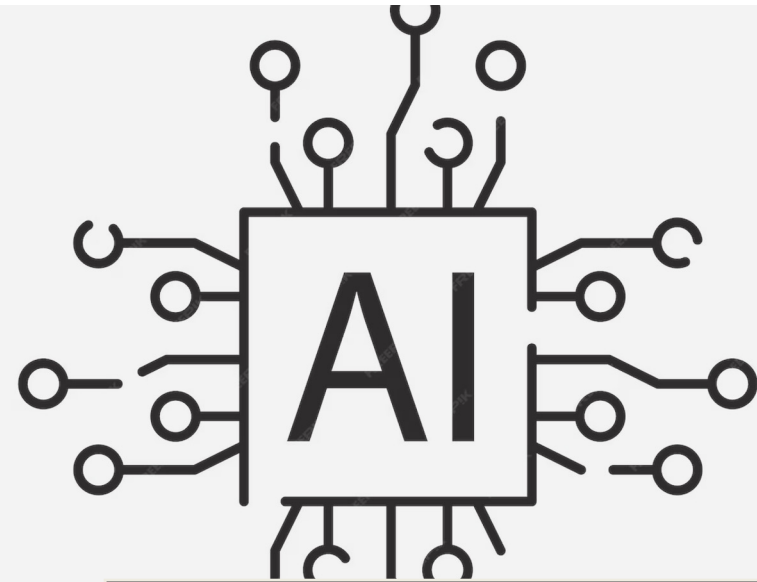
- The standard is supported by 100% of OVK marketers.
- Implementation in the OVK member companies is expected to be completed by the end of Q4/2023.
- A large proportion of OVK marketers already offer contextual targeting in accordance with the standard.



Contextual & Machine Learning



Contextual Targeting



Leverage Contextual
Signals

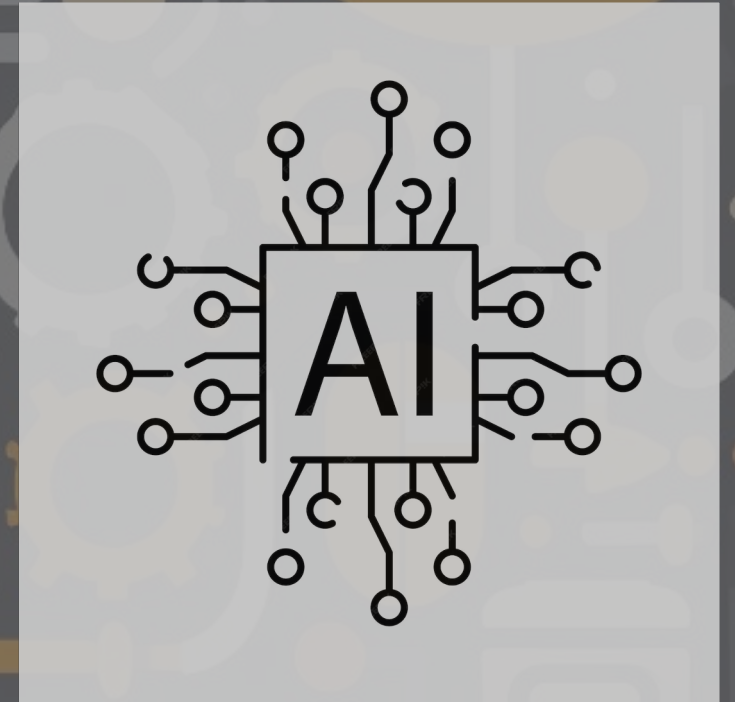
OpenRTB: Perfect Playground for ML

```
{
  "id": "1234567890",
  "imp": [
    {
      "id": "1",
      "banner": {
        "w": 300,
        "h": 250,
        "pos": 1
      },
      "bidfloor": 0.01
    }
  ],
  "site": {
    "id": "1234",
    "name": "mysite.com",
    "domain": "mysite.com",
    "cat": [
      "IAB2-1"
    ],
    "page": "http://www.mysite.com/page.html",
    "publisher": {
      "id": "5678",
      "name": "mypublisher.com",
      "domain": "mypublisher.com"
    }
  },
  "device": {
    "ip": "192.168.1.1",
    "ua": "Mozilla/5.0 (Windows NT 6.1; WOW64; rv:77.0) Gecko/20190101 Firefox/77.0",
    "os": "Windows",
    "language": "en"
  },
  "user": {
    "id": "123",
    "buyerid": "456"
  },
  "at": 1,
  "tmax": 1000,
  "cur": {
    "USD"
  },
  "beat": [
    "IAB2-1"
  ],
  "badv": [
    "badvertiser.com"
  ]
}
```

Bid request: dozens of signals
beyond the URL (+3rd party)

