



2016 Jivox Benchmark Report

The Impact of Personalization on Digital Ad Performance

The value proposition of digital advertising is sitting squarely in the crosshairs, beset by fraud, impeded by ad blockers and sagging beneath the weight of depressing performance yields: industry standard assessments put the click-through-rate of display ads at an embarrassing 0.07% for banners and 0.1% for rich media.

Nevertheless, industry analysts, technology vendors, brand marketers and even consumers agree on one thing: digital advertising is the future. The [Interactive Advertising Bureau \(IAB\) reports](#) that “Domestic digital advertising revenue surged to a record-breaking \$59.6 billion for the 2015 calendar year...” and further, “Digital advertising growth was driven by mobile, which climbed to \$20.7 billion, a whopping 66% upswing from the previous year.” For industry insiders, this is no great surprise. The use of mobile devices has accelerated exponentially across the globe, with an estimated 2 billion global smartphone users, 80 million of whom are US millennials with disposable income and a tendency to be connected 24/7.

The tension, then, between dismal ad performance on the one hand, and exponential growth in the market on the other, has set the stage for a major disruption, as vendors look to exploit a multi-billion dollar opportunity while brand marketers face increasing pressure to tie advertising spend to revenue.

At the center of this disruption, personalized digital advertising is taking the industry by storm. Tactically rolled out as “programmatic creative,” personalized advertising uses vast amounts of customer, environmental and demographic data to design and serve individualized ads to consumers, offering unprecedented opportunity to better understand consumer preferences and speak directly to each consumer – one-to-one – to yield ever-more relevant, meaningful and engaging interactions.



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Not only is personalized advertising reinventing consumer ad engagement, it is shifting the very foundation of the digital advertising market, replacing the old cost-per-thousand (CPM) insertion model and its impossibly squeezed margins with an “always on” model that is poised to deliver higher and more predictable revenue streams across the supply chain.

The 2016 Jivox Benchmark Report was designed to quantify for the first time the measurable impact of personalization on digital advertising. The central question we aimed to address was this: What is the quantitative impact on ad performance when real-time data signals are used in combination with 1st and 3rd party demographic data to deliver highly personalized and relevant ads to consumers? To find out, we compared Jivox’s real-world campaign data to the Google Benchmark for Rich Media Creatives, arguably the industry’s go-to measuring tool for display ad performance.

Performance data are drawn from over a billion personalized ad impressions, spread across 24 different campaigns, belonging to six verticals and delivered to more than 10 major markets around the globe. Specifically, the report examines ad engagement on three Key Performance Indicators (KPIs): Click Through Rate (CTR), Interaction Rate (IR), and Average Dwell Time (ADT). The report also shows the impact of six popular triggers on overall ad performance: Weather, Demographic, Retargeting, Geography, Language and Time.*

The results were staggering.

Consumer engagement skyrockets when ads are personalized, delivering 3 times the performance of rich media ads. In some cases, even the simplest triggers produce astonishing performance gains, signaling to marketers that personalized advertising is the disruption the advertising market has been waiting for.



Personalized Ads vs. Rich Media

Personalized ads outperform rich media by **84%** on Interaction Rate (IR)

Personalized ads on average delivered 84% (1.8x) increase on IR as compared to the Google Benchmark for Rich Media Creatives (GBR). According to GBR, global ad IR is 3.26% across all ad formats and placements. Personalized ads delivered 6% IR. The IR is best for Travel vertical where it is 365% (4.6x) higher than GBR.

Personalized ads outperform rich media by **230% (3.3x)** on Click Through Rate (CTR)

On average, personalized digital ads delivered a CTR that was 230% higher than Google Benchmark for Rich Media Creatives (GBR). According to GBR, global ad CTR is 0.10% across all ad formats and placements. In contrast, personalized ads delivered 0.33% CTR.

Personalized ads outperform rich media by **28% (1.3x)** on Average Dwell Time (ADT)

Personalized ads on average delivered an Average Dwell Time that is 1.3 times higher than Google Benchmark for Rich Media Creatives (GBR). According to GBR, global ad ADT is 13 seconds, while personalized ads delivered 16 second ADT.



Key Performance Indicators

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- Personalized ads demonstrate increasing CTR engagement across the duration of a campaign

On average CTR trended up by 87% for campaigns in the e-commerce vertical in a 7-week window, 45% during a 5-week window in the retail vertical, and 117% during a 7-week window in the travel vertical.



Key Performance Indicators

- Personalized e-commerce ads that used “retargeting” as a trigger yielded Click Through Rate (CTR) performance gain of 200% over the Google Benchmark for Rich Media

Retargeting is one of the most effective ways that ecommerce companies convert shoppers to purchasers, and as such is a preferred part of any ecommerce ad strategy. Personalization takes the impact of retargeting dramatically farther, delivering an average CTR of 200% — three times the corresponding Google Benchmark.

- Personalization triggers with relative ease of implementation deliver equivalent or better performance gains compared to retargeting

Retargeting has historically been the most common way to personalize digital ads, due in part to its usefulness in converting site visitors to paying customers. However, retargeting is also technically more challenging, and often more expensive and difficult to manage than other forms of personalization. Data from the Jivox Benchmark suggest that superior levels of engagement and performance gains can be accomplished much more easily with other personalization triggers — for example, time, weather, and geography — which do not require as much technical expertise.

- Personalized ads that used “time” as a trigger yielded a 3.5x CTR performance gained over the Google Benchmark for Rich Media

