



# A GUIDE TO OPTIMIZING NATIVE AD CAMPAIGNS



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DSP and trading desk buyers often come to us asking how they should be buying and optimizing native ad campaigns on our exchange. This guide is meant to help buyers understand the nuances of native programmatic buying and to teach them how to make the most of their native campaigns.

For this edition of our optimization guide, we are focusing on two fundamental topics about which there is much confusion in the industry: performance optimization and viewability optimization.

We welcome feedback. Send us your thoughts at [marketing@sharethrough.com](mailto:marketing@sharethrough.com).



# COST OPTIMIZATION VS RATE OPTIMIZATION

There are typically two approaches to optimizing programmatic campaigns.



## Cost optimization

Optimizing to the most effective CPC, CPV, or CPA.



## Rate optimization

Optimizing to a specific threshold in CTR, view rate or conversion rate.

As a rule of thumb, regardless of your KPIs or optimization tactics, it's better to optimize to cost, not rate. Cost is a more fundamental driver of your success, whereas rates are usually used as proxies for success.

If your goal is to drive clicks to a landing page and you optimize to a specific CTR, you will only deliver ads to sites that meet your clickthrough rate threshold. This will guarantee that you achieve your target CTR, but because you'll only be serving ads on sites with high clickthrough rates, your scale will be significantly reduced, which in

*Buyers with the ability to do cost-based optimization should take advantage of it, as it is the surest way to maximize cost efficiency and return on investment.*

turn will drive up your cost. At the end of the day, you may have attained your CTR goal, but your CPC will be through the roof.

On the other hand, by optimizing to cost (in this example, cost per click) you will be able to bid on a range of inventory

with CTRs above and below your target. You will bid less on sites with lower CTRs and you will bid more on sites with high CTRs. Doing so will take advantage of the dynamic bidding capabilities of programmatic, resulting in a more efficient buy. Your CTR may come in at or slightly below your target, but your CPC will be significantly lower than it would if the campaign were optimized on rate.

	Avg CTR	eCPM	CPC	Scale
<b>Rate Optimization</b>	1%	\$5.00	\$0.50	5% of STR Inventory
<b>Cost Optimization</b>	0.75%	\$2.50	\$0.33	100% of STR Inventory

# OPTIMIZING FOR VIEWABILITY

At Sharethrough we take viewability very seriously. We were the first native platform to guarantee 100% viewability through our managed service. As clients move from our managed service offering to buying native ads themselves through a DSP, they will need to transact on a CPM. Fortunately DSPs have all (or at least most) of the tools you will need to effectively manage and optimize your campaigns for viewability.

There are many ways to optimize to viewability in a DSP. Below we've suggested four approaches, ordered from most effective to least.

## Optimize to a vCPM

This approach relies on the the DSP's dynamic bidding capabilities to set the bid price according to the inventory's viewability. You will bid high for high-viewability publishers or placements, and you will bid low, or not all, for low-viewability publishers. You can optimize to whatever effective vCPM you'd like and any impressions below the target threshold will be considered a bonus.

*By optimizing to a viewability rate, you risk shifting budget away from native placements and toward display units with artificially high viewability, like adhesion banners.*

Optimized for vCPM

Viewability	CPM
100%	\$12.00
90%	\$9.90
80%	\$8.00
70%	\$6.30
60%	\$4.80
50%	\$3.50
40%	\$2.40
30%	\$1.50
20%	\$0.80
10%	\$0.30

Effective CPM	Effective vCPM	Viewable Inventory
\$3.50	\$7.42	100%



Two methods:

**1. DSP auto optimization**

Use the DSP's built-in functionality to optimize to a target vCPM.

**2. Sharethrough viewability PMPs**

If your DSP can't auto optimize to vCPM, set bids manually using Sharethrough's tiered viewability PMPs. We offer PMPs at eight viewability tiers: from 80% to 10%.