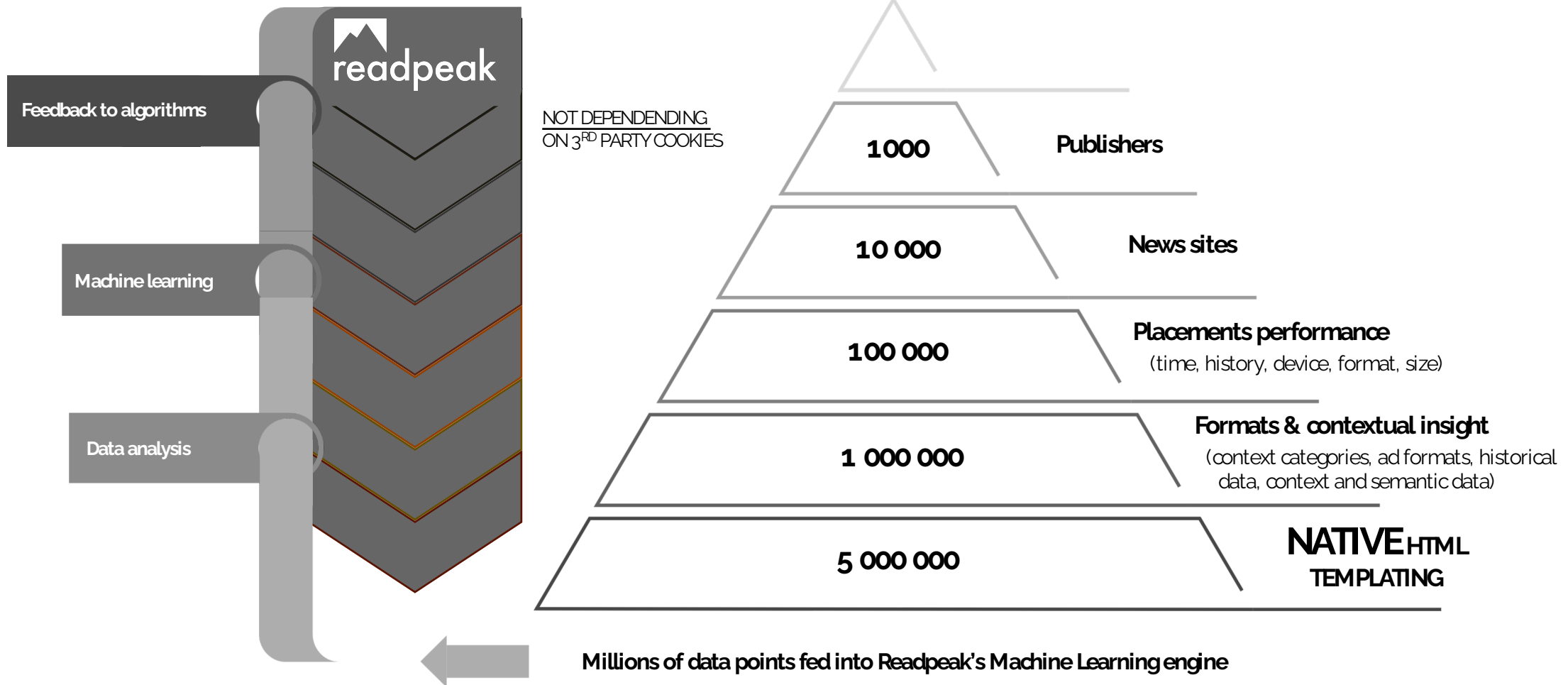


Clear definition of campaign
KPI(s)



ML optimised ad delivery
based

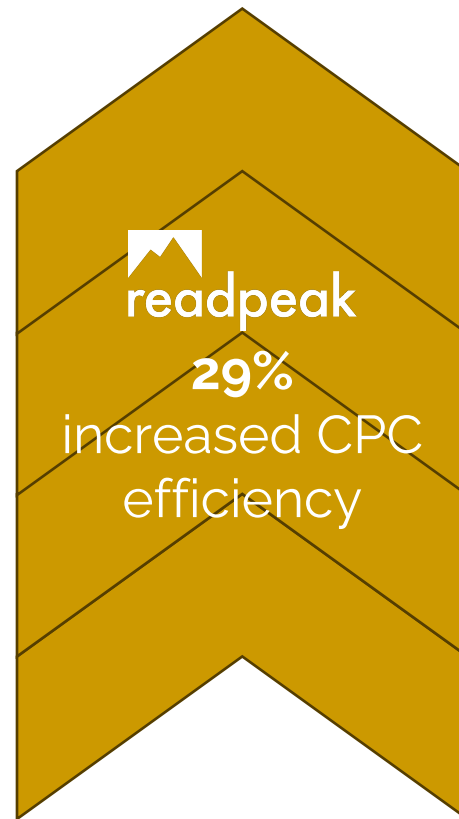
Readpeak: Contextual Signals in Native



First Results in DE

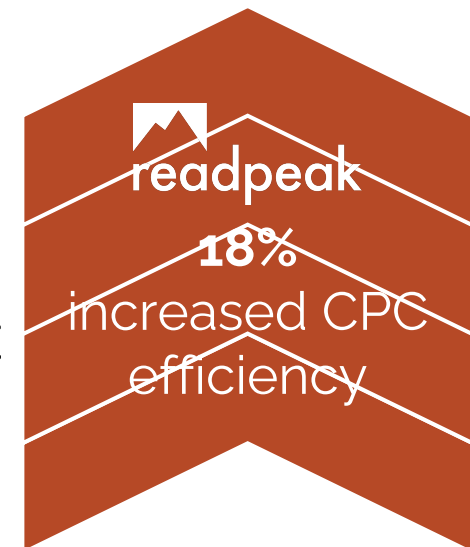
Readpeak vs Social

(B2C campaign,
indexed* CPC
results, Q3/2023)



Readpeak vs Adwords

(B2C campaign,
indexed* CPC
results, Q3/2023)



*Indexed CPC results: Avg. Readpeak CPC = 100%, lower CPC means an increase in CPC efficiency
Source: Readpeak & client interview Sep 2023

Key take aways

- Programmatic still growing in the stagnating German digital advertising market
- „Post Cookie“ is NOW – not only in Germany
- Renaissance of Contextual
- ...but think beyond URLs and keywords





Thank you!

X @joerg_vogelsang