

THE HIGH VIEWABILITY PARADOX

HIGH IN-VIEW AND HOW IT AFFECTS CAMPAIGN PERFORMANCE

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A HIGH IN-VIEW WORLD

Viewability measurement is key to understanding the relationship between campaign performance and in-view placement. Without the ability to observe viewability data, with either first- or third-party tools, understanding the relationship would be impossible.

The ad tech industry continues to redefine the ideal in-view benchmark. Digital advertising trade groups consider 70% viewability “feasible” within our current technology landscape, but many ad agencies believe they should pay only for ads that are seen by actual users—moving the emphasis from the “served impression” to the “viewable impression” that is 90–100% in-view.

Importantly, MaxPoint’s proprietary technology determines viewability at the placement level, both pre-bid and post-impression, allowing us to predict in-view ratings prior to bidding on any impression and verify with post-impression measurement.

This paper shows how pursuing high in-view and action-oriented performance **at the same time** may be less effective than pursuing these goals independently.¹ We advocate defining campaign success in terms of viewability, performance, or sales lift separately, which necessitates classifying in-view as its own distinct metric.

METHODOLOGY

We leveraged our extensive campaign data to uncover what characteristics of action-oriented performance might change when viewability is prioritized in a campaign.

For this paper, we used three data sets collected over a multi-month period: the first for placement viewability data, the second for ad-position performance data, and the third for campaign performance data. For the latter two sets, we trimmed the sample to exclude

performance outliers. Our data included only display impressions served during that time period and does not include mobile or social media placements.

We gathered data across a variety of performance measurements, including click-through rate (CTR), conversion rate, in-view rate, and bid data. We used CTR as our primary reported performance metric for its scale and volume; while we understand the challenges of using clicks, which tend to be largely uncorrelated with revenue or viewership, we feel this metric is most widely understood across the ad industry.^{2,3}

Campaign-level performance data was rolled up to reflect the performance of the entire campaign. We defined a campaign as the collection of line items created under a single insertion order. We considered the campaign level to be the primary data set that contains the most helpful top-level insights.

We defined *ad position* as the combination of a given ad type and its above- or below-the-fold positioning, where a 160x600 skyscraper for a campaign would receive three separate entries marked as “above,” “below,” and “unknown.” We considered the ad-position level to be more useful in determining in-view percentages but less useful for generalizable campaign insights.

Web design plays a crucial, implicit role in the viewability of ads. Some websites feature lazy-loading ads while others feature traditional ad calls going out right at page load. Sites with lazy-loading ads tend to have much higher viewability than sites without this design feature. The benefit of working with aggregate data sets is that this normalizes the effects of any particular website design and allows us to concentrate our analysis on a few core metrics.

WHAT DOES IN-VIEW MEAN?
According to industry standards, a display ad is in-view if more than 50% of the ad’s pixels are visible for one second, and a video ad is in-view if more than 50% of its pixels are visible for two seconds. Ads “viewed” by non-human traffic or those that are visible for less than one second are not considered in-view.



For optimal campaign performance, define campaign success in terms of viewability, performance, or sales lift separately.

1. We defined action-oriented campaigns as those that use clicks or conversion actions as the primary success metric.

2. Using the sample data, we determined CTR to have a 0.06 correlation with conversions and a –0.01 correlation with viewability at the campaign level. This indicates that CTR has a near-zero relationship with each metric.

3. comScore, “For Display Ads, Being Seen Matters More than Being Clicked.” Accessed October 29, 2015. <http://www.comscore.com/Insights/Press-Releases/2012/4/For-Display-Ads-Being-Seen-Matters-More-than-Being-Clicked>.

CHALLENGES TO ACHIEVING 90–100% IN-VIEW

VIEWABILITY AT THE PLACEMENT LEVEL

Various methods exist for determining viewability. One method is to use the site domain as the indicator for in-view—a method in which the measure of viewability for the entire site’s placements is averaged to produce a single rating. For example, *cnn.com* produces a single in-view rating that is applied to every site placement. This domain-level rating is easier to measure but fails to consider the nuance of each individual ad placement.