Target vCPM		Viewability Tier		CPM Bid
\$10	X	80%	=	<b>\$8.00</b>
\$10	X	70%	=	<b>\$7.00</b>
\$10	X	60%	=	<b>\$6.00</b>
\$10	X	50%	=	<b>\$5.00</b>
\$10	X	40%	=	<b>\$4.00</b>
\$10	X	30%	=	<b>\$3.00</b>
\$10	X	20%	=	<b>\$2.00</b>
\$10	X	10%	=	<b>\$1.00</b>

**Optimize to a Viewability Rate**

This approach sets an absolute viewability threshold—sites and placements that fail to meet that threshold are not bought, at any price. This method will limit delivery and drive up your effective vCPM.

Two methods:

**1. Sharethrough viewability PMPs**

Use Sharethrough-provided PMPs, available at seven viewability tiers.

**2. DSP auto optimization**

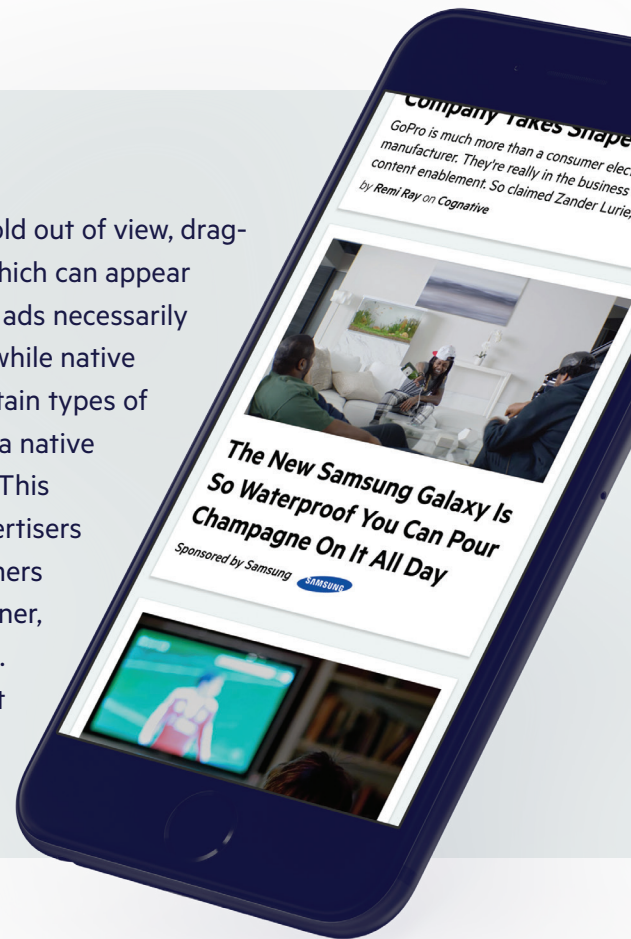
Use the DSP's built-in functionality to optimize to a target viewability rate.

*Optimized for Viewability Rate*

Viewability	CPM	
100%	<b>\$12.00</b>	
90%	<b>\$9.90</b>	
80%	<b>\$8.00</b>	
70%	<b>\$6.30</b>	
60%	\$4.80	
Effective CPM	Effective vCPM	Viewable Inventory
<b>\$7.61</b>	<b>\$9.84</b>	<b>25%</b>
30%	\$1.50	
20%	\$0.80	
10%	\$0.30	

## A Note on Native Viewability

By design native placements in feeds will load below the fold out of view, dragging down native's apparent viewability. Unlike banners, which can appear in the first viewport right as the page loads, in-feed native ads necessarily load lower down in the page and do not start in view. But while native ads do occasionally report lower viewability rates than certain types of display (e.g. persistent "adhesion banners"), the quality of a native ad experience is superior to all other non-native ad types. This improved ad experience benefits everybody involved: advertisers get more of their message across to the consumer; consumers get a less-interruptive ad experience; publishers get a cleaner, less-cluttered site. Native ads engage without interrupting. By optimizing to a viewability rate, you risk shifting budget away from native placements and toward display units with artificially high viewability, like adhesion banners.



