

Choozle's 2022 End of Year Key Findings Report

WHAT WE LEARNED IN 2022
& HOW TO IMPROVE YOUR CAMPAIGNS IN 2023



The state of digital advertising

In 2022, digital marketing remained the dominant force in the advertising landscape. The widespread adoption of digital strategies by both buyers and sellers has resulted in more inventory, lower CPMs, enhanced analytics, increased consumer considerations, and a heightened emphasis on data privacy.

The range of channels and targeting tactics available for marketers to adopt continues to expand, enabling brands to tell their stories more effectively and with greater sophistication. Including programmatic advertising in omnichannel strategies enables marketers to reach their target customers efficiently and build authentic brand resonance.

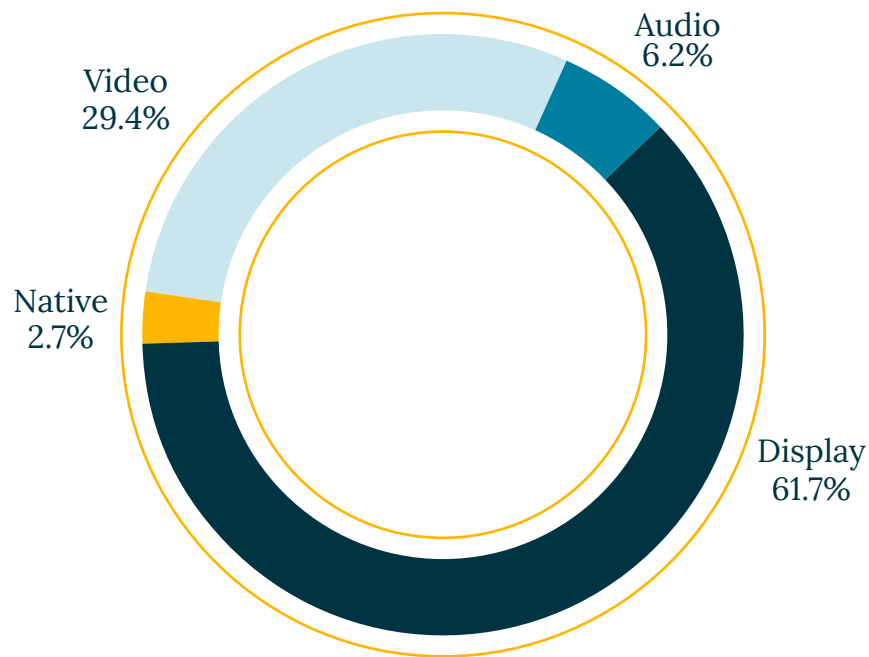
As the industry continues to evolve and mature, it is increasingly evident that brands must embrace a data-driven and customer-centric approach to succeed in this space. With the right tools and strategies, digital advertising offers opportunities for businesses of all sizes to connect with their customers in places they already are and help build lasting relationships.

“Omnichannel marketing isn’t just an option anymore, it’s a necessity. Consumers today expect a seamless experience across all channels, and brands that fail to deliver will be left behind.”

Melissa Gonzalez, CEO, The Lioness Group

Media Type

BUDGET ALLOCATION BY MEDIA TYPE



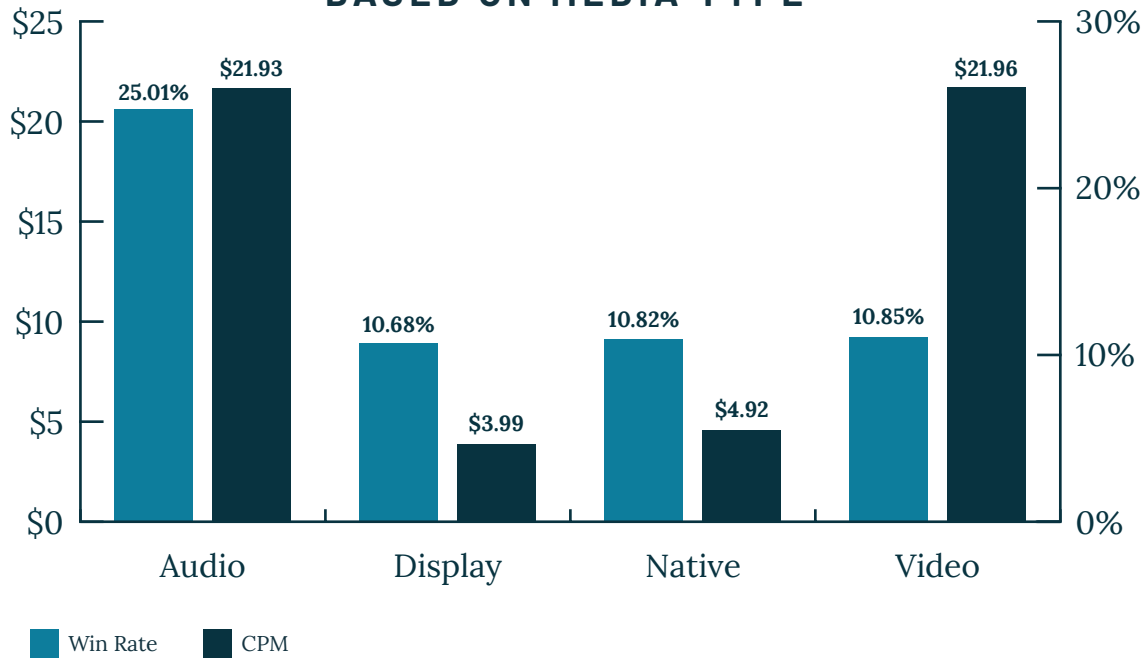
TAKEAWAYS:

- **Owning 90% of total budget allocation, display and video tactics continue to dominate the landscape.**
- **Connected TV spend is projected to increase by 14% in 2023.**
 - * While higher in cost than standard display, video advertising drives engagement through higher completion rates and unique branding opportunities that display can't deliver.
 - * What comes with a higher completion rate is the ability to tell a full story - whether brand or promotional, higher completion rates mean users won't miss out on the key messages you're trying to get across.
- **Expand into different media types to create an omni-channel marketing strategy.**
 - * With a healthy budget spread across multiple channels, you can build multi-touch resonance and understand how your channels work together to drive engagement.
 - * By leveraging programmatic tactics, we can support other channels by keeping our funnel healthy with top to middle of the funnel support (ex: increase in branded search and website traffic following the launch of programmatic tactics.)

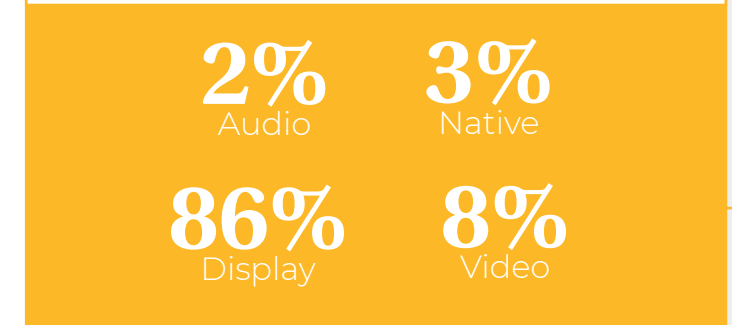
Media Type

PERFORMANCE BY MEDIA TYPE

AVERAGE WIN RATE & CPM
BASED ON MEDIA TYPE



EARNED IMPRESSIONS BY
MEDIA TYPE



TAKEAWAYS:

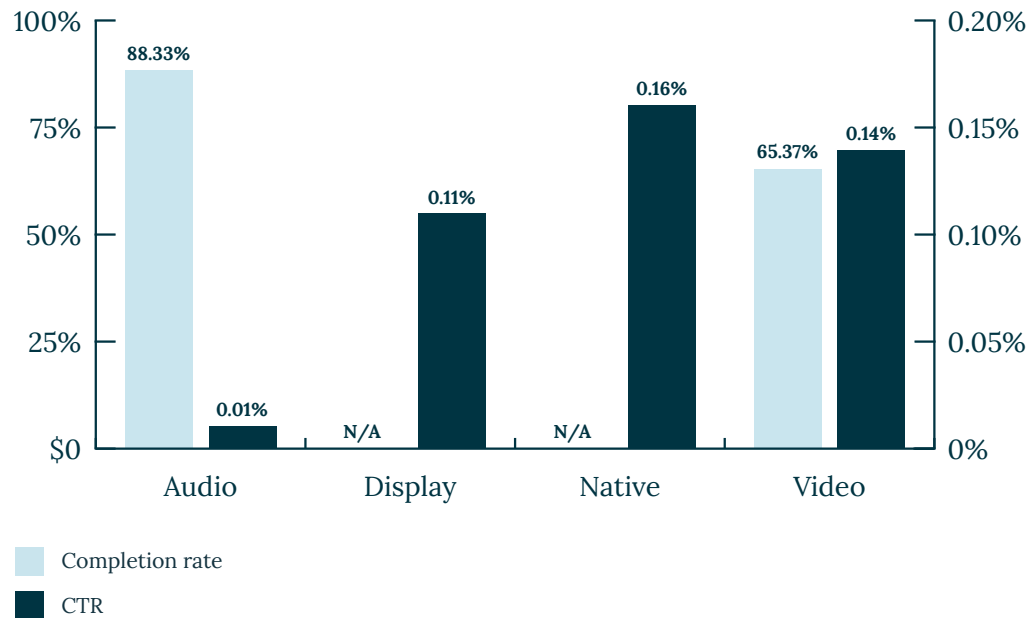
While display continues to have the lowest CPMs, it is important to diversify campaigns across various channels + tactics to achieve a successful omnichannel marketing strategy.

Display received the most impressions at 86 percent, an increase from 84 percent in 2021. Display continues to have market share of inventory, with video following at 8 percent.

