



In-image Advertising Primer:

Understanding the value of images for marketers to reach consumers

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IAB In-image Advertising Primer

This document has been developed by the Image-Based Advertising Working Group. Representatives from the following companies participated in creating this document:

[GumGum](#)

[Speed Shift Media](#)

[Vibrant Media](#)

[Luminate](#)

[Stipple](#)

The IAB acknowledges Tony Winders of GumGum, who chaired the effort to create this document, and Nielsen, who helped support the group with analysis of the impact of image-based advertising based on studies carried out for several of the companies involved using its Nielsen Online Brand Effect platform.

About the IAB Image-Based Advertising Working Group

The Image-Based Advertising Working Group of the IAB is comprised of nearly a half dozen member companies actively engaged in the creation and execution of image-based advertising. The Image-Based Advertising Working Group aims to support the potential of the image-based advertising ecosystem by educating advertisers and publishers about how best to use this new format.

This document is on the IAB website at: www.iab.net/inimage

About the IAB

The Interactive Advertising Bureau ([IAB](#)) is comprised of more than 600 leading media and technology companies that are responsible for selling 86 percent of online advertising in the United States. On behalf of its members, the IAB is dedicated to the growth of the interactive advertising marketplace, of interactive share of total marketing spend and of its members' share of total marketing spend. The IAB educates marketers, agencies, media companies and the wider business community about the value of interactive advertising. Working with its member companies, the IAB evaluates and recommends standards and practices and fields critical research on interactive advertising. Founded in 1996, the IAB is headquartered in New York with a public policy office in Washington, D.C. For more information, please visit iab.net.

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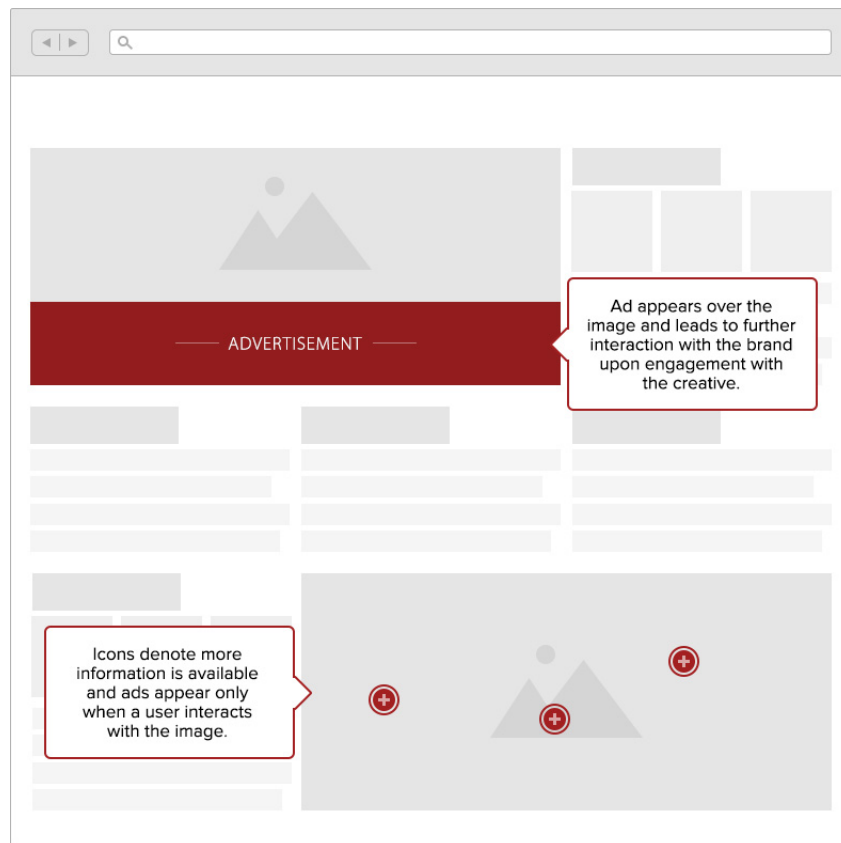
Table of Contents