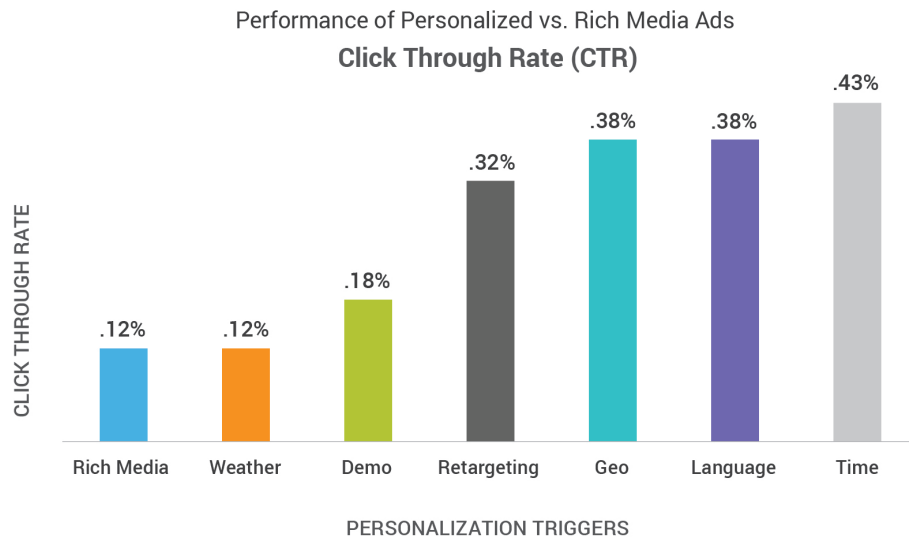
Personalized ads with “time” as a primary trigger demonstrated more than 3.5 times higher CTR than the Google Benchmark, and combining time triggers with the IAB Leaderboard Ad Format produced CTR performance that is 13 times the Google Benchmark.

- “Language” as a personalization trigger delivered the highest impact on Interaction Rates (IR)

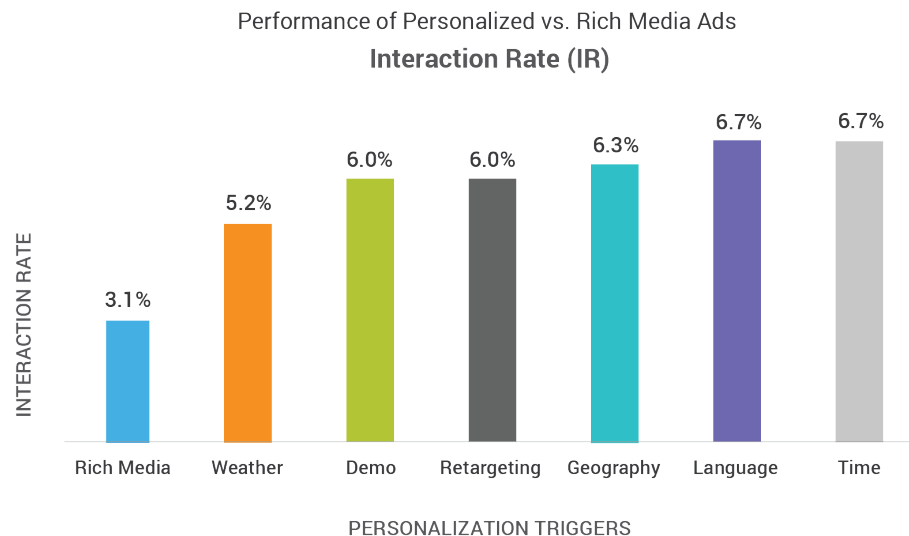
On average IR was 116% higher for personalized ads with language as a trigger than the Google Benchmark. According to GBR, global ad IR is 3.1% across all ad formats and placements. In contrast, personalized ads delivered 6.7% IR.



Key Performance Indicators



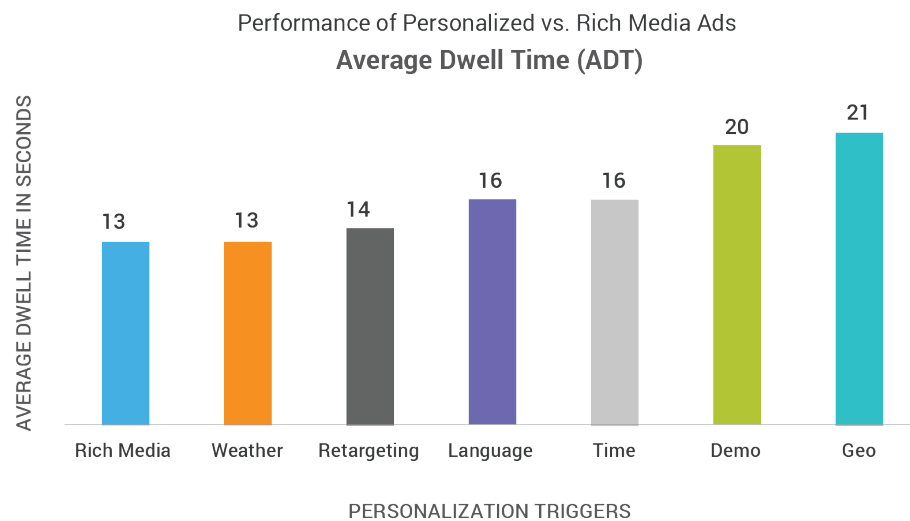
The graph above shows the CTR performance of ad creatives with various personalization triggers. On average, personalized digital ads delivered a Click Through Rate that was **3.3 times** the Google Benchmark for Rich Media Creatives.



The graph above shows the IR performance of ad creatives with various personalization triggers. Personalized ads on average delivered a **1.8 times increase** on IR as compared to the Google Benchmark for Rich Media Creatives.



