Contextual advertising

Contextual advertising is a form of targeted advertising for advertisements appearing on websites or other media, such as content displayed in mobile browsers. The advertisements themselves are selected and served by automated systems based on the identity of the user and the content displayed.

How contextual advertising works

A contextual advertising system scans the text of a website for keywords and returns advertisements to the webpage based on those keywords.[1] The advertisements may be displayed on the webpage or as pop-up ads. For example, if the user is viewing a website pertaining to sports and that website uses contextual advertising, the user may see advertisements for sports-related companies, such as memorabilia dealers or ticket sellers. Contextual advertising is also used by search engines to display advertisements on their search results pages based on the keywords in the user's query.

Contextual advertising is a form of targeted advertising in which the content of an ad is in direct correlation to the content of the web page the user is viewing. For example, if you are visiting a website concerning travelling in Europe and see that an ad pops up offering a special price on a flight to Italy, that's contextual advertising. Contextual advertising is also called "In-Text" advertising or "In-Context" technology.

Apart from that when a visitor doesn't click on the ad in a go through time (a minimum time a user must click on the ad) the ad is automatically changed to next relevant ad showing the option below of going back to the previous ad.

Contextual ads and its dot effect are less irritable than traditional advertising. That is why it influences user more effectively. It shows user area of interest thus increasing the chance of receiving a response.[2]

Part of a series on
Internet marketing
Search engine optimization
Social media marketing
Email marketing
Referral marketing
Content marketing
Native advertising
Search engine marketing
Pay per click
Cost per impression
Search analytics
Web analytics
Display advertising
Ad blocking
Contextual advertising
Behavioral targeting
Affiliate marketing
Cost per action
Revenue sharing
Mobile advertising

Service providers

Google AdSense was the first major contextual advertising network. It works by providing webmasters with JavaScript code that, when inserted into webpages, displays relevant advertisements from the Google inventory of advertisers. The relevance is calculated by a separate Google bot, Mediabot, that indexes the content of a webpage. Recent technology/service providers have emerged with more sophisticated systems that use language-independent proximity pattern matching algorithm to increase matching accuracy.[3]

Media.net is the other major contextual ad network competing with Google Adsense. [4][5]

Impact

Contextual advertising has made a major impact on earnings of many websites. Because the advertisements are more targeted, they are more likely to be clicked, thus generating revenue for the owner of the website (and the server of the advertisement). A large part of Google's earnings is from its share of the contextual advertisements served on the millions of webpages running the AdSense program.

Contextual advertising has attracted some controversy through the use of techniques such as third-party hyperlinking, where a third-party installs software onto a user's computer that interacts with the web browser.[6] Keywords on a webpage are displayed as hyperlinks that lead to advertisers.

Agency roles

There are several advertising agencies that help brands understand how contextual advertising options affect their advertising plans. There are three main components to online advertising:[6]

1. creation — what the advertisement looks like
2. media planning — where the advertisements are to be run
3. media buying — how the advertisements are paid for

Contextual advertising replaces the media planning component. Instead of humans choosing placement options, that function is replaced with computers facilitating the placement across thousands of websites.

See also

- Browser security
- Advertising network
- Editorial-related advertising
- In-text advertising
- In-image advertising
- Semantic targeting
- Native advertising

Notes

1. ↑ "Contextual Marketing Definition". *PC Magazine*. Retrieved 2008-07-21.
2. ↑ "Advantages of Contextual Advertising for Apps". Retrieved 2016-10-24.
3. ↑ "Proximic Signs Deals With Yahoo and eBay To Turn Product Listings Into Contextual Ads; Taking on AdSense". Retrieved 2008-01-15.
4. ↑ Wauters, Robin (2012-05-07). "Media.net Will Soon Employ 500 People To Challenge Google". Retrieved 2016-08-19.
5. ↑ Wauters, Robin. "From Bootstrapping To $300M In Value: Meet The Founder Of Directi (TCTV)". *TechCrunch*. Retrieved 2016-08-19.
6. 1 2 "Customers Now", David Szetela, 2009

Further references

- Ferguson, Renee Boucher. "A Battle Is Brewing Over Online Behavioral Advertising". www.eweek.com. Retrieved 2008-10-20.
- Ostrow, Adam. "When Contextual Advertising Goes Horribly Wrong - Mashable". mashable.com. Retrieved 2008-10-20.
- "FTC Staff Proposes Online Behavioral Advertising Privacy Principles". www.ftc.gov. Retrieved 2008-10-20.
- Kenny, D.; Marshall, J. (November–December 2000). "Contextual Marketing: The Real Business of the Internet". *Harvard Business Review*. Archived from the original on 2014-10-03. Retrieved 2008-07-22.
- Revesencio, Jonha (2015-04-09). "CRM Retargeting: How It Works and Everything You Need to Know Before Using It - Huffington Post". huffingtonpost.com. Retrieved 2015-04-09.

- -