Introduction	4
A Type of Native Advertising?	4
Why images?	4
The In-image Advertising Marketplace	6
Market Size	6
Results and ROI	7
Targeting, Scale and Brand Safety	8
Recommended IAB In-image Advertising Disclosure Principles	8
Case Studies	9
GumGum/Cat's Pride® Fresh & Light®	9
Luminate/Garnier	10
Speed Shift Media/Northwest Dealer Group	11
Stipple/Call of Duty®: Ghosts	12
Vibrant Media/Mazda CX-5	13
In-image Advertising Stakeholders	14
Advertisers	14
Publishers	14
Consumers	14
Conclusion	15

Introduction

According to ComScore, 54 percent of all online ads aren't technically able to be viewed¹. Of those that are viewable, a recent eye tracking study by Sticky reported that only 51 percent were actually seen². For the past several years, display advertising formats have remained largely unchanged, while key engagement metrics such as click-through rates have steadily declined to around one tenth of one percent. Furthermore, consumers are known to largely ignore display ads – a phenomenon commonly known as “banner blindness.”³

Image-based advertising, also known as in-image advertising, makes a huge leap forward, paving the way for the next generation of digital display advertising. In-image ads appear directly over an image on a webpage. They can take many different forms. They can be display ads or product listing information overlaid on editorial images or they can be video or rich media ad units that only appear when the user engages by hovering or clicking on the ad. Because they appear in-line with content where a user's attention is already focused, in-image advertising is known to drive higher viewability and a positive user experience. Examples of how the primary types of in-image ad units appear on a web page are shown in the illustration below.



¹ comScore Blog: Viewability Benchmarks Show Many Ads Are Not In-View but Rates Vary by Publisher (http://www.comscore.com/Insights/Blog/Viewability_Benchmarks_Show_Many_Ads_Are_Not_In-View_but_Rates_Vary_by_Publisher)

² Sticky.ad Infographic (<http://infogr.am/abab7909714f40eaa4e10cc777451eed3b901508?src=web>)

³ 15 Alarming Stats About Banner Ads (<http://bannerblindness.org/15-alarming-stats-about-banner-ads/>)

IAB In-image Advertising Primer

A Type of Native Advertising?

These unique and burgeoning ad formats are often leveraged in native advertising campaigns. The IAB recently released a [Native Advertising Playbook](#) that sets out six core ad types that are currently being used within the native advertising landscape. In-image ad units fit within the Custom /“Can’t Be Contained” category, though as they grow may be considered as a separate native ad type.

The Playbook also establishes an evaluation framework to allow buyers and sellers to have a common language to discuss ad products in the context of native and therefore make it easy for brands to buy these new types of advertising. This paper has applied the evaluation framework to in-image ads. While in-image ads take many different forms, this framework broadly applies to most in-image ads except for the final category, as some in-image ads are predominantly direct response, driving a consumer to buy a specific product, while others are aimed at increasing brand awareness and affinity.

Figure 1: In-image advertising using IAB Native Advertising Evaluation Framework



Why images?

There are many images online – five trillion by some estimates – with 350 million uploaded to Facebook each day alone. But it's not simply the prevalence of images in our daily lives that makes image-based advertising a compelling format. It's because those images invoke curiosity, inspire emotion and lead us to ask questions about the content we are consuming.

**KEY BENEFITS OF
IMAGE ADVERTISING**

- **VIEWABLE**
- **HIGHLY ENGAGING**
- **CONTEXTUALLY RELEVANT**
- **INLINE WITH EDITORIAL CONTENT**
- **MORE EFFECTIVE THAN DISPLAY ADVERTISING**

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Several major brands already employ image advertising to associate their products with visual triggers and align with relevant content to capture attention and build brand awareness. Developing an image strategy requires more than a Pinterest page. It requires a partner who can provide a positive user experience with above-the-fold, in-content placements, guaranteed views and meaningful engagement during key moments of discovery.

Studies have shown that articles with relevant photos are viewed 94 percent more often than those without⁴, and image ads enable marketers to take advantage of that highly valuable real estate. Brands are embracing image advertising because it provides a contextually-relevant canvas upon which to present rich media display ads, product information and video. Advertisers who have yet to leverage the benefits of in-image advertising risk falling behind in their effort to reach consumers at the moment they are actively engaged in exploring content that appeals to them most.

