



choozle

**DIGITAL
ADVERTISING
FINDINGS &
BEST PRACTICES**

WHITEPAPER

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SUMMARY

EXECUTIVE SUMMARY

In the age of modern digital advertising, data is king. Marketers aiming to maximize return on investment from their digital advertising efforts must analyze and implement a variety of tactics and metrics associated with each channel and strategy.

According to the IAB Full Year 2017 and Q4 2017 Internet Advertising Revenue Report, overall, digital ad revenue continues to grow: \$88 billion in 2017, up 21 percent.

The Choozle Key Findings & Best Practices Whitepaper serves as guidance for individual campaign efficiency compared to marketplace averages. In addition to the metrics, this whitepaper highlights key topics and best practices to apply to digital advertising campaigns. Choozle supports marketers and agencies in their self-service and data-driven digital advertising execution.

01

KEY ITEMS TO KNOW

The three primary variables—and the starting point for any digital advertising campaign—can be easily remembered by the acronym ABC: audience, creative, and budget. Budget is reflected in this whitepaper as CPM or cost-per thousand impressions.

The performance metrics from targeting, creative, and cost (or CPM) can also provide benchmarks to optimize towards for successful campaigns. Metrics like click-through rate (CTR), overall clicks, impressions, and cost per acquisition (CPA) can be specific and subjective to individual campaigns. However, performance metrics related to targeting, creative, and CPMs can provide useful benchmarks on which marketers can effectively optimize.

It is important to remember that these metrics are all interdependent. CPMs can fluctuate depending on the targeting strategies and creative size. The creative sized used could relate to the total CPM. And in turn, the targeting strategy used can have an impact on the CPM.

CPM: Cost per thousand impressions

A marketing term used to denote the price of 1,000 advertisement impressions on one webpage. CPM is used as a benchmark to calculate the relative cost of an advertising campaign.

Targeting: A defined audience

Targeting is used when purchasing ad space on websites that match audience and campaign objective requirements. This can include data targeting (first and third party), contextual, contextual keyword, geographic, IP targeting, retargeting, and others.

CTR: Click-through rate

Defined simply as the amount spent to get a click on an advertisement.

Creative: The creative asset(s) used in an ad

An ad or set of ads for a campaign is often referred to as the campaign "creative". This can include different creative sizes, types, and channel such as display, mobile and/or video.

02

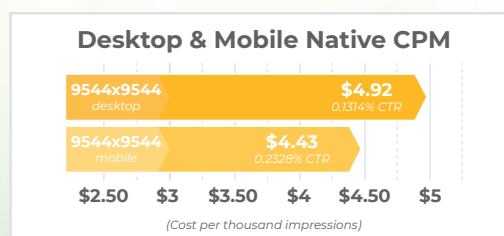
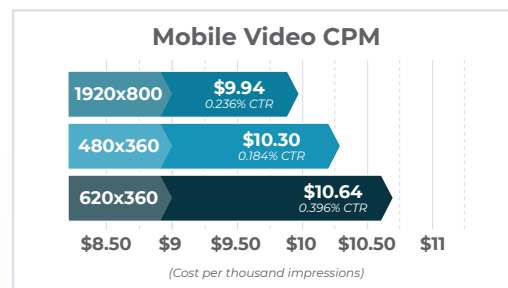
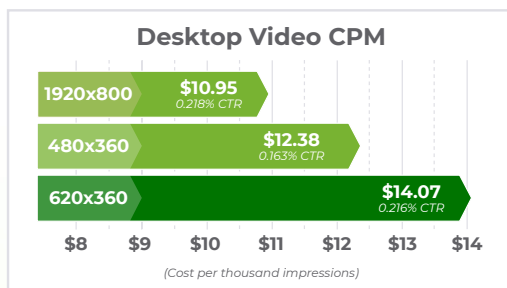
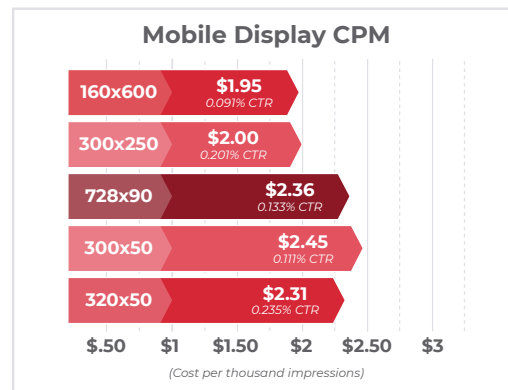
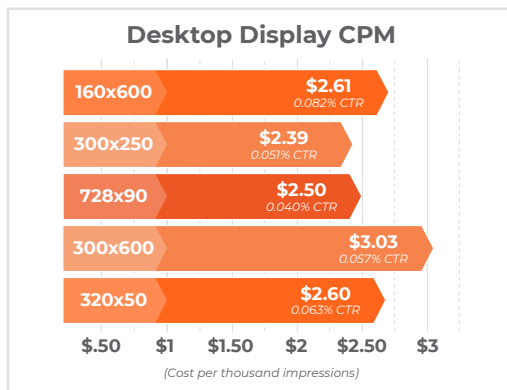
CREATIVE SIZES & FORMATS

The following data shows average CPMs and CTRs by creative size and are organized by ad type and device type. These averages were calculated from all campaigns run through the Choozle platform through a six-month period.

According to the IAB, all digital advertising formats (search, banner, video, and audio) have grown in revenue since 2016, and show an even stronger digital growth for mobile. Mobile banner advertising is up 35 percent to \$18.4 billion, and mobile video ad revenue is up 54 percent to \$6.2 billion.