## The Case Against Pre-Bid Viewability For Native

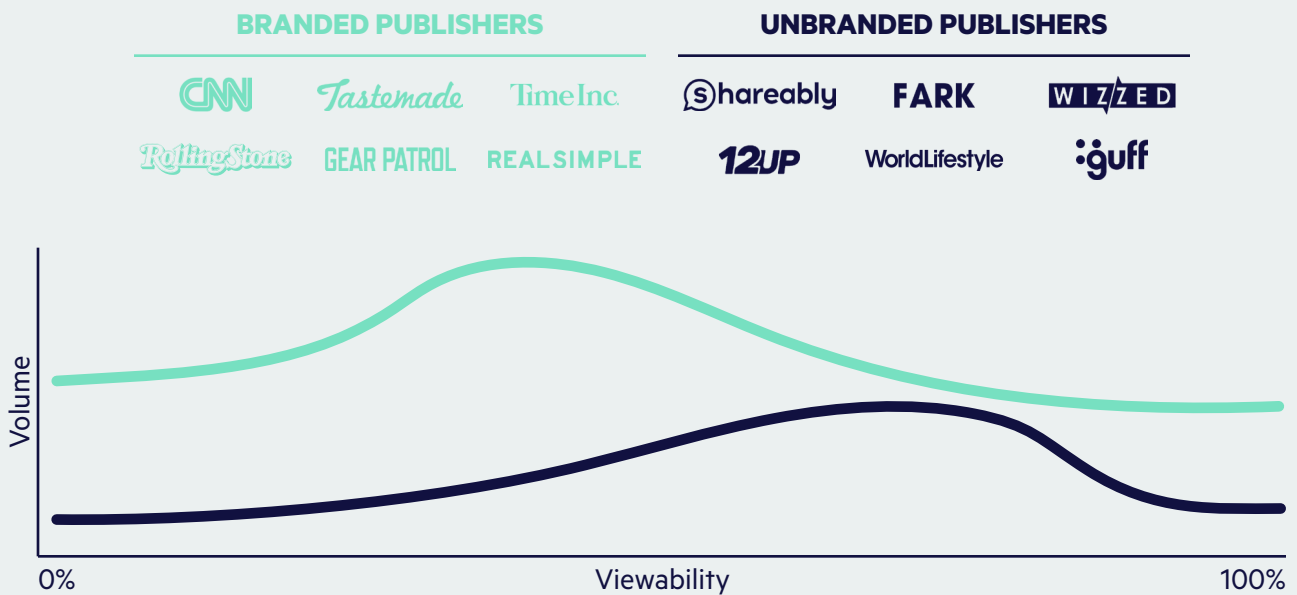
Currently pre-bid viewability filtering, a common request from clients these days, is not recommended for native as a way of managing viewability.

When deciding whether to implement pre-bid viewability filtering, advertisers would do well to consider how the technology works. Verification companies like DoubleVerify and IAS take the viewability data they gather from advertisers as part of their viewability monitoring business and use it to extrapolate the viewability of a given page or site.

If a verification company has monitored one million impressions served on a site, and those million impressions averaged a viewability of 40%, then that verification company's pre-bid viewability technology will consider all impressions served on that site to be 40% viewable. Advertisers with viewability targets above 40% will pass on all of that site's inventory, even though that figure is based on a site-wide average and is not a measure of whether any one impression is viewable.

The more fundamental issue with pre-bid filtering, and a point we've made throughout this playbook, is that it limits scale which in turn drives up cost. In this case advertisers are excluding inventory that could very well be viewable, inventory that is being lumped together with lower-viewability placements and filtered out by pre-bid scanners.

The best way to optimize native campaigns toward high viewability is to optimize to cost, opening up to all inventory and adjusting bids according to the viewability of the inventory—high for high viewability placements, low for low viewability placements.





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