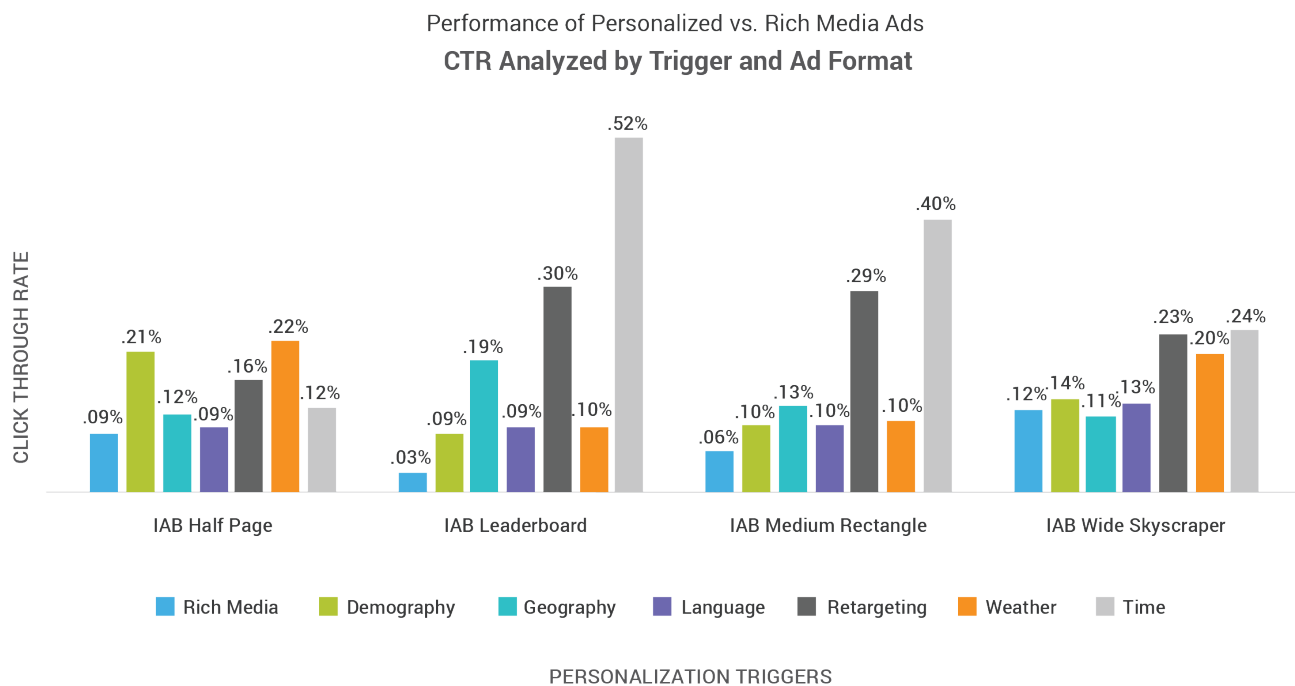
Key Performance Indicators



The graph above shows the ADT performance of ad creatives with various personalization triggers. Personalized ads on average delivered an Average Dwell Time that is **1.2 times** the Google Benchmark for Rich Media Creatives (GBR). Demographic and geographic triggers delivered the best performance gains.



Trigger Performance



Personalized ads outperform rich media ads in all instances. Time triggers delivered the best performance overall when paired with the Leaderboard ad format, resulting in a performance yield that is **13 times the GBR**. Retargeting is the second best performing trigger for all formats.



E-Commerce Vertical

Campaigns were categorized as e-commerce if the advertiser primarily sells goods on the Internet. Analysis and conclusions are based on a sample of over 60M impressions. On average, personalized digital ads have a Click Through Rate that is **88% higher (1.8x)** and Interaction Rate that is **300% higher (4x)** than the Google Benchmark for the vertical.

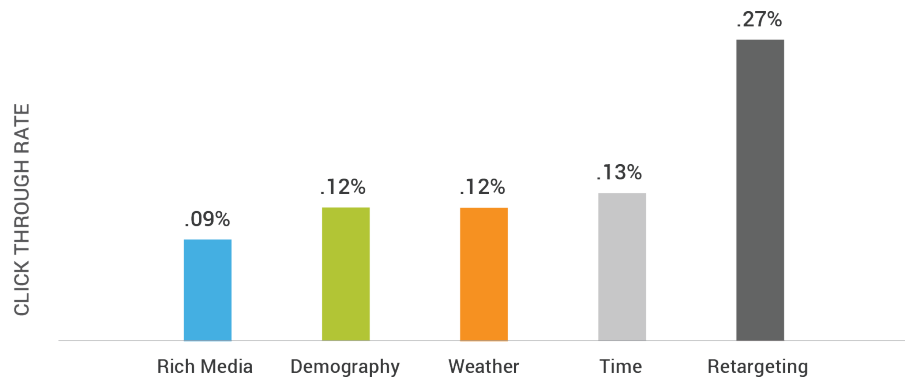
The data for e-commerce campaigns suggest that retargeting is the trigger with highest impact for e-commerce. The average CTR for retargeting impressions is about **200% higher (3x)** than that for the corresponding GBR. The CTR performance of other personalization triggers such as demography, time and weather is also notably higher than the GBR. Interaction Rate is best for retargeting, which is **300% higher (4x)** than GBR and ADT is **93% higher (1.9x)** than GBR for retargeting.

Retargeting performance is also best among all ad formats. Of particular note, by leveraging data-driven personalization in an IAB Half-Page, ads delivered approximately **870% higher (9.7x)** CTR than the Google Benchmark. Those utilizing the IAB Skyscraper also saw significant engagement gains, roughly **10 times** the GBR, and the Leaderboard delivered **10 times higher** CTR than the GBR.



E-Commerce Vertical

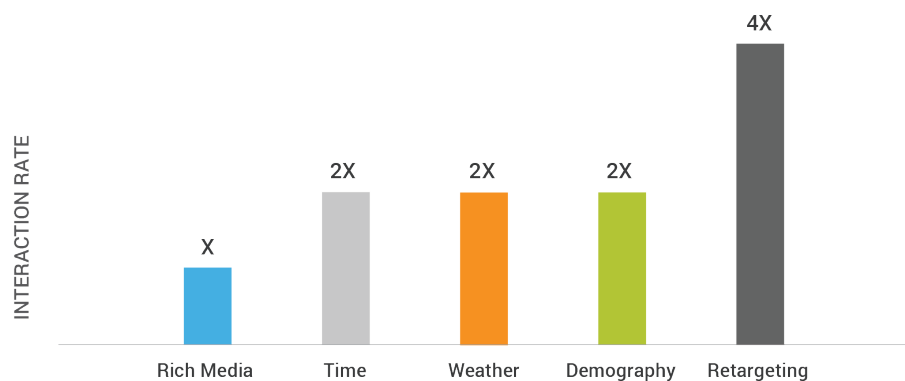
Ecommerce: Performance of Personalized vs. Rich Media Ads
Click Through Rate (CTR)



RICH MEDIA AND PERSONALIZATION TRIGGERS

Personalized ecommerce ads delivered a CTR that is **88% higher (1.8x)** than the Google Benchmark, with retargeting delivering the most significant performance gains at 3 times GBR.