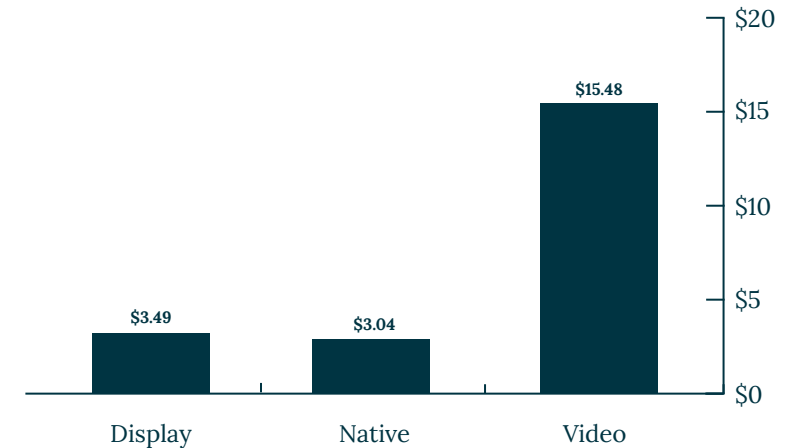
Media Type

PERFORMANCE BY MEDIA TYPE

AVERAGE COMPLETION RATE VS CTR BASED ON MEDIA TYPE



AVERAGE CPC BASED ON MEDIA TYPE



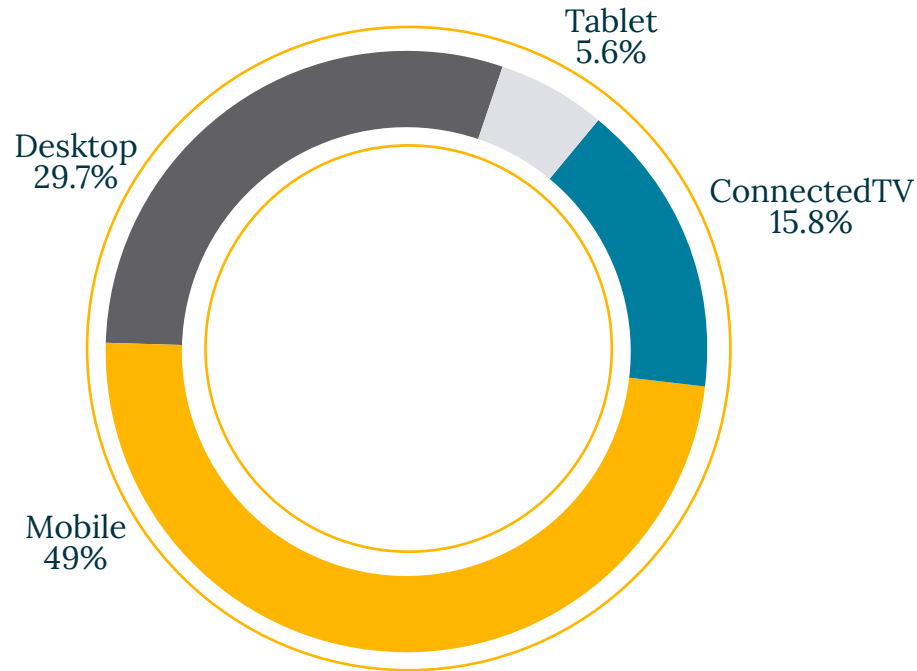
TAKEAWAYS:

— Audio completion rate is sitting at 88 percent, slightly down from 91 percent in 2021, but still showing the highest win rate and completion rate among all media types, making it an effective top-funnel channel to increase brand, product or service exposure.

— Native advertising shows very high resonance in terms of CTR amongst our target audiences, while also having the lowest CPC showcasing the efficiency of this tactic especially when we can combine it with other tactics, making it a great way to get users to a brand's website for more information or to take an intended action.

Device Type

BUDGET ALLOCATION BY DEVICE TYPE



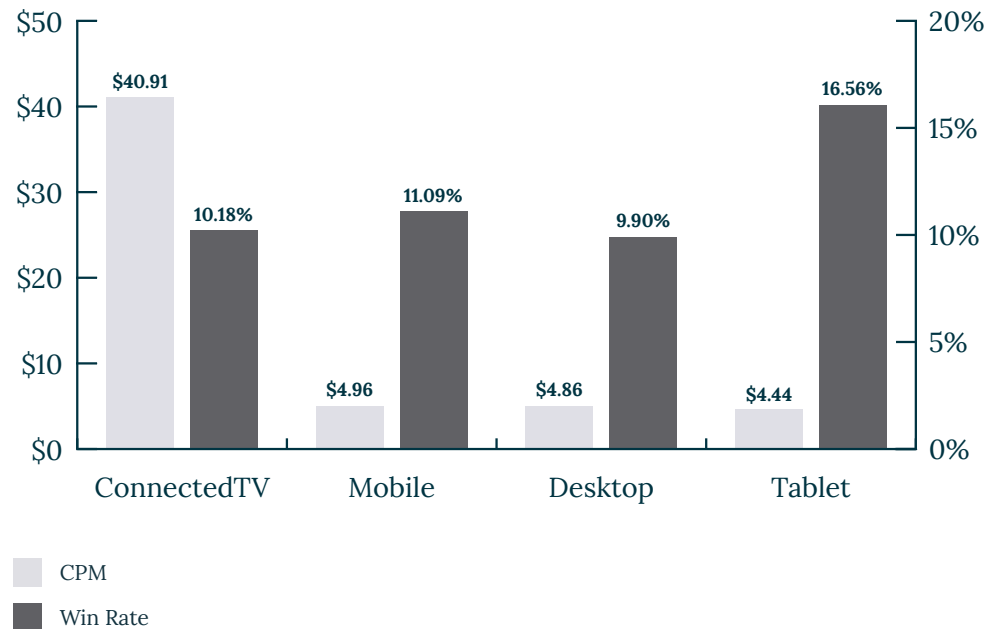
TAKEAWAYS:

- Consumers engage with brands across multiple devices over time and in different stages of the marketing funnel.
- While a mobile-first approach is important and engaging, as mobile leads the way in impression-share volume, marketers should engage with consumers across different media and device types for a dynamic campaign. Targeting across devices also helps to keep CPMs lower than if we targeted just one device type, and diversifies the user experience.

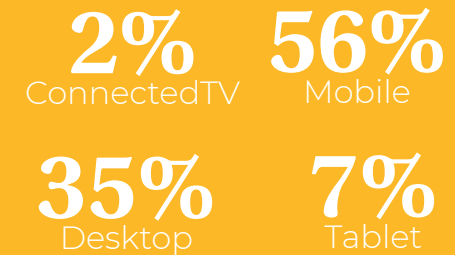
Device Type

PERFORMANCE BY DEVICE TYPE

AVERAGE CPMS & WIN RATE BASED ON DEVICE TYPE



EARNED IMPRESSIONS BY DEVICE TYPE



AVERAGE CPC BASED ON DEVICE TYPE



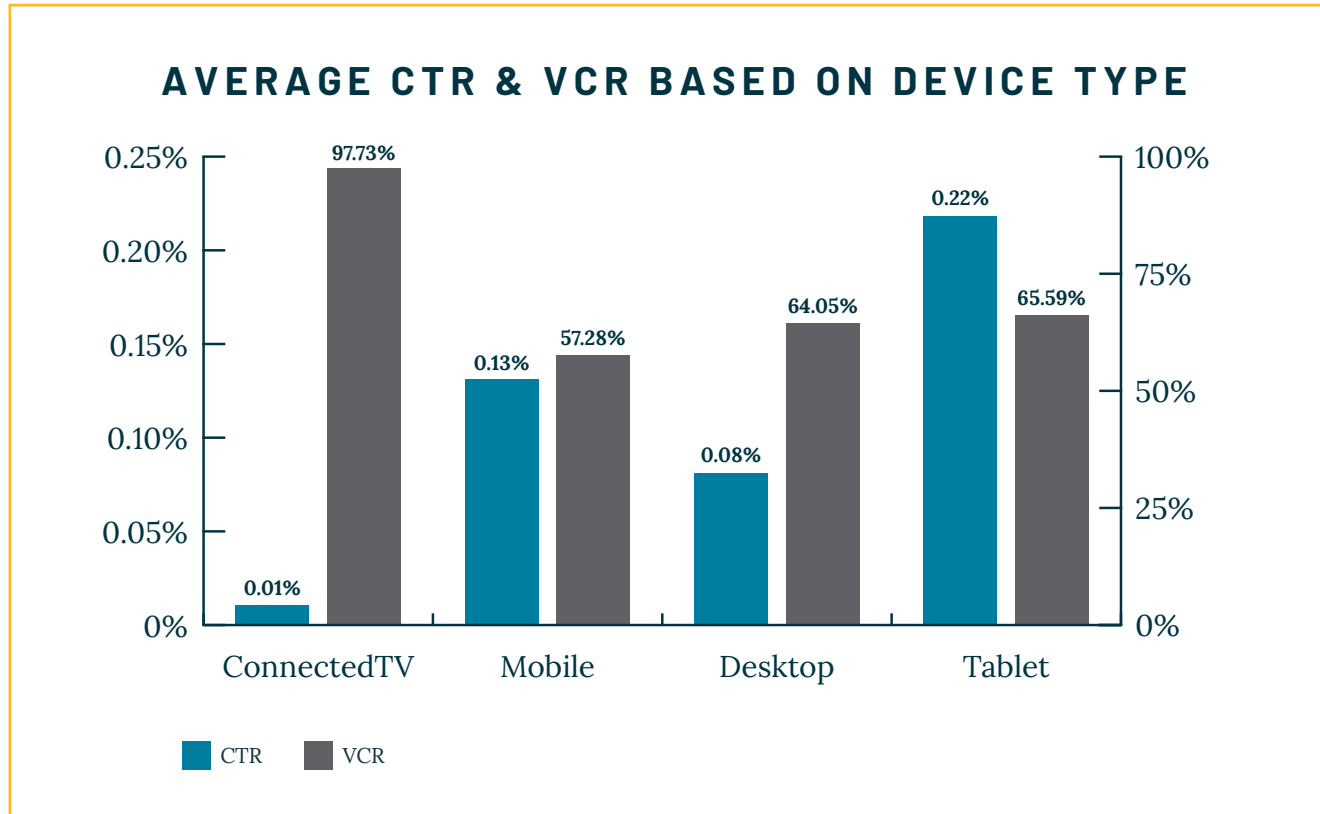
TAKEAWAYS:

— Connected TV CPMs saw a slightly lower average in 2022 (\$40.91) when compared to 2021 CPMs (\$42.98) – largely stemming from increased competition among suppliers and the economy.

— We will continue to see an impact on CPMs during big events or trends like the political season.

Device Type

PERFORMANCE BY DEVICE TYPE



TAKEAWAYS:

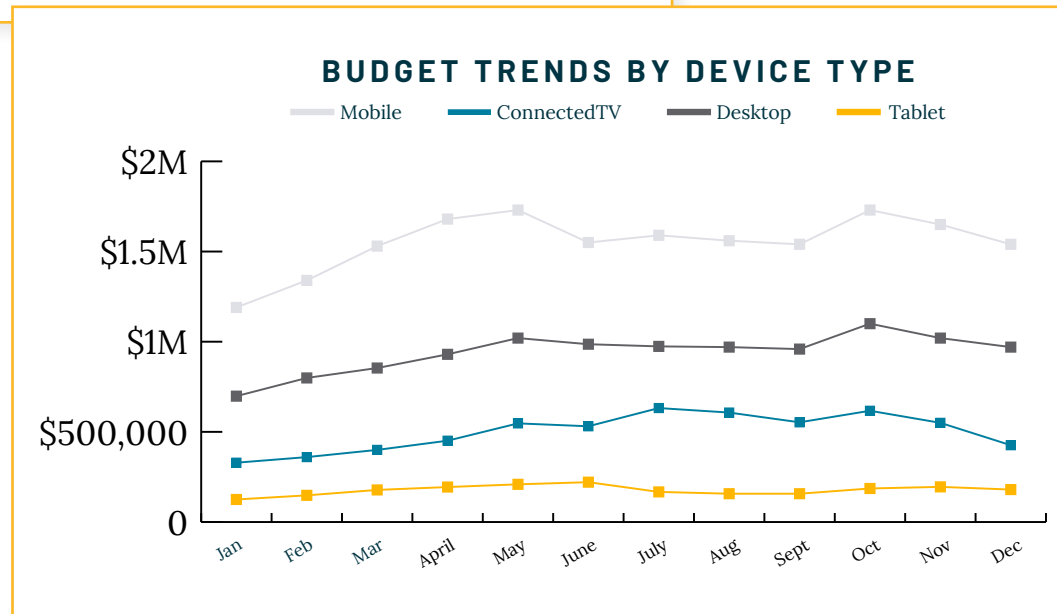
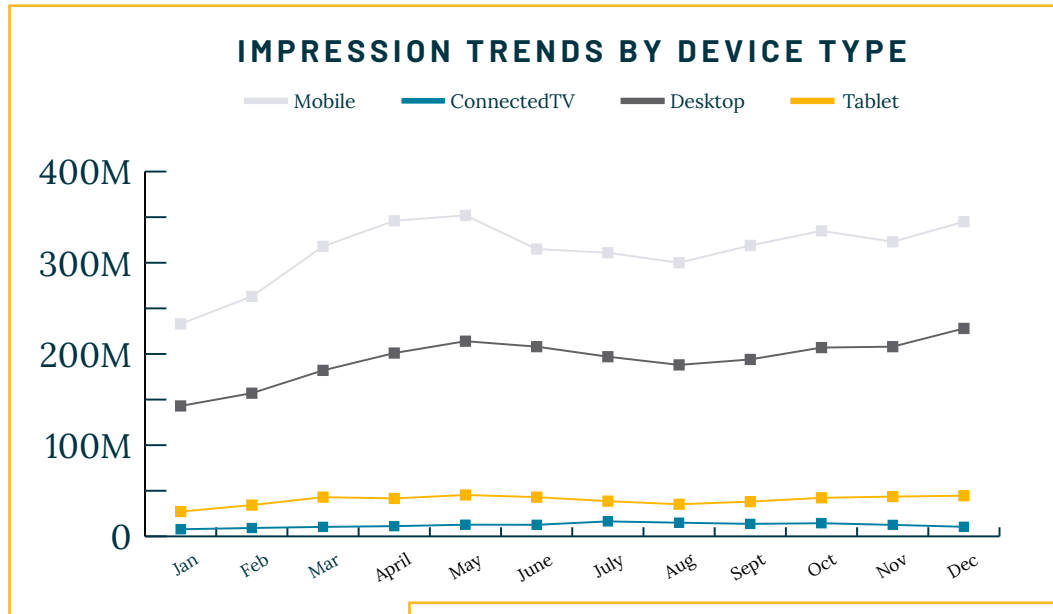
- + Connected TV continues to show strong video completion rates (VCR). However, desktop and tablet also produce high VCR, solidifying the need for cross-device strategies to reach audiences across all device types in all stages of the funnel.
- + Users still use desktop and tablet devices for video streaming, indicating consumer preferences through high completion rates and high click-through rates.
- + Vary your campaign creatives to reach users across different devices but create brand recognition.