A more effective method measures the viewability of each individual location on the website where the ad will be placed—what we call the *placement level*. This method produces a unique in-view rating for each site placement, where a single banner ad unit on *cnn.com/world/top_destinations/* produces a single in-view rating.

The placement-level technique helps uncover potentially very valuable placements on websites that have low overall viewability ratings. On the buyer’s side, it allows for more efficient campaigns with less impression waste and prevents the need to backfill impressions, or serve additional impressions beyond the original contract, to meet goals. In applying MaxPoint’s propriety in-view measurement technology, we used the placement-level methodology for the study.

“ We observed that the number of placements with an in-view rate above 90% accounted for only 1.8% of all placement bids. ”

For action-oriented campaigns, a given ad placement would ideally be able to fulfill a list of campaign objectives without conflict—the placement would have above-the-fold viewability and be placed squarely in front of a high-value consumer.⁴ The relationship between viewability and click-through would be linear, where higher viewability translates to better performance, with the greatest performance seen at 90–100% in-view.

Intuitively, this idea works at the level of an individual ad, but how does the same concept function at the campaign level with multiple ads vying for the same few top spots? What happens when an entire campaign needs to approach 90–100% in-view under a high in-view mandate?

The current digital advertising ecosystem contains a very low volume of 90–100% in-view placements. Using our in-house measurement tools, we created a data set containing the viewability ratings of ad placements bid on over a six-month window in 2015. Our source comprised 1,200 campaigns accounting for 5.3 billion impressions. For the purposes of this study, we assumed that this percentage of placement bids serves as a reliable indicator of the actual number of ads present in the digital ecosystem.

We observed that the number of placements with an in-view rate above 90% accounted for only 1.8% of all placement bids. Figure 1 provides a representation of the environment.

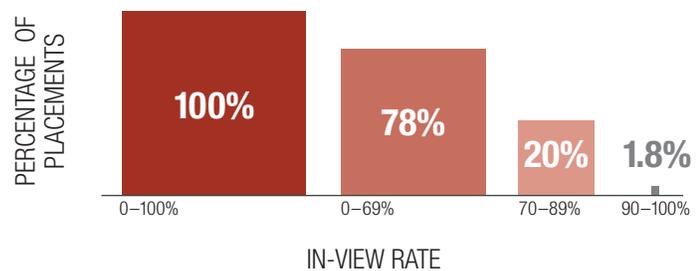


FIGURE 1. Amount of Placements by In-View Rate.

Our results strongly suggest that while high in-view placements with greater than 90% viewability are present in the ecosystem, they are rare.

4. Action-oriented, or direct response, campaigns include those with CTR and/or conversion-based goals.

Campaigns with a high viewability mandate may not consider less-viewable placements that happen to be strong action-oriented performers. For example, a hypothetical campaign that does not bid on any placements with less than 90% in-view may have lower action-oriented performance than a campaign with a viewability threshold of 55%. An illustration of this principle can be found in Figure 2.

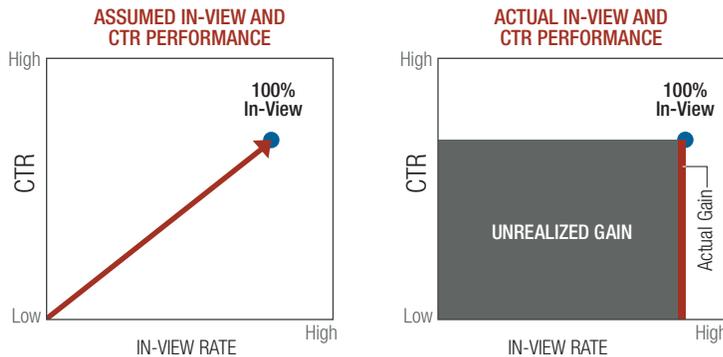


FIGURE 2. In-View Expectations vs. Real-World Results.

Many clients believe that by asking for higher viewability, they will achieve higher performance; however, in practice, the high viewability mandate can force the media buyer to forego performance in pursuit of greater viewability.