However, in a recent Choozle survey, when asked where users would most likely click on an ad, the results were virtually proportional. 45 percent of respondents said they are most likely to click an ad on their mobile device, and 41 percent said they are still most likely to click on an advertisement on a desktop device.

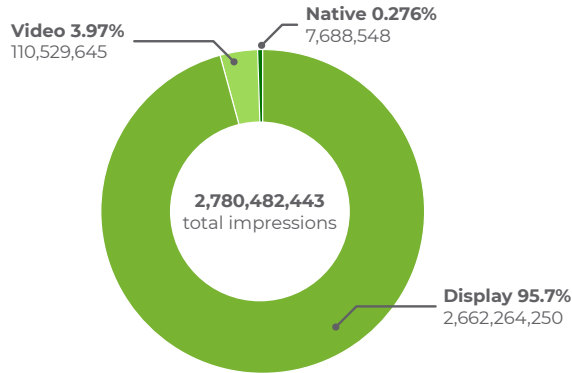
In the IAB Report, video (up 33%) and banner ads (up 23%) have grown considerably and CPMs are up year over year (according to SQUAD's WebCosts data).



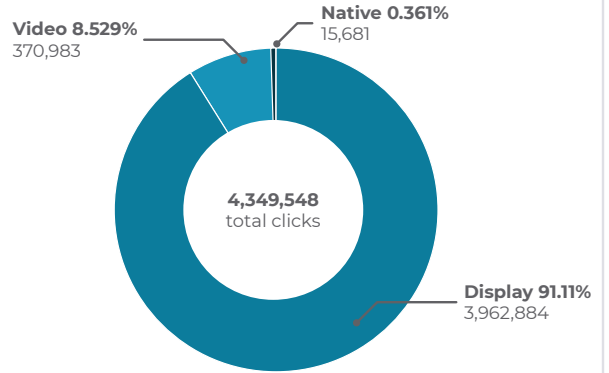
03

MEDIA & DEVICE TYPES

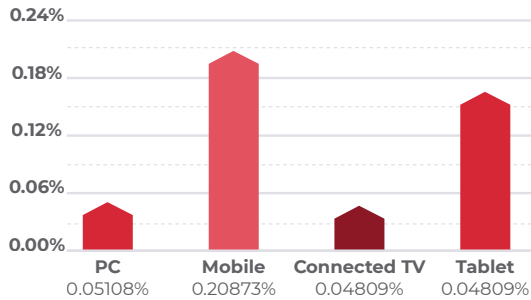
Total Impressions by Media Type



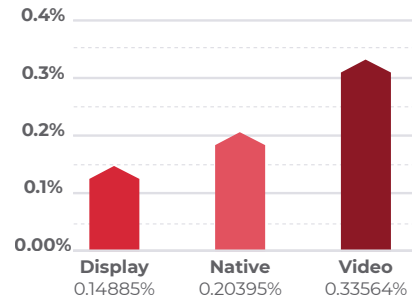
Total Clicks by Media Type



Average CTR: Display by Device Type

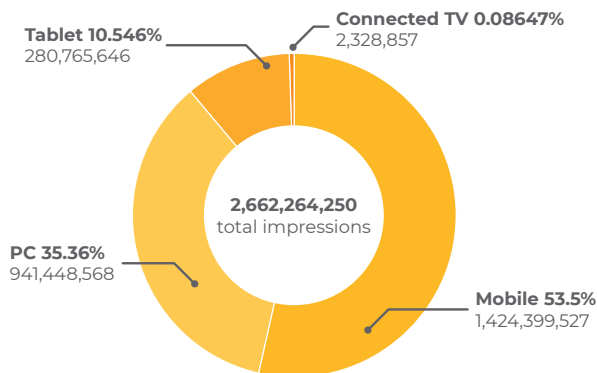


Average CTR: Display by Media Type

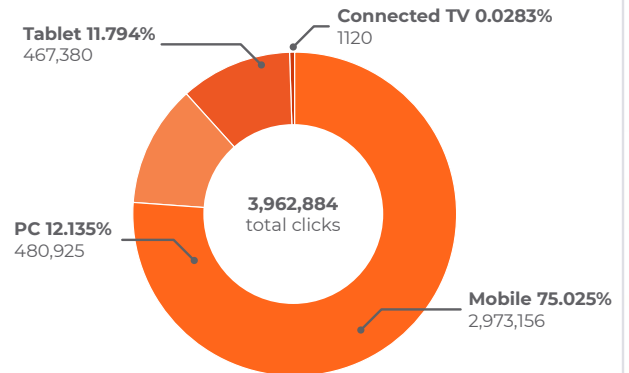


CTR for both native and video are calculated from a much smaller amount of clicks and impressions compared to display.

Total Impressions: Display by Device Type



Total Clicks: Display by Device Type



04 SUMMARY

Total ad revenue has doubled since 2015, indicating rapid growth in the digital advertising space. In the IAB's 2017 Revenue Report, ongoing double-digit growth across formats and platforms in digital endures in an otherwise flat or declining media market.

Moving forward, agencies and brands must continue to look to the future of digital advertising to influence a tactful and well-rounded digital marketing strategy. This includes voice and audio advertising alongside mobile, banner, native, social, and search.

In 2018 and beyond, marketers will continue leverage digital programmatic advertising to generate the greatest return on investment (ROI) of ad spend. With inventory becoming more and more coveted, modern marketers must confront and utilize a growing variety of tactics, and their associated metrics, to properly test and optimize each unique channel and strategy. Today's platforms empower media buyers to leverage reliable benchmarks to evaluate campaign success and to apply best practices to their campaigns to ensure optimal success.