Ecommerce: Performance of Personalized vs. Rich Media Ads
Interaction Rate (IR)

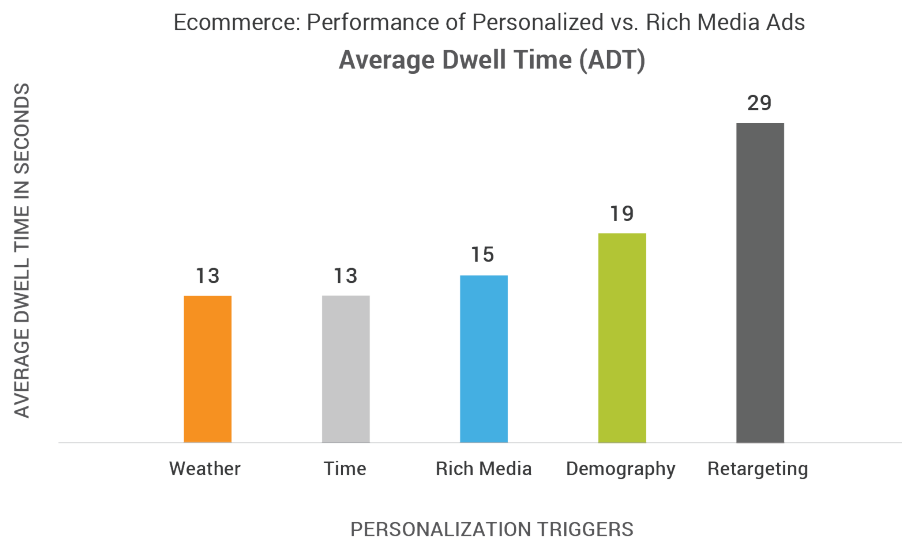


PERSONALIZATION TRIGGERS

Interaction Rate (IR) is **4 times** the GBR for personalized ecommerce ads, with retargeting as the best performing trigger overall.



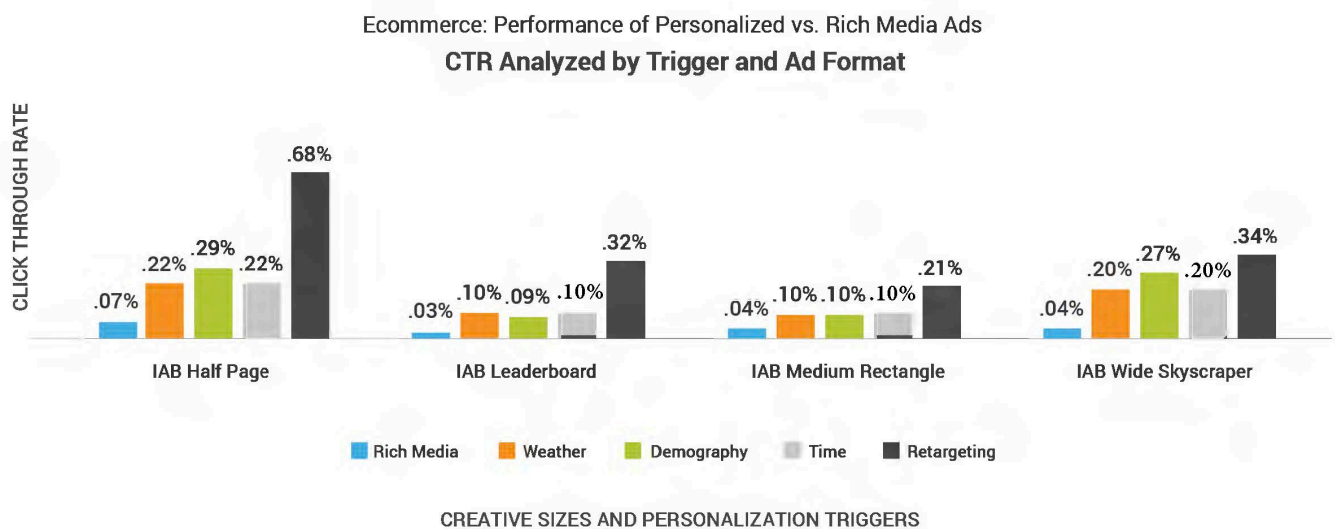
E-Commerce Vertical



Personalized ads delivered an ADT that is **93% higher** than GBR, with retargeting delivering the best performance gains at **2 times** the GBR.



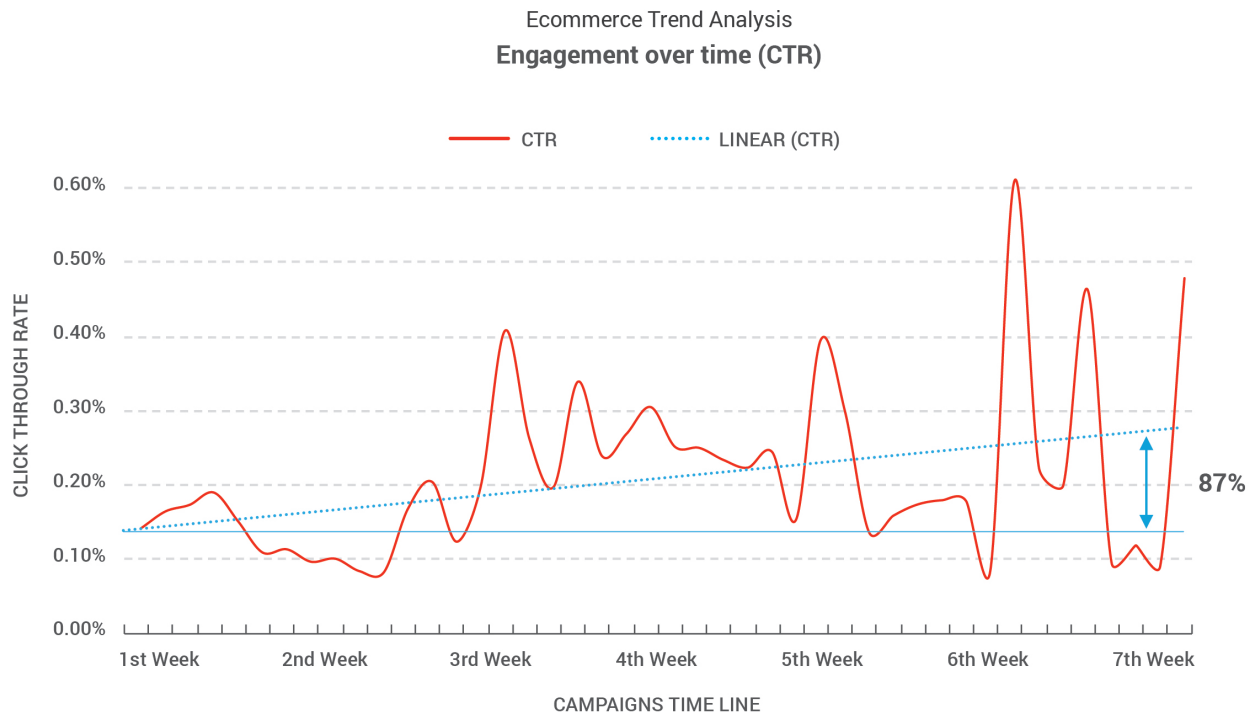
E-Commerce Vertical



By leveraging data-driven personalization in IAB Half-page ad units, personalized ads delivered **871% higher** CTR than the Google Benchmark. Those utilizing the IAB Skyscraper also saw significant engagement gains, roughly **10 times** the GBR, and the Leaderboard delivered 10 times higher CTR than the GBR.



