Contextual versus Behavioral Targeting in B2B Tech Marketing

stackoverflow
ADVERTISING

Contextual versus Behavioral Targeting in B2B Tech Marketing

It's been 26 years since the first digital ad banner was placed on the HotWired (now Wired) website, marking a new era that has evolved into what we know as digital advertising. From there, website advertising expanded into mobile and has grown to surpass print and TV advertising. According to eMarketer, by 2023, digital will surpass two-thirds of total media spending in the U.S.

The appeal of digital advertising is its ability to target groups of people based on specific characteristics, interests and behaviors. This form of behavioral targeting has largely propelled digital advertising into a multi-billion dollar industry. But, over time, consumers have become increasingly skeptical about trading their personal data for access to content. The demand for privacy has driven the major browser companies to phase out the cookie-based technology that's fueled the behavioral approach. This paves the way for a more consumer-friendly form of advertising that is less intrusive and more aligned with consumer choice.

In this eBook you'll learn:

- How behavioral targeting has evolved and how it's used today

- How contextual targeting differs from other forms of digital advertising and how to incorporate it into your strategy

- Important targeting considerations for your B2B Tech campaigns

What's the Difference Between Behavioral and Contextual Targeting?

What is Behavioral Targeting?

Behavioral Targeting allows advertisers and publishers to show consumers ads that are based on their web browsing behavior. To accomplish this, marketers create segments of the types of consumers they want to attract and deliver ads that are tailored to their characteristics, interests and the actions they take when they surf the web. By showing customized ads and offers, marketers can improve campaign effectiveness.

There are many scenarios where a behavioral targeting campaign can be effective. Here are a just a couple of examples:

Sales Acceleration

Let's say an IT manager is spending a lot of time researching cloud infrastructure online. We can assume that this person is most likely shopping for data storage solutions, so when they move on to other websites, an advertiser can show him an ad for cloud storage or services that are related to the content he viewed. When the person clicks on the ad, they are directed to a page where they can take the next step toward buying cloud storage or services, such as viewing a menu of pricing options or watching a demo.

Sales Motivation

In this scenario, a director of software development is browsing different knowledge management platforms. The prospect goes as far as selecting a platform, choosing a package, and typing in her credit card information. But she leaves the site to read a news article without finishing the transaction.

What's a Cookie?

A cookie is a string of text sent from a web server and stored on a user's browser. The browser sends the cookie back to the server the next time the user visits that page. There are two kinds: 1) First-party cookies collect data from a company's own visitors. 2) Third-party cookies track a user's activity on other websites across the web.

While browsing the news site, she is shown an ad for the knowledge management platform she visited with an offer to get a 20% discount. When this ad is clicked, she is brought back to the website for the knowledge management platform and purchases a subscription.

The Behavioral Advertising Advantage: High Conversion

Behavioral advertising enables advertisers to appeal to different groups of consumers with a variety of different ads based on their actions online. Instead of receiving random ads, consumers see ads that are customized to their interests. As our examples show, behavioral advertising can work well in the later stages of the buying process and play a key role in closing the deal on both large and small purchases.

Behavioral Advertising and The Cookie Problem

Behavioral targeting is considered by many to be invasive. To collect behavioral data and track consumers across different websites, marketers must use third-party cookies. But after years of contentious debate with consumer privacy advocates, the major web browser companies have begun blocking third-party cookies. By 2022, third-party cookies will no longer be in use, which will greatly reduce the reach of behavioral campaigns.

Without third-party cookies, marketers will lose the ability to build cookie-based audiences. They'll no longer be able to serve ads across the internet to users who have visited their websites or serve ads based on someone's browsing behavior. This means that advertisers will have to rely solely on first-party data for their behavioral campaigns. First-party data is obtained with the consent of the consumer and it comes from a company's website, CRM, social media channel and other sources. In the near future, companies will have to work harder to segment this data, analyze it, and gain deeper insights on their audiences to create effective behavioral campaigns.

What is Contextual Targeting?

Contextual Targeting focuses entirely on content. As a prospective customer browses the web, they're shown ads that are deeply relevant to the content they're viewing. The success of this strategy rests on the relationship between advertiser and publisher to market to consumers via keywords chosen by the advertiser. With contextual targeting, the content on a website is analyzed and matched against the ad using keywords, topics, language and location. This is a dynamic strategy because as the page content changes, so do the ads. The higher the content relevancy, the higher the chances that a consumer will click the ad and make a purchase.

There are many use cases for contextual targeting, but here are two common scenarios:

Interest-based

Classic examples of interest-based contextual campaigns are: Displaying ads for graphic design software next to a news article about an art show. Ads for laptops can appear on a tech e-commerce site. More specifically, ads for accounting software frequently appear in the Wall Street Journal "Markets" section.