Industry Trends AVERAGE CPM, VCR, & CTR

Industry	Avg CPM	Avg VCR	Avg CTR
Automotive	\$11.45	38.70%	0.20%
Banks	\$9.79	34.82%	0.11%
Commercial & Professional Services	\$6.59	33.21%	0.22%
Computer Software & Services	\$3.90	30.16%	0.21%
Construction Materials	\$6.22	9.06%	0.57%
Consumer Discretionary	\$11.92	24.26%	0.13%
Consumer Goods & Apparel	\$3.78	22.28%	0.18%
Consumer Staples	\$4.50	21.38%	0.20%
Consumer Services	\$8.30	22.06%	0.17%
Diversified Financial Services	\$4.12	18.94%	0.30%
Telecommunication Services	\$5.34	35.21%	0.07%
Education	\$8.25	17.98%	0.16%
Food & Beverage	\$4.94	19.37%	0.16%
Healthcare Providers & Services	\$4.19	13.69%	0.17%
Hotels, Travel & Tourism	\$8.85	31.50%	0.10%
Household Products	\$5.54	10.79%	0.11%
Insurance	\$6.14	21.18%	0.16%
Media	\$5.00	13.74%	0.17%
Pharmaceuticals & Biotechnology	\$5.19	14.16%	0.14%
Real Estate	\$8.73	24.18%	0.19%
Renewable Electricity	\$8.12	35.58%	0.16%
Retail	\$10.34	17.89%	0.16%
Transportation	\$12.24	45.82%	0.10%
Technology Hardware & Equipment	\$28.26	48.97%	0.11%
Utilities	\$4.52	17.15%	0.14%