Ecommerce Vertical



At an aggregate level, CTR for campaigns in ecommerce trended up **by 87%** in the first 7 weeks from the time they went live.



Retail Vertical

According to [Juniper Research](#), the digital retail market is expected to increase from \$174 billion in 2015 to \$362.1 billion by 2020.

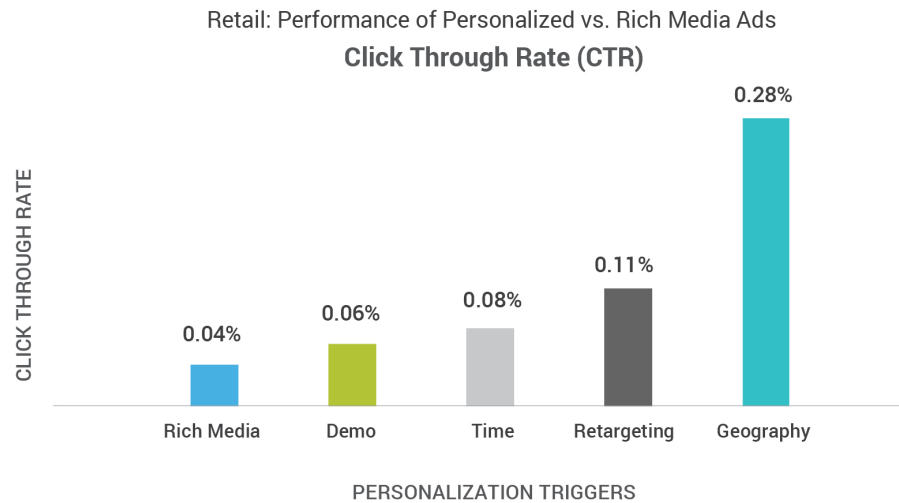
Retail campaigns provided a sample of more than 194M impressions. On average, personalized digital ads delivered a CTR of **650% higher (7.5x)** and Interaction Rate of **312% higher (4.1x)** than the GBR for the vertical.

The data further show that 'geography' is the trigger with the highest impact for retail ads. The average CTR for ads personalized based on user's geography is about **600% higher (7x)** than the corresponding GBR. The average CTR for retargeting is also significant at about 2.75 times the GBR.

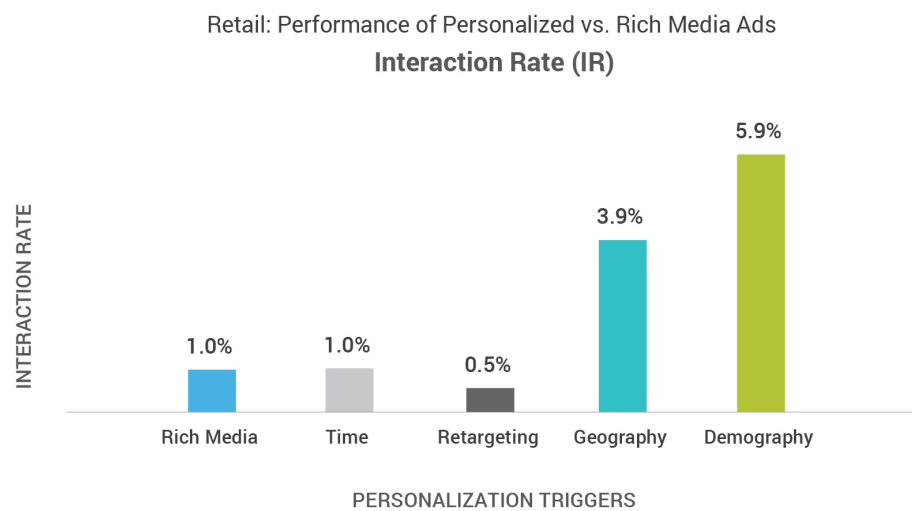
Relative to ad format, the combination of time-personalized ads and the IAB Half Page ad format yielded the best results for retail campaigns. At about **3.6x** the GBR, it is highest among all the IAB standard sizes.



Retail Vertical



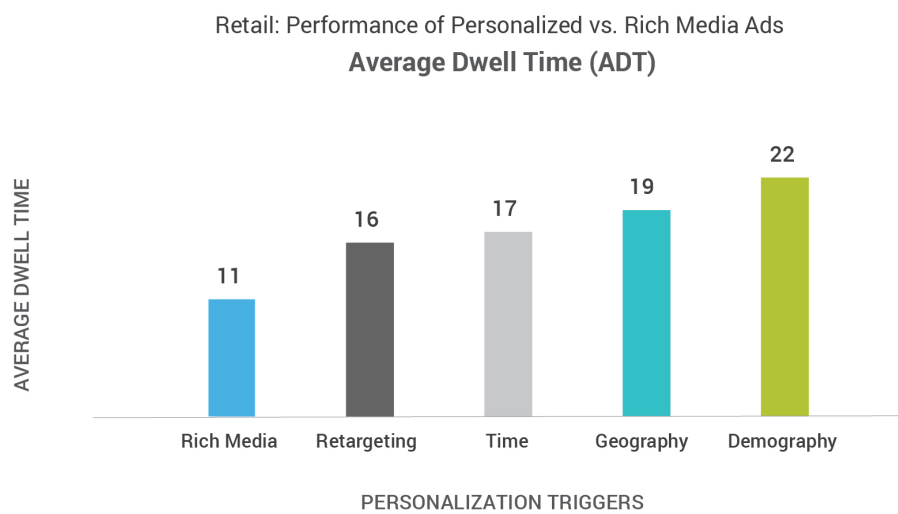
Personalized digital ads in the retail vertical delivered a CTR of **600% (7x) performance gain** as compared to the GBR. Geography is the trigger with highest impact for retail ads.