Location-based

Let's say that a tech startup that enables mobile app developers to monetize their applications wants to host a local event during a conference being held in San Francisco. They launch a contextual campaign so that ads for their event are displayed on relevant tech and developer blogs, and the ad is only shown to people who live in San Francisco. The same type of campaign could be applied to the conference itself. Ads for the conference are shown on mobile development and related technology sites and only to people who live in the same city as the conference.

The Contextual Advertising Advantage: High Relevance & Privacy

Showing ads to users browsing sites that are directly relevant to your product increases the likelihood that they will be more receptive to your message. This means that the ad has a better chance of attracting clicks and ultimately purchases, but there are other advantages too.

Contextual advertising is not constrained by privacy regulations because it does not download any software (such as cookies) to the user's computer. Therefore, it does not rely on obtaining a consumer's personal details to serve ads. In addition, contextual advertising is a more brand safe way to serve ads because it gives marketers more control over their campaigns. The advertiser simply selects topics and keywords, reducing the chances that an ad will follow a user to a site where the advertiser does not want their message to appear.

It's not Personal with Contextual Advertising

Since contextual advertising is non-invasive, it cannot be as personalized as advertising that uses an individual's data to serve ads. However, what contextual advertising lacks in personalization, it makes up for in relevancy. Its reach may even be broader in some cases, providing a valuable way to get visitors off other websites and onto your own. In addition, there are administrative hurdles to overcome as contextual ads work best when each ad has its own landing page. Simply sending consumers to your home page is wasting an opportunity for a potential sale, so advertisers need to think carefully about their campaign goals and where their ads will lead interested customers.

> "The fact that we are no longer offering behavioral targeting options in Europe does not seem to be in the way of what advertisers want to do with us."
>
> **Jean-Christophe Demarta, SVP for global advertising at New York Times International**

stackoverflow ADVERTISING

Which Targeting Option is Right for B2B Tech Campaigns?

Both contextual and behavioral advertising use data to serve ads to the most relevant, likely buyers they can find. Both types of advertising are dynamic in that they can be optimized to provide better results whenever there's new data available. The main distinction is that behavioral campaigns serve ads to prospects based on their past behavior while contextual campaigns try to place ads where "best-fit" potential prospects are going to be browsing.

Currently, most marketers don't have to choose between these two methods to achieve their campaign goals. In fact, many are using a combination of strategies. For example, an advertiser might display ads on webpages that their intended audience is visiting (contextual) and then continue to show them offers as they leave that webpage for other websites and social media (behavioral).

Privacy-Driven Digital Marketing
With stricter consumer privacy regulations and norms taking hold, companies that continue to use behavioral targeting must adopt new approaches to how they collect and use data. Mainly, they can only use first-party data with user consent or they can run targeted campaigns in closed environments such as Facebook, LinkedIn and the like. In other words, the ability to "follow" a user will soon be illegal in the U.S., and it already is prohibited in Europe.

While the impending loss of third-party data collection will mean big changes, don't underestimate the value of first-party data. It's essentially gold! Smart marketers will find new ways to safely enrich their own customer data, as well as mix and match targeting strategies that can be mutually beneficial to the advertiser and consumer.

As you think about your next digital marketing campaign in a post-cookie world, consider the following framework:

1.

Contextual Environment: What environment will matter for this campaign?

2.

Relevance: What moments will the customer be most receptive to? Will they be reading a page or engaged with an app?

3.

Suitability and Safety: Take a nuanced approach to what content and apps are suitable for your brand

4.

Compliance: Put the consumer first and evaluate data strategies that are in line with new industry standards and regulations

> "While audience data can tell you who someone is, contextual signals can give you an insight into their frame of mind and receptiveness to a particular message, at a particular moment. For publishers, this should lead to a re-evaluation of quality, focused content that drives high levels of attention. Brands should be looking to tap into these moments with relevant creative messaging that complement the environments they place them in."
>
> **Sam Fenton-Elstone, CEO of media agency AIP via Digiday**

Stack Overflow: Because Context Matters in B2D and B2B Tech Marketing

<u>Stack Overflow</u> recently surveyed developers about their content preferences and nearly 40 percent of respondents said that ad relevance is most important to them. That's why contextual targeting is so important to us. By targeting advertising based on the content our users are consuming, we can deliver relevant advertising.

With Stack Overflow Advertising, you can reach more than 100 million developers and technologists on a brand-safe platform.

We Have a Unique Way to Tag Content
Our Topic Tags categorize content to ensure ads are contextually relevant. Every question on Stack Overflow must have one and can have up to five Topic Tags which match the content. Currently, we have more than 60,000 Topic Tags active on the site. We use these tags to contextually target your ads, ensuring you reach the right person, with the right message, at the right moment.

User Privacy is Our Top Priority
We understand the technical community is already highly skeptical of marketing and advertising. We continually work to ensure the privacy of our users. This means limiting the data that is shared on our users for advertising purposes. By leveraging contextual insights, we're able to   deliver the relevant ad experience they want in a way that builds trust with our community.