While some configuration of “make-good” impressions may work to balance out the final performance numbers, the end result is quite the same—a less efficient campaign that may not have performed to its fullest potential.

IS IT EVER RIGHT TO PURSUE NEAR-100% IN-VIEW?

Pursuing extremely high in-view (90–100%) is neither absolutely “right” nor absolutely “wrong,” but rather should be viewed as a type of success strategy distinct from performance and sales lift. Despite a possible loss in performance, pursuing high in-view can be a valid strategy when user action is not the goal of the campaign. Brand awareness or geo-targeted campaigns may find high in-view goals particularly helpful; for example, when a client wants to blanket an entire region with digital ads to promote an upcoming concert.

This leads us to the major problem of advertisers who inaccurately ask for viewability **when their unarticulated goal is actually high performance**. Viewability and performance represent two different paths for a campaign and any attempt to travel equally down both roads will likely achieve only partial fulfillment of both when compared to a campaign with the same number of impressions that keeps the goals separate. This is because restrictive in-view requirements limit the available ad placements that media buyers can use to better understand what makes consumers interact with a campaign, thereby

preventing the campaign from traveling best down its optimal path. In essence, **by asking for extremely high in-view ratings, clients are ranking the ability of their ads to be seen higher than the ability of their ads to be effective.**

Two complications arise in campaigns where high in-view and performance are given equal weight.

The first complication arises when attempting to find engagers on an action-oriented campaign. To go after these engagers, a media buyer must find high-performance placements, some of which have less than optimal viewability ratings and would go overlooked under a high viewability mandate because they do not meet the in-view threshold.

The second complication arises in the nature of near-100% in-view placements. The current ecosystem of placements is not conducive to transparent viewability measurement. Ads with “unknown” viewability are not measured as viewable impressions since in-view status cannot be determined.⁵ This forces ad tech companies to backfill to meet the required minimum number of in-view impressions (e.g., to meet a 1 million viewable impression contract, the partner may run 1.8 million impressions). The need to backfill impressions is likely a result of having fewer placements with high in-view rates, which may increase purchase cost and the time a campaign must remain active.

The consequences of these constraints and the problems stemming from equally weighted priorities create inefficiencies in how the ads are delivered to the consumer. When executing a campaign aimed at both high in-view and high engagement, longer flight times and increased cost should be weighed against any benefits attained through the marketing effort.

5. As the digital advertising ecosystem adjusts over time to the high in-view standard, we expect this issue to diminish.

THE MARRIAGE OF PERFORMANCE AND IN-VIEW

Our data reveal that performance and in-view goals perform better when weighted independently than when weighted equally in the same campaign. To understand why, we will first look at how viewability and performance goals operate at the individual ad-position level and then how the two elements operate at the campaign level.

THE AD-POSITION LEVEL

Viewability and action-oriented performance have a linear relationship at the ad-position level; however, the same is not true at the campaign level where the scarcity of high in-view inventory limits performance outcomes.

We measured ad position by considering each creative placement in one of three positions—either above-the-fold, below-the-fold, or unknown. For example, a campaign’s given skyscraper ad would receive three different position entries in our data, each with its own performance and in-view data.

Our data set consisted of more than 310,000 ad-position combinations for ads run during a six-month period in 2015. We considered high in-view to be 90-100%.⁶

In order to improve readability of the graph in Figure 3, we set an arbitrary cut-off of a minimum of 10,000 served impressions while still accounting for 97.3% of all impressions. A deeper red represents a high density of ad positions at a given point. The X-axis represents viewability and the Y-axis represents the corresponding CTR performance. The curved line (spline) represents a fit to a noisy set of observations measuring viewability and CTR performance.

We would expect CTR and in-view to have a largely linear relationship, where a rise in CTR comes as a result of higher in-view. The correlation of CTR and viewability (at 0.255) reflects this relationship to a small degree.

At the ad-position level, we find placements with 90–100% viewability to have CTRs 73% greater than ad placements with less than 90% viewability. These findings confirm our intuition regarding the relationship between in-view and CTR at the ad-position level.