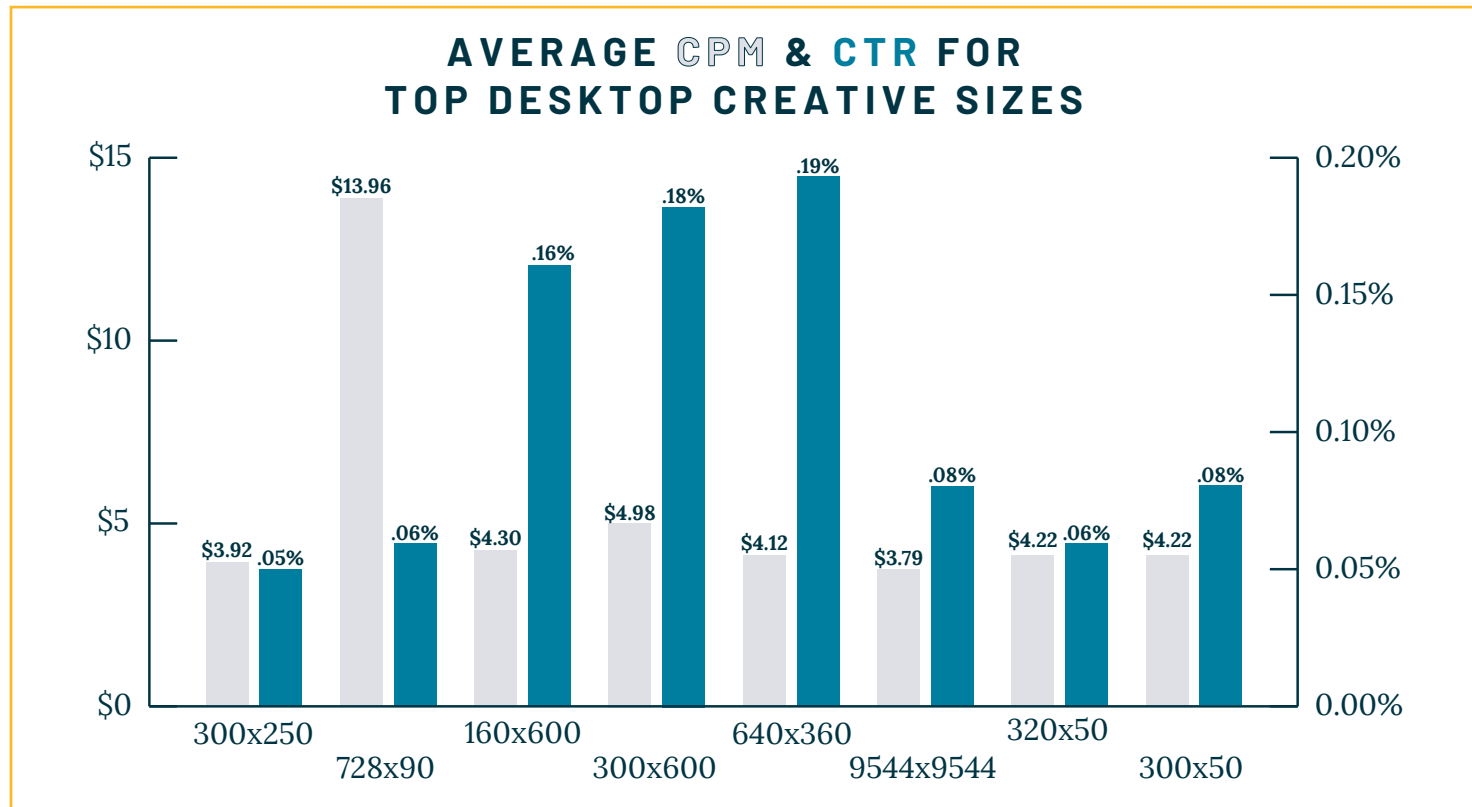


Creative Assets TRENDS BY DEVICE TYPE



Creative Assets

COST & PERFORMANCE (DESKTOP)

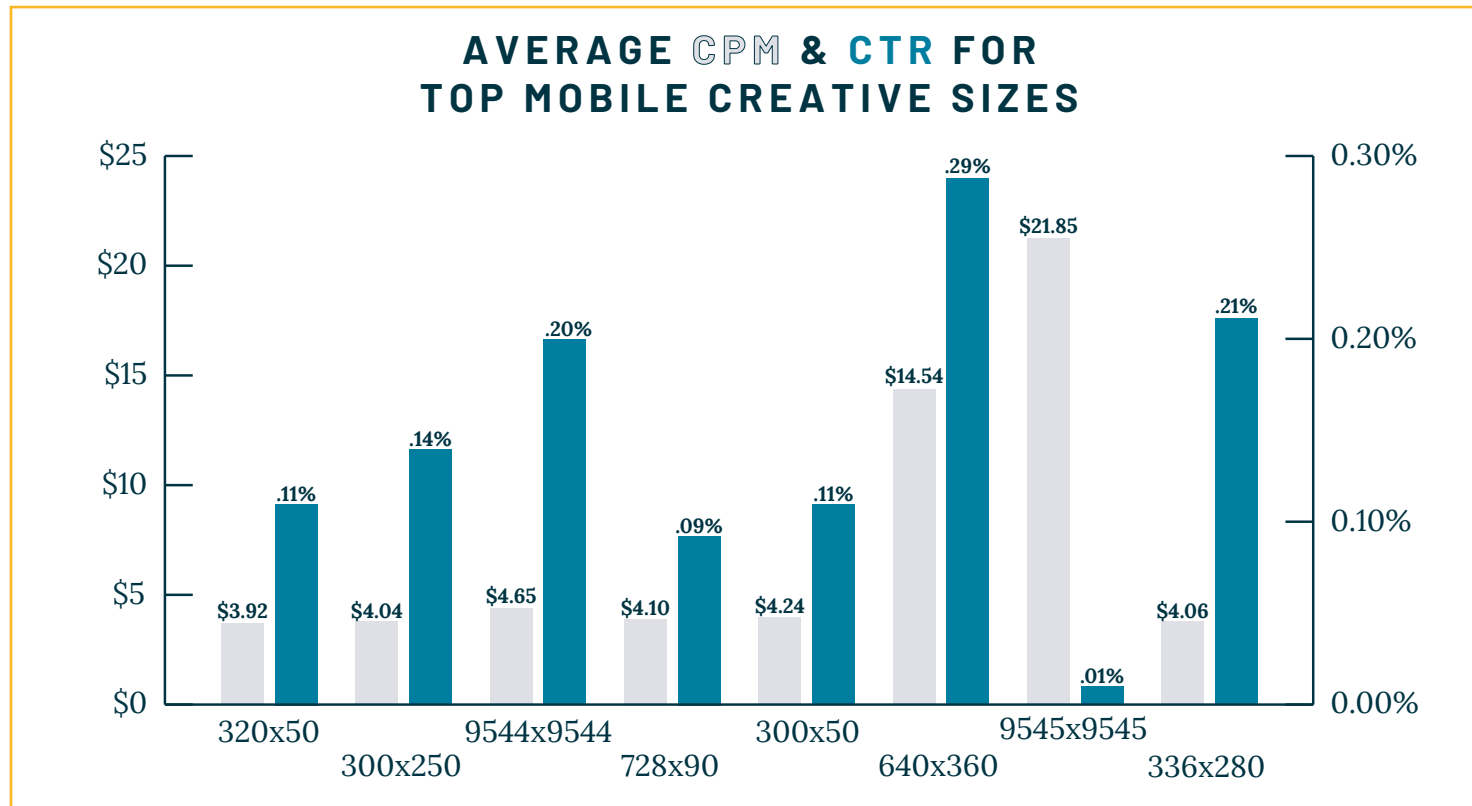


TAKEAWAYS:

- ✦ Maximize your impact with creative diversity and think about balancing smaller creative sizes with larger sizes; larger creatives will drive a higher CTR and that engagement will start to bleed over for other creative sizes once brand recognition is developed.
- ✦ Look out for new inventory that is available and emerging trends while utilizing what works.