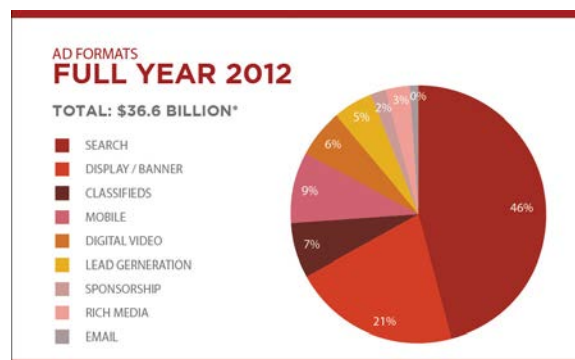
The Image Advertising Marketplace

[In-image advertising](#) began in earnest in 2008, and has slowly grown to prominence as more attention has been placed on images and advertisers and publishers alike have sought alternative, more effective, forms of display advertising. Defining the size of the image-based advertising market will give both publishers and advertisers an understanding of the potential impact it can have on their businesses. Publishers need the confidence of having enough incremental demand to make an image strategy worthwhile. Advertisers require the same assurances they look for with any new channel – targeting, scale, transparency and brand safety.

Market size

Quantifying spending and impression levels for the nascent display advertising format is challenging in the absence of reporting from the major measurement firms. However, other industry data suggest in-image advertising is fast becoming a permanent part of the display advertising ecosystem, including: 1) advertisers' demand for high-impact, viewable display advertising options; 2) the huge, untapped supply of image inventory; and 3) a high degree of interest from the investment community.

Publishers' need to identify new revenue sources and advertisers' demand for viewable, premium placements suggest that image-based advertising is poised to siphon market share from traditional display advertising options. According to the IAB's Internet Advertising Revenue Report, display/banner advertising comprised 21 percent of the \$36.6 billion digital advertising market in 2012, or potentially a \$7.5 billion market for image advertising providers to pursue. But image advertising is positioned to capture revenue from other areas of the market too, including rich media, video, sponsorship and search.



⁴ Source: CrunchBase.com

IAB In-image Advertising Primer

While opinions about the number of images online varies widely, industry estimates suggest there are in the low trillions, most of which have yet to be tapped for marketing and monetization. More than 500 million images are uploaded and shared each day,⁵ and in November 2013, Snapchat announced 400 million images per day were being uploaded to its platform, surpassing the 350 million said to be uploaded daily to Facebook. While a large portion of these may never be deemed “brand safe” and relatively few (estimated in the low tens of billions) are monetized today, capitalizing on even a modest percentage of the editorial images online has the potential to represent a sizable portion of the display advertising market in the coming years.

Venture investment in images is at an all-time high. Multiple service providers have collectively received nearly \$100 million⁶ in funding, and at least one, Image Space Media, was acquired for an undisclosed sum in early 2012. Although privately held, the growth of these providers and the consistent presence of major brands appearing on their platforms suggests they are beginning to attract a significant portion of the display advertising market.

VENTURE INVESTMENT IN IMAGE ADVERTISING			
LUMINATE	\$28.5	IMAGE SPACE MEDIA	\$3.9
CORTICA	\$17.9	PLISTA	\$3.8
KIOSKED	\$12.7	TRIPLELIFT	\$2.1
GUMGUM	\$10.8	ZNAPTAG	\$2.0
STIPPLE	\$9.0	TAGGIFY	\$1.0

Results and ROI

Image-based advertising has the potential to drive higher KPIs, including click-through rates which are consistently over one percent as shown in the case studies in this paper; and a measurable increase in brand metrics such as awareness, favorability and purchase intent.

Nielsen Online Brand Effect⁷ advertising effectiveness studies conducted by GumGum, Luminata and Vibrant Media show an average 30 percent brand lift across a variety of advertising objectives and categories.⁸ For campaigns whose primary marketing objective was driving brand awareness, in-image campaigns from these three companies generated an average 37 percent brand lift, almost three times the industry average, according to Nielsen Online Brand Effect norms.⁹

Nielsen Online Brand Effect also highlights the performance of key campaign elements responsible for driving overall brand lift – including creative, site and frequency. The majority of the in-image campaigns were most effective at a low ad exposure frequency rate, driving maximum brand lift at three exposures or less. This speaks to the ability of in-image advertising to drive brand lift, and to positively impact users' opinions after only a few exposures.