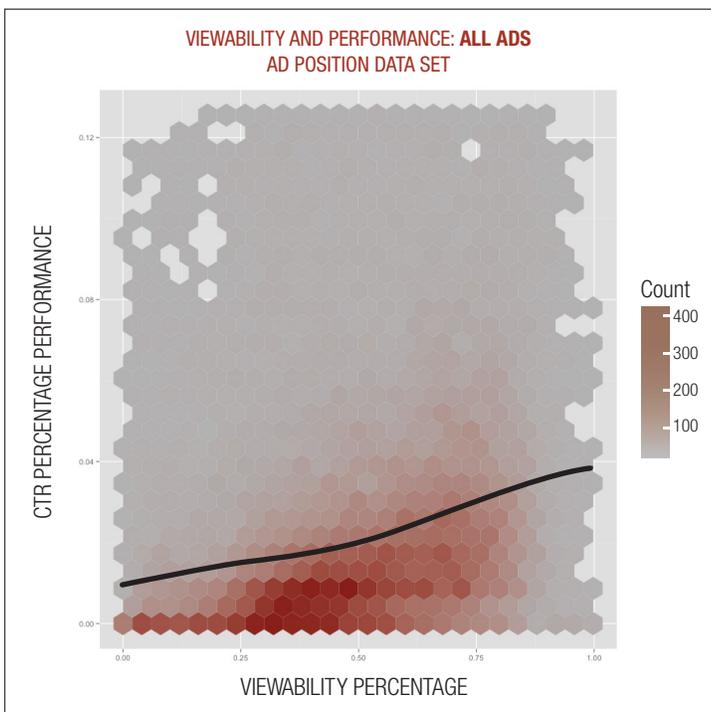


FIGURE 3. Viewability by CTR Performance: Ad-Position Level.

“ While an individual ad position might be able to sustain a high in-view rate, the story changes when an entire campaign needs to perform equally as well. ”

6. Small discrepancies may appear in the ad serving technology that could alter viewability ratings by fractions of a percent.

THE CAMPAIGN LEVEL

The availability or scarcity of inventory plays an important role in highlighting the differences between ad position and campaign-level viewability potential. Near-100% in-view placements are highly sought-after within the ecosystem and disappear quickly. While an individual ad position might be able to sustain a high in-view rate, the story changes when an entire campaign needs to perform equally as well.

When the amount of high-performing inventory drops, media buyers are forced to purchase lower-performing placements to boost sagging in-view rates. This lowers the overall effectiveness of the campaign in terms of both viewability and performance.

To explore the phenomenon, we took an historical look at the relationship between in-view and CTR performance using our campaign-level data set (1,200 campaigns executed over a six-month period in 2015, accounting for 5.3 billion impressions).

Figure 4 shows a plotting of our campaign-level performance and viewability data. The deeper red color indicates a greater concentration of campaigns within that region. The X-axis represents viewability measurement plotted against a Y-axis of CTR performance. At the campaign level, CTR and viewability have a 0.06 correlation; this is lower than the correlation at the ad-position level.