Retail campaigns provided a sample of more than 194M impressions and delivered on average an Interaction Rate (IR) of **312% higher (4.1x)** than the GBR for the vertical.



Retail Vertical

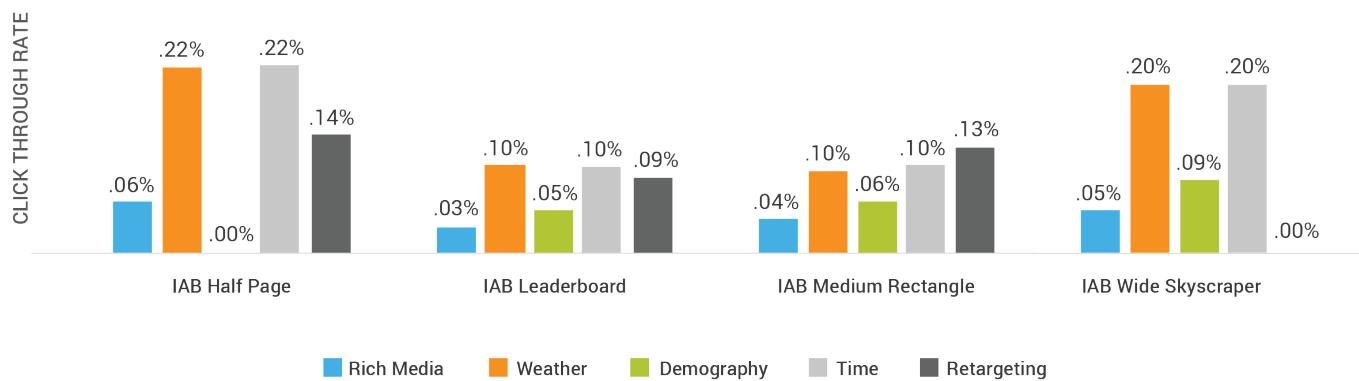


Performance gains for Average Dwell Time (ADT) were most notable for the demography trigger at **1.2 times** the GBR.



Retail Vertical

Retail: Performance of Personalized vs. Rich Media Ads
CTR Analyzed by Trigger and Ad Format

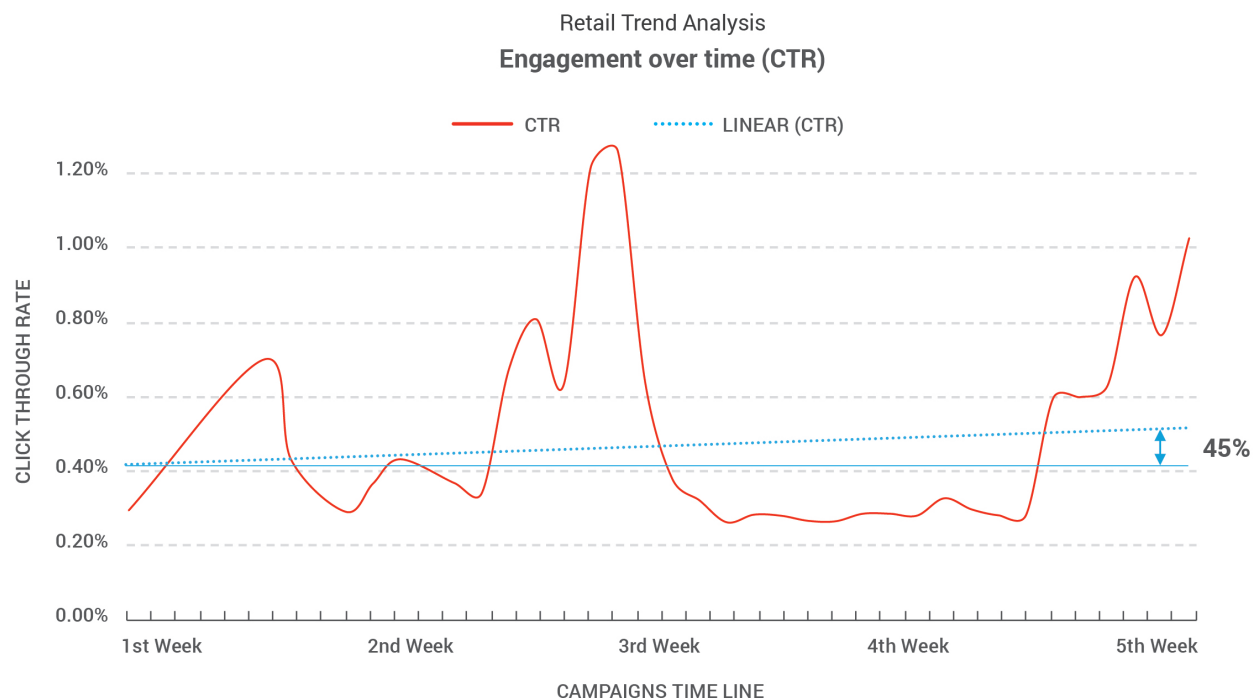


CREATIVE SIZES AND PERSONALIZATION TRIGGERS

The combination of Weather and Time triggers with the IAB Half Page ad format yielded the best CTR performance results for retail campaigns, with about **3.6 times** the GBR respectively.



Retail Vertical



At an aggregate level, CTR for campaigns in retail trended up **by 45%** in the first 5 weeks from the time they went live.



Travel Vertical

Campaigns were categorized in the travel vertical if travel planning and booking were done primarily online. Analysis and conclusions are based on a sample of over 193M impressions.

The travel vertical turned out to be the most responsive to personalization triggers. On average, personalized digital ads yielded a CTR of **375% higher (4.75x)** and Interaction Rate of **365% higher (4.6x)** than the GBR for the vertical.