⁵ Kleiner Perkins Caufield & Byers' KPCB Internet Trends 2013 report

⁶ Skyword Study: Add Images to Improve Content Performance (<http://www.skyword.com/post/skyword-study-add-images-to-improve-content-performance/>)

⁷ Nielsen Online Brand Effect, measuring resonance as part of Nielsen's 3Rs framework—Reach, Resonance, and Reaction—is the first real-time enterprise technology platform that allows advertisers to collaborate with their digital media ecosystem around optimizing brand lift metrics.

⁸ Based on a total of seven studies measuring performance against four objectives across the three companies.

⁹ Industry average based on brand lift from all digital awareness campaigns asking a standard awareness question as measured by Nielsen Online Brand Effect.

IAB In-image Advertising Primer

In-image advertising is also more viewable than standard display units. According to MRC-accredited technology leader DoubleVerify, the more than two dozen in-image campaigns it measured had an average viewability of 77 percent, which is 51 percent higher than its viewability benchmarks for traditional display advertising networks.

Targeting, Scale and Brand Safety

In order for in-image advertising to operate at scale requires the ability for service providers to programmatically determine the meaning of images and dynamically associate them with the most contextually relevant ads possible. All of the participants in the in-image advertising value chain have a stake in putting safeguards in place to ensure ads don't appear on inappropriate photos. In addition to contextually targeted ads, options exist to leverage audience and geographic targeting features which may sometimes display an ad to its intended user on what may otherwise seem to be an unrelated image. Ensuring this is done in an appropriate way is crucial to the success of the ad in delivering its campaign objectives.



Recommended IAB In-image Advertising Disclosure Principles

It is important that in-image ads follow the same disclosure principles set out in the IAB Native Advertising Playbook. Regardless of the unit type, the IAB advocates for clarity and prominence of disclosure that the image-based unit is a paid advertisement. The disclosure must use language or imagery that conveys that the advertising has been paid for and be large and visible enough for a consumer to notice it in the context of a given page and/or relative to the device that the ad is being viewed on. Regardless of context, a reasonable consumer should be able to distinguish between what is paid advertising vs. what is publisher editorial content.

Case Studies

As the saying goes, “a picture is worth a thousand words,” so we have included a series of case studies that highlight improvements across a range of metrics that image-based advertising can deliver, including both direct-response and brand-building campaigns.

Cat Pictures Attract Cat Lovers

	
<p><i>In-image ad for Cat's Pride® Fresh & Light® appearing in New York Daily News pet blog</i></p>	<p><i>Video overlay upon engagement, with links to social media and official website</i></p>

Campaign Objective

- Generate awareness of Cat's Pride® Fresh & Light® among cat enthusiasts. Doner partnered with GumGum to communicate its brand message on contextually relevant photos
- Rich media display ads leading to a video overlay of the brand's TV spot appeared over contextually relevant photos of cats and other content targeting pet owners
- Ads appeared on NYDailyNews.com, Boston.com, Tribune, Meredith and other publishers across GumGum's in-image advertising platform

Campaign Results

- Overall campaign click-through rate of 1.18%
- 90% video play rate and 50% completion rate
- 4.22% click-through from video overlay to the brand's website

Source: GumGum – For more information go to gumgum.com

Beautiful Women Lift Brand Engagement for Beauty Products



Campaign Objective

By partnering with Luminata to transform static images into robust branding experiences, Garnier was able to:

- Visually target images of beautiful women, successfully aligning the Miracle Skin Perfector BB Cream product with a message of innovative skincare
- Impact target audience during a period of heightened awareness with a sponsored carousel, wrapping custom branding around a relevant shopping experience

Campaign Results

- Delivered a CTR of 1.28% to the product website
- Average of 6.35 seconds time spent with the branded unit
- An independent study conducted by Nielsen Online Brand Effect found that Luminata generated a 116% brand awareness lift for Garnier - nearly 5x the industry average