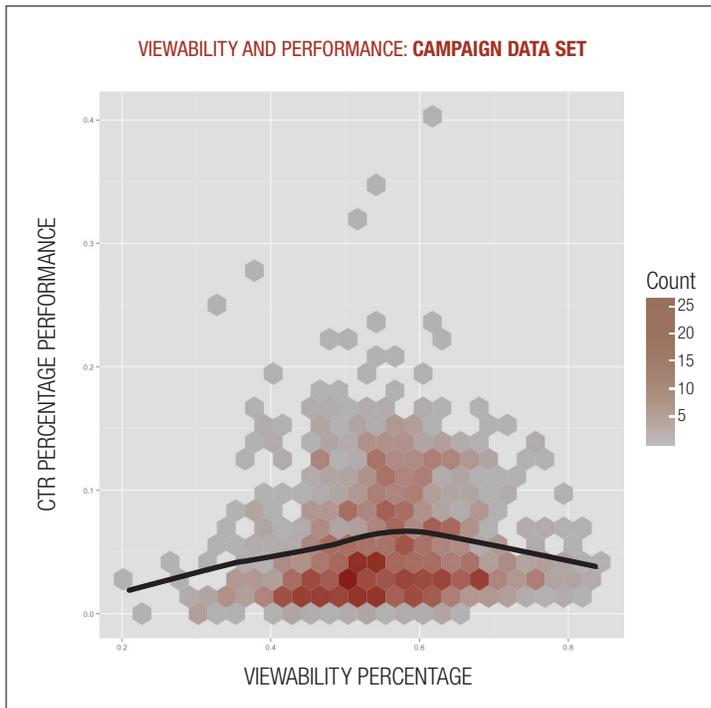


FIGURE 4. Viewability by CTR Performance: Campaign Level.

In an ideal situation, we would hope to find an ascending sloped line stretching left to right on the graph. What we find instead is a distribution where the peak between viewability and performance occurs at 57% in-view and 0.06% CTR. The point of **convergence for viewability and performance** does not represent a specific recommendation, but rather represents our findings for the data set.

To measure the performance of efforts that sought higher as opposed to lower viewability, we divided the campaigns into two groups—one that averaged 70% in-view or above and a second that averaged 69% in-view or below.

In our sample, we found that campaigns that averaged 69% in-view or **below** had CTRs 56% greater than campaigns with CTRs **above** our dividing line.

This finding highlights the challenge of running a high in-view campaign when high in-view placements are scarce. Campaigns with 69% in-view or below likely prioritized CTR and performed better in the long run (if user action was the primary goal). Campaigns with 70% in-view or greater had lower CTRs because there was an apparent trade-off between in-view and performance as a result of a scarcity of near-100% inventory.

DISCUSSION

When setting the priorities for a digital campaign, advertisers should know how the scarcity of near-100% in-view inventory affects the CTR and in-view rate of an entire campaign. As media buyers attempt to fill a high in-view campaign, the low quantity of near-100% in-view placements forces them to purchase lower-performing placements to maintain a high in-view rate.

The apex of the curve in Figure 4 represents an historical look at the intersection of viewability and CTR performance. There are many things that might affect viewability, but, as the data indicate, performance for this particular data set was highest at 57% in-view.

If higher viewability were universally better than the **optimal viewability/performance point**, we would have seen a straight-line increase in performance rising to 100% in-view at the campaign level rather than the distribution with a peak of 57% in-view that we find in our sample. While we do find viewability and performance to have a linear relationship at the ad-position level, this does not appear to hold at the campaign level.

How a media buyer selects which placements to purchase for a high in-view campaign may negatively affect CTR performance. When instructed by the client, MaxPoint sets a minimum acceptable in-view cut-off point when running a high in-view campaign. However, the placements with the highest performance may not be the ones with the highest in-view. These placements would be excluded from the set of possible placements for a high in-view campaign.

As our research indicates, action-oriented campaigns that had the best performance did not have viewability above the 70% in-view threshold. Secondly, campaigns aiming for wide in-view exposure with no consideration for performance may want to include high viewability as a goal by itself.

We can illustrate the concept more clearly in the strategic framework of Figure 5 using a different point to mark each concept.

A *Point A* represents the CTR potential range for campaigns with a performance goal.

B *Point B* represents the confluence of viewability and CTR performance.

C *Point C* represents the in-view potential range for campaigns with only a viewability goal.