We Know Developers
We've been a second screen to the technology community for more than 10 years. Whether you need to increase brand awareness or drive free trials of a technology or service, you can rely on Stack Overflow Advertising to tailor a media plan that meets your marketing and business goals.

stack**overflow**
ADVERTISING

Conclusion

They say that change is the only constant, and that's never been more true in the fast-paced world of digital advertising. As the industry experiences growing pains moving from data-driven to privacy-driven strategies, contextual advertising will play an increasing role. Marketers that get ahead of the trend and start spending their online budgets on improving the relevancy of their campaigns will not only enhance their user experiences, but also increase the likelihood of sales.
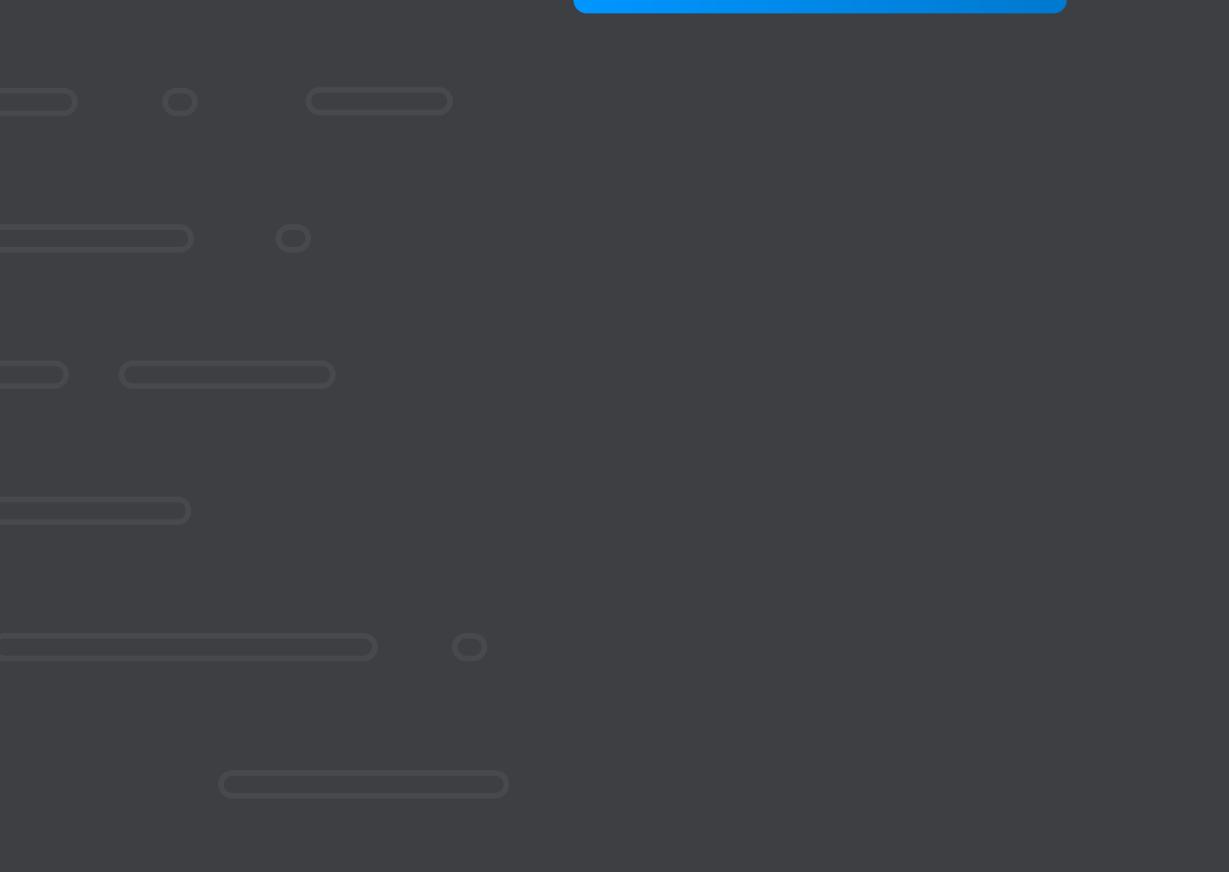
About Stack Overflow Advertising

Stack Overflow Advertising provides a highly relevant and brand-safe environment to engage with developers and the technical community. Find out how we can build an advertising strategy that supports your marketing and business goals.

○ To see the focused approach our site takes to "question and answer-type" content, visit this question on Stack Overflow

○ You can also see how we use contextual targeting in our own advertising campaigns by checking out the 60,000+ Topic Tags we use to categorize content

○ Learn more about the targeting opportunities available with Stack Overflow Advertising

Talk to an expert ▷