Source: Luminata – For more information go to luminata.com

Images of In-Lot Car Inventory Drives Sales

Campaign Objective

- The Northwest Dealer Group (NDG) wanted a cost effective display solution to attract in-market auto shoppers at the consideration stage of their purchase path
- NDG wanted a partner to help increase new and used vehicle leads and showroom traffic for their Franchise dealer sites
- NDG partnered with Speed Shift Media's In-Image platform to show NDG's in-lot inventory of new and certified vehicles to geo-target and contextually target (by Make, Model and Trim) across premium automotive editorial and review websites

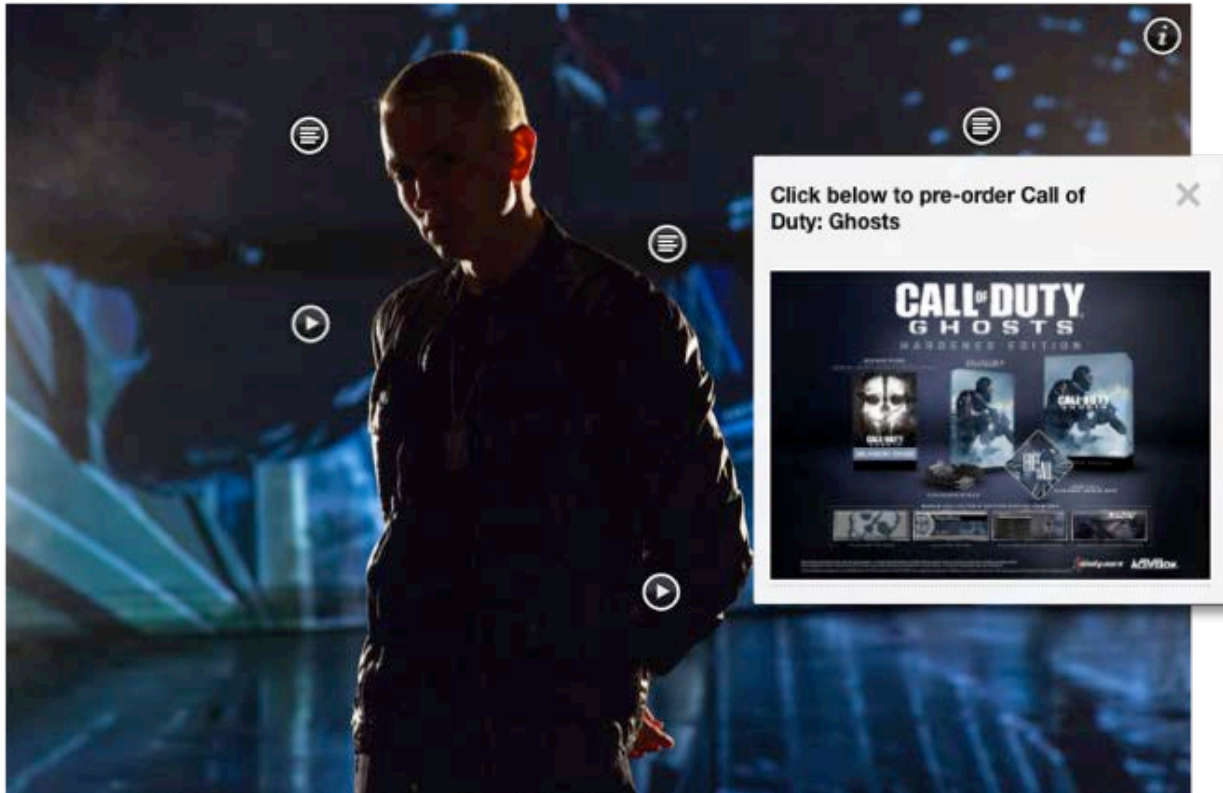
Campaign Results

- Average In-Image Ad CTR is 1.96%
- Average ad-viewed time is 10.4 seconds
- Increased qualified leads by 30%
- CPL decreased by more than 20%
- Improved bounce rate by 20%*

* (vs. past display campaign)

Source: Speed Shift Media – For more information go to speedshiftmedia.com/in-image-automotive-audience-network-for-dealers/

Connected Commerce within Photos Drives Unrivaled Performance



Content is non-interruptive and only revealed when viewers touch the content atoms, thereby preserving the user-driven experience.