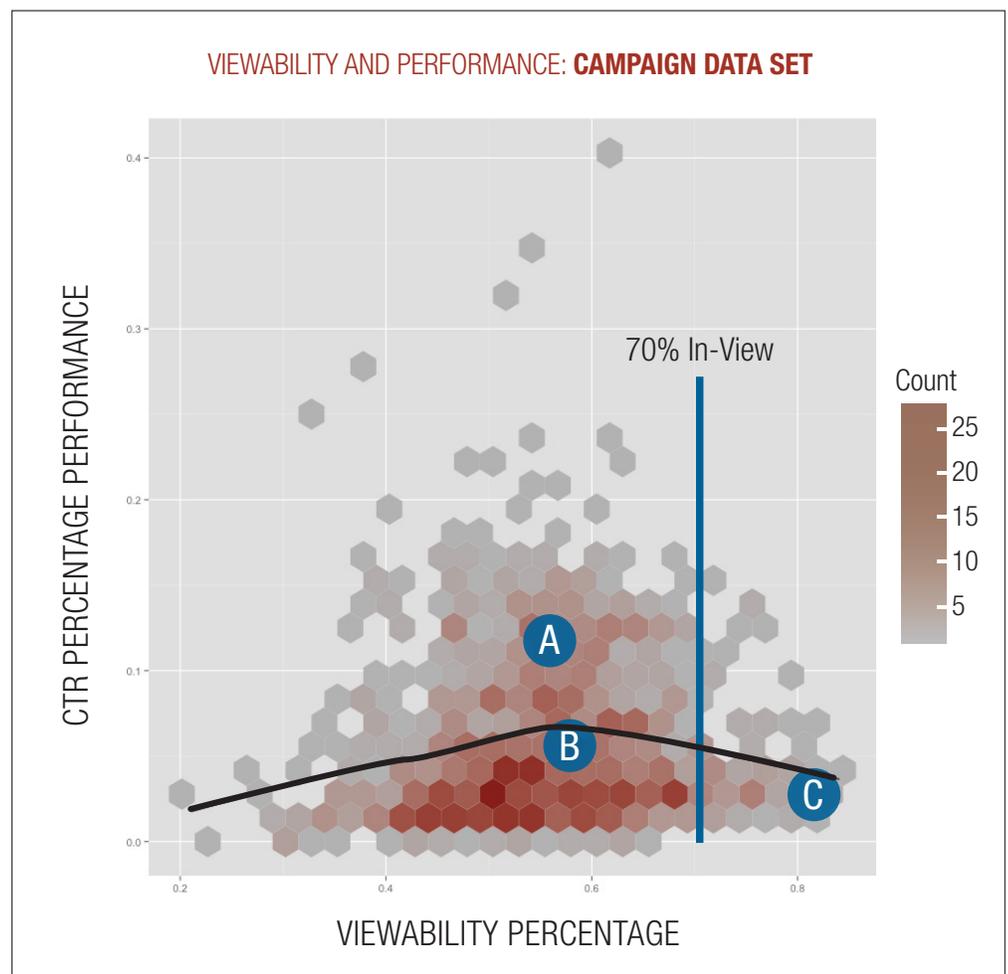


FIGURE 5. Strategic Viewability and Performance Framework.

Regardless of which avenue is taken to achieve success, campaigns perform best when they are optimizing toward a single outcome that matches the strategy of the stated goal. Individuals asking for high in-view but expecting high performance may see underwhelming results.

BEST PRACTICES FOR OPTIMIZING TOWARD IN-VIEW AND PERFORMANCE

WORK WITH COMPANIES CAPABLE OF PREDICTING PLACEMENT-LEVEL IN-VIEW AT THE TIME OF BID

While the majority of third-party vendors can observe viewability, you should ask whether they are capable of measuring the placement level or domain level. MaxPoint's measurement capabilities allow us to predict in-view at the time of bidding, thereby greatly enhancing our ability to meet the high in-view requirements of a campaign.

CAREFULLY ARTICULATE CAMPAIGN GOALS

Ensure that you are correctly optimizing toward the right goal when launching a campaign. Consider the following performance frameworks during campaign set up:

Viewability

- Campaigns looking for greater reach should consider a viewability goal. While viewability measurement is not as targeted as performance goals, companies that can granularly measure viewability have the option to focus campaigns toward high in-view goals for the widest in-view exposure. Campaigns aiming for viewability-based metrics of 100% are best suited for high reach and branding goals.

Action-Oriented / Direct Response

- Action-oriented campaigns aiming for high performance are best paired with conversion (or sometimes CTR) goals. This is the dominant metric for many media buyers and is important for targeting high engagers.

Sales Lift

- Campaigns aimed toward in-store sales should consider a sales lift campaign to generate foot traffic to brick-and-mortar stores.

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