Contextual Advertising in Numbers - A Look Inside the Platform That Is Transforming the Contextual Advertising Industry

Contextual advertising platform Compado demonstrates: With Ad CTRs of 15% and Ad Conversion Rates of 11%, contextual advertising outperforms traditional digital advertising.



Contextual advertising is an unbroken trend. With the rise of contextual advertising as a viable alternative for targeted advertising in the <u>Post Cookie Era</u>, many publishers and advertisers alike are wondering: How effective is it really?

Contextual advertising platform Compado just released their 2022 KPIs, which help to better understand the effectiveness of contextual advertising.

"Our contextual advertising KPIs demonstrate that smart and well-targeted contextual advertising outperforms traditional digital advertising by far," says Andreas Hoogendijk, chief executive officer of the tech platform.

Contextual Advertising KPIs

For the fiscal year 2022, contextual advertising platform Compado reported the following KPIs:

- **1 billion contextually-targeted brand impressions** were displayed throughout the year.
- 230 million users were looking at Compado's contextual advertising.
- **37 million followed brand recommendations** helped users to discover new brands.

- 4 million contextually targeted new customers were delivered to partnering brands.
- The average Ad Click-Through-Rate (CTR) of Compado's contextual advertising is 15%.
- The average Ad Conversion Rate (CVR) of Compado's contextual advertising is 11%.

Compado's advertising platform delivers contextually targeted brand recommendations on media sites.

"If users exhibit purchase motivation, by reading certain articles or blog posts, by looking at reviews, or when comparing brands, we display contextually-fitting brand recommendations alongside," explains Emanuel Hoch, the platform's chief technology officer.

"Think: A mom or a dad reads an article about cooking for their kids on the fly, Compado's contextual advertising will display matching meal kits and recipe boxes," adds Hoch.

Effectiveness of Contextual Advertising

With 2022's KPIs out in the open, contextual advertising continues to position itself as a viable, effective and cookie-free alternative to traditional digital advertising.

A comparison with <u>public ad benchmarks</u> demonstrates: With CTRs of 15%, Compado's contextual advertising outperforms traditional digital advertising, such as search engine advertising (avg. CTR: 3%) and display advertising (avg. CTR: 0.5%).

Looking at CVRs confirms the impression: With CVRs of 11%, Compado's contextual advertising outperforms traditional modes of web-based advertising, such as search engine advertising (avg. CVR: 3.75%) and display advertising (avg. CVR: 0.8%).

"Contextual advertising has an edge over other digital modes of advertising since it presents contextually-fitting advertisements to users when they're in the right frame of mind. If a user reads about learning a new language, it's very likely that this user is interested in a language app, too."

Advertising in the Post Cookie Era

<u>Google has announced</u> that it will stop the use of third-party cookies in Chrome by the end of 2024, joining a growing list of browsers that already ditched the notorious and invasive tracking technology. Hence, advertisers and publishers alike are looking for effective advertising alternatives.

"Contextual advertising is one of them," says Hoogendijk. "Contextual is a proven way of generating brand awareness among purchase-motivated audiences and should be viewed as a way of advertising to both the upper and the lower funnel. Brands and publishers who will use contextual advertising for both reach and conversions will be able to grow their business in spite of third-party cookies leaving the web."

About Compado

<u>Compado</u> is a B2B tech platform for contextual advertising and content monetization. Founded in 2016, the platform provides cookie-free contextual advertising to consumer brands and cookie-free content monetization to publishers. The platform's proprietary contextual advertising puts brands in front of shoppers - and helps publishers to monetize their content through contextually targeted brand recommendations.

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