Campaign Objective

- Drive engagement, product awareness, and pre-order product sales for the latest installment of Activision's entertainment gaming blockbuster, Call of Duty®: Ghosts
- Applied interactive and shoppable content such as videos, photos and storefront links onto relevant hero images on leading gaming and social media websites, including on rapper Eminem's site and CallofDuty.com
- The content was 100% non-interruptive and user-driven

Campaign Results

- Stipple delivered an impressive 225% Engagement Rate across the campaign while elevating >3 minutes avg. time spent
- Stipple also achieved an amazing 54% CTR
- Stipple enabled Activision to manage image content in real-time and define the experience across premium gaming and social media websites based on data-driven learnings

Source: Stipple – For more information go to stipple.com/advertisers

Car Images Call Buyers to Action



Branding and 'Call to Action' buttons run across the banner to encourage users to find out more about the new model.

Campaign Objective

- Ensure full visibility of the release of the new Mazda CX-5 by using Vibrant Image product
- Contextually placed on images within premium auto content that talks about 4x4's, Mazda and new car releases
- Included strong CTA buttons to drive users to book a test drive and request a brochure.
- 3rd party research was commissioned to test effectiveness of campaign with 400 participants of target group

Campaign Results

- 5% uplift in brand awareness. All competitors levels fall
- 12% uplift in purchase Intent.
- Strong CTA results
- 10% would call a dealer to find out more
- 11% would request a brochure
- 16% would request a test drive

Source: Vibrant Media - For more information go to vibrantmedia.com/in_image

Image-based Advertising Stakeholders

Image-based advertising offers a win-win-win opportunity for advertisers, publishers and consumers alike, which helps explain its extraordinary performance and rapid growth. Advertisers achieve better results across all marketing objectives by being part of the editorial image experience; publishers welcome a new revenue stream at a time when display ad revenue is declining; and consumers receive ads that are more relevant to the content they are proactively consuming.

Advertisers

As consumers focus attention on the images within editorial content, they are identifying themselves as being interested in items within the photos and are naturally more receptive to receiving a brand's message. Advertisers can capitalize on this receptivity by delivering contextually-relevant messages at the right time.

In-image advertising is inherently native, allowing brands to align with the content consumers care about most, inline with the viewing experience where they are already engaged. Image advertising also overcomes the issue of viewability, reducing wasted impressions because ads only render when an image is in full view of the browser window. And because in-image ads are resident to the photos over which they appear, they are uniquely suited to mobile devices as digital advertising migrates to smaller screens.

Publishers

In-image advertising allows publishers to generate revenue from previously unmonetized portions of their editorial content without adding more clutter to their pages. It is estimated that about one-third of the content on publishers' pages is comprised of images. Publishers need to ensure they own or have licensed the rights to display ads on their images. Publishers have control over when and how often ads appear on the photos they make available to an in-image advertising platform and should provide oversight to ensure the boundaries between editorial and advertising are being appropriately upheld. In-image advertising platforms provide the technology to analyze images and to serve ads according to the context and audience demographics. The result is a relevant and polite user experience for their audience.

Consumers

Images drive engagement. Consumers notice and consistently engage with image-based advertising at a higher rate than traditional display ads. Placing targeted ads inline with editorial photos also creates a more contextually relevant user experience than traditional display advertising. Furthermore, the native format of image-based ads makes the content feel more like content to consumers.

IAB In-image Advertising Primer



Conclusion

While still in its formative stages, in-image advertising is increasingly becoming a standard line item on display advertising media plans and a significant new source of revenue for editorial content publishers.

Images clearly resonate with consumers and captivate their attention. Advertisers value their contextual relevance and viewability, which is proven to drive measurable increases in engagement and brand lift. And the publishers whose photos make image-based advertising possible are earning incremental revenue from a new form of advertising that is native to the user experience of their audiences.

Through this primer, the In-Image Advertising Working Group intends to attract more attention to the format and encourage both publishers and brands to consider incorporating in-image advertising into their strategies in 2014 and beyond.

For more information about in-image advertising, please contact the IAB and visit the websites of the companies who participated in authoring this report.