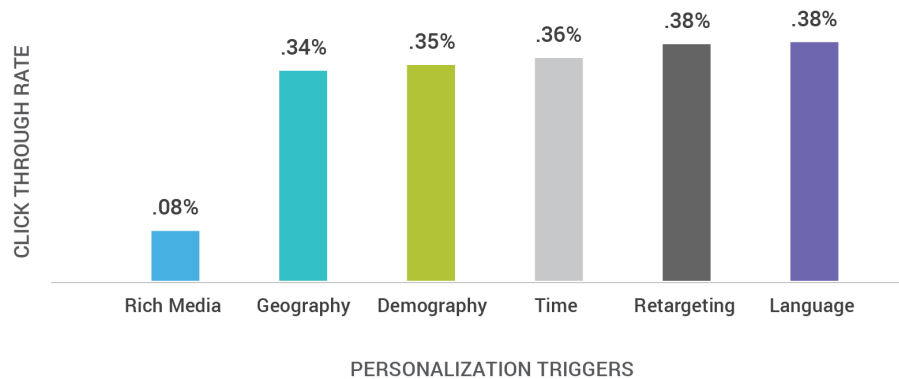
The data further show that “language” and “retargeting” triggers have the best impact on campaign performance. The average CTR for retargeting impressions is about **375% higher** than that for corresponding GBR.

Also noteworthy, the combination of demography and the IAB Wide Skyscraper ad format had the best results for travel campaigns, performing at **3 times** the GBR.



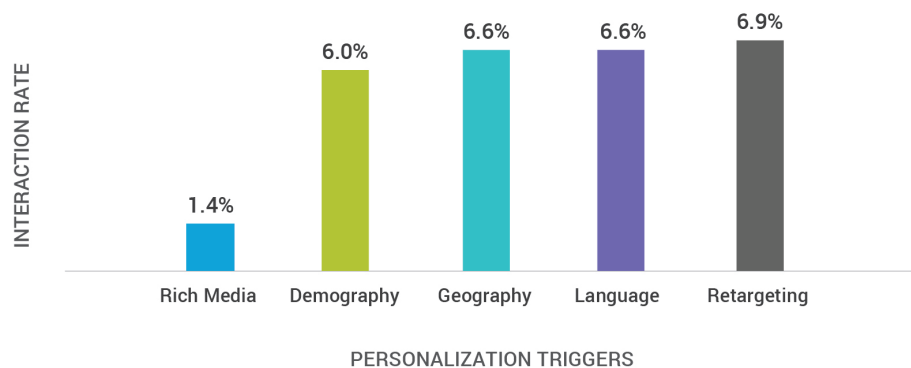
Travel Vertical

Travel: Performance of Personalized vs. Rich Media Ads
Click Through Rate (CTR)



Personalized digital ads in the travel vertical yielded a CTR of **375% higher (4.7x)** than the GBR for this vertical, with the average CTR for language and retargeting impressions at roughly **375% higher** than the GBR.

Travel: Performance of Personalized vs. Rich Media Ads
Interaction Rate (IR)



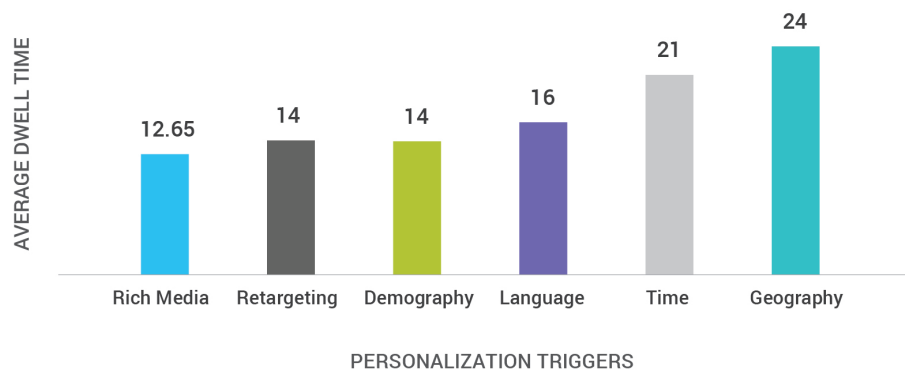
Based on a sample of over 193M impressions, on average, personalized ads in the travel vertical yielded an Interaction Rate (IR) of **365% higher (4.6x)** than the GBR.



SUMMARY BY VERTICAL

Travel Vertical

Travel: Performance of Personalized vs. Rich Media Ads
Average Dwell Time (ADT)



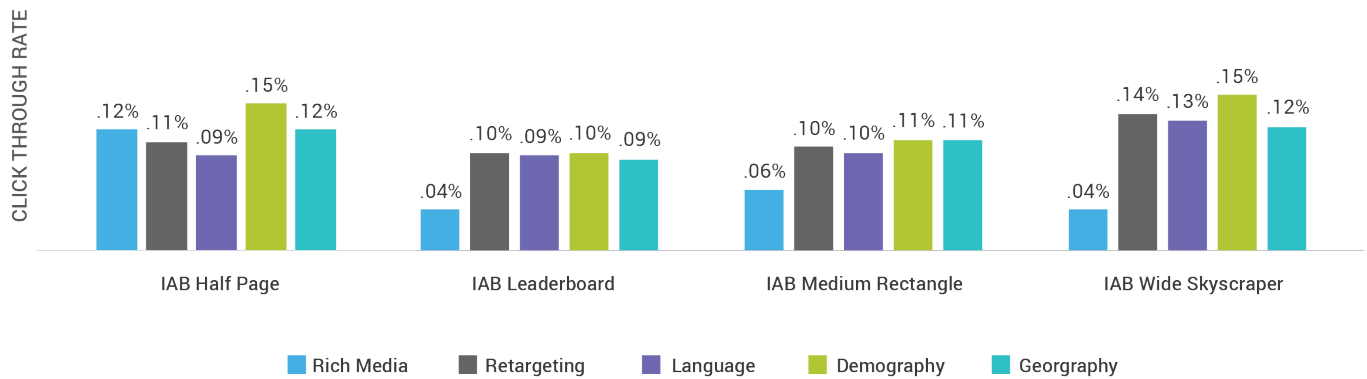
Personalized ads in the travel vertical delivered an ADT that is **40.7% higher** than GBR, with geographic triggers delivering the best performance gains at **1.89 times** the GBR.