Creative Assets COST & PERFORMANCE (MOBILE)

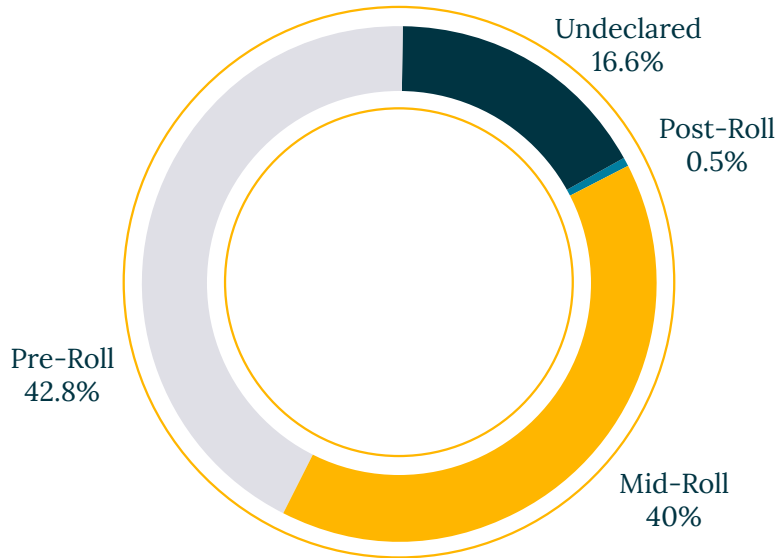


TAKEAWAYS:

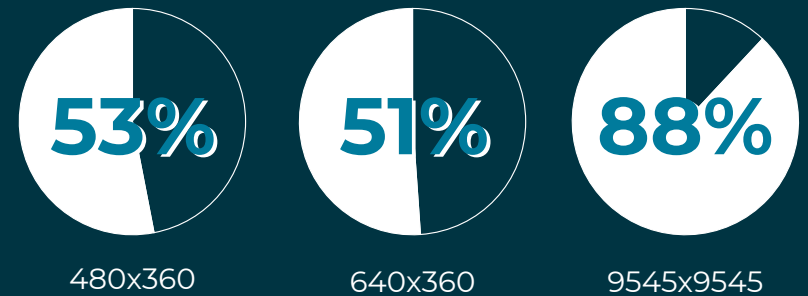
- + Overall, there is more inventory available for the following creative sizes and campaigns scale more effectively when they are included: 300x250, 728x90, 160x600, 300X600.
- + Ad fatigue is real - we've seen creative refreshes help drive better performance, indicating the importance of frequency and keeping ad fatigue in mind (especially amongst a narrow audience.)
- + To keep creative fresh and reduce ad fatigue, consider varying messaging around targeting tactics, audiences you're reaching, promotions, and seasonality.

Video Usage

VIDEO USAGE BY PLACEMENT TYPE



VIDEO COMPLETION BY SIZE



VIDEO COMPLETION BY LENGTH

Length	Completion Rate
:15	69%
:30	65%
:60	56%
:90	38%

TAKEAWAYS:

- Most video advertising is placed during mid-roll (40%) and pre-roll (43%), which has balanced between the two placements since last year, where pre-roll saw 66% of placement. Content creators and publishers prioritize these creative types to play before their own content for effective monetization.
- Creatives under 30 seconds saw the highest completion rates showcasing the creative spec “sweet spot” for audience attentiveness and completion.

What the future holds for digital

Looking ahead into 2023, the possibilities for growth in the digital advertising landscape are expanding rapidly. With increasing availability of channels and targeting options, brands have more opportunities than ever to connect with their specific audience and ensure their message is heard.

Connected TV continues to stake its place as a powerful tool for brands to achieve greater visibility and win inventory that was previously inaccessible through traditional TV advertising. As the number of available channels continues to grow, it is important for brands to adopt an omnichannel strategy where a multi-channel approach will maximize their reach and impact.

In 2023, consumer + data privacy will remain a top priority for advertisers, as the looming retirement of third-party cookies still sits on the horizon. In turn, building a strong foundation of first-party data is essential for understanding and engaging with your audience in a meaningful way, while also demonstrating your commitment to their privacy and security.

As the digital advertising landscape continues to evolve, it will be important for brands to stay nimble, adaptable, and data-driven in order to keep up with changing consumer preferences and market conditions. By leveraging the latest tools, technologies, and strategies, brands can achieve greater visibility, reach, and resonance with their target audience and drive sustained growth over the long term.

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