SUMMARY BY VERTICAL

Travel Vertical

Travel: Performance of Personalized vs. Rich Media Ads
CTR Analyzed by Trigger and Ad Format

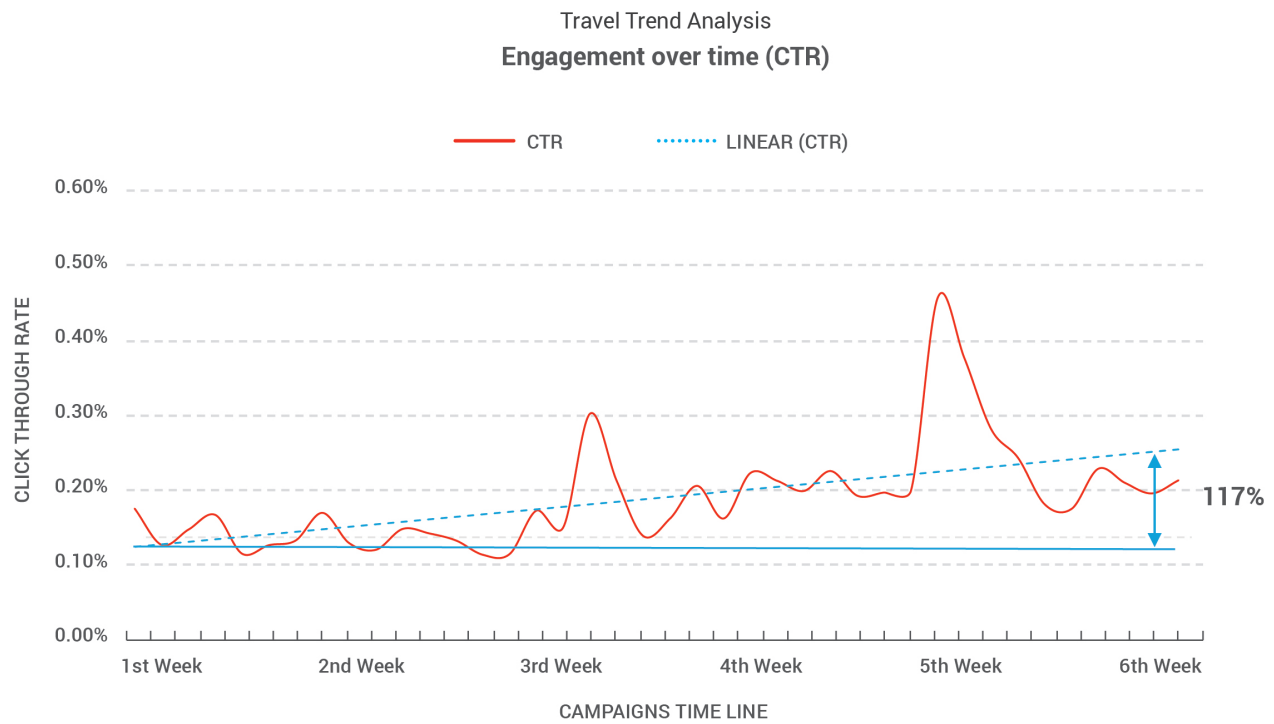


CREATIVE SIZES AND PERSONALIZATION TRIGGERS

The combination of Demography and the IAB Half Page ad format and IAB Wide Skyscraper had the best results for travel campaigns, with the IAB Skyscraper ad format performing at **3 times** the GBR.



Travel Vertical



At an aggregate level, CTR for campaigns in the travel vertical trended up **by 117%** in the first 7 weeks from the time they went live.



Methodology

Jivox's Benchmark Report was based on over a billion impressions. Data were derived from 24 different campaigns addressing 6 vertical markets, with impressions being delivered to more than 10 major markets across the globe. Data was compared for the purpose of analysis and conclusion against the Google Rich Media benchmark from June 2015 to May 2016. Summary data includes all impressions.

Data were collected for six vertical industries, including the three profiled in this Benchmark: eCommerce, Travel, and Retail. Personalization triggers were identified for each campaign and include demography, geography, retargeting, time, language and weather.

Data were analyzed for performance against more than 30 metrics, the most significant of which are presented in this Benchmark, including Click Through Rate (CTR), Interaction Rate (IR) and Average Dwell Time (ADT).

For detailed data on additional metrics, please contact Jivox.



Key Definitions

Average Dwell Time (ADT) Average amount of time users spent on the ad

Click Through Number of times the user clicked anywhere on the ad except for clicks on the interactive features

Click Through Rate (CTR) Number of Click Throughs divided by the total number of impressions

Demography Trigger Gender, family composition, and other audience segments

Geography Trigger Physical location and proximity

Impressions Number of times the ad was served

Interaction Rate (IR) Total interactions divided by the number of impressions

Language Trigger Primary language based on geographic location

Time Trigger Day of the week and time of day

Weather Trigger Weather conditions and temperature at user's location



Conclusion

Marketers are facing fierce challenges as traditional paths to purchase are obliterated by nearly 2 billion global smartphone users, 80 million of whom are US millennials with disposable income and a tendency to be connected 24/7. And while [domestic digital advertising revenue is set to exceed \\$60 billion](#) in 2016, ad blocking is also at an all-time high. According to Mary Meeker's [annual Internet Trends report](#), 400 million users globally block ads served on the mobile web, and [Emarketer reports](#) that domestically, "In 2016, 69.8 million Americans will use an ad blocker, a jump of 34.4% over last year."

Personalized digital advertising is both the opportunity and the antidote, fundamentally changing the way marketers engage with consumers. Rather than trying to predict the customer purchase journey or win the ad blocking arms race, personalized advertising instead uses vast stores of consumer, environmental and contextual data to deliver relevance – a content-appropriate message delivered to the right person at the right time at his or her preferred touchpoint.

This Benchmark Report has shown conclusively and for the first time just how significant the performance gains are when digital ads are personalized. And this is just the beginning. As chat-based marketing emerges in 2016 and beyond, as Google and Facebook command an ever-larger marketshare, and as virtual reality becomes a mainstream advertising touchpoint, the spoils will increasingly go to the "math men" – those marketers who use data to drive ad creativity as well as ad delivery.



Learn More About Jivox

Jivox IQ Platform

- ▶ [Read more](#) about our data driven dynamic ad platform.
- ▶ See a [two-minute video](#) on our platform.

Ad Gallery and Customers

- ▶ See other Jivox [Ad examples](#)
- ▶ View a list of our [partners and customers](#).

Contact Us

For any questions about this benchmark study or otherwise, please email us at sales-us@jivox.com