α4's Authenticated IP Targeting vs. Modeled IP Targeting: 3X Target Reach, 2X Higher Response

Case Study

PURPOSE AND DESIGN

α4 was retained by a client to run a head-to-head comparison of α4's authenticated IP targeting and a provider of modeled IP targeting. The test campaigns were designed to target a select audience of likely voters in a local election using the same exact targeting criteria. Both campaigns delivered a comparable number of impressions against a comparable budget and used the same creative. All efforts were made to isolate the targeting method as the single variable between the two campaigns.

OBSERVATIONS

The findings demonstrated that authenticated IP targeting provided a significant performance increase for the key performance indicators (KPIs) evaluated: reach, frequency, clicks, click-through rate (CTR), bounce rate, pages per session, and average session duration.

Fig 1

Metric	Cookie	Authenticated IP Targeting	% Change
Impressions	2,649,606	2,447,602	-6.49%
Clicks	1300	1875	44.2%
Click Through Rate	0.049%	0.076%	55.1%
Cost Per Click	$7.69	$5.33	-30.7%
Visits	896	1,237	38.1%
Unique Visitors	865	1,182	36.6%
Bounce Rate	77.30%	69.20%	-10.5%
Average Time on Site	1 min 13 sec	2 mins 17 sec	87.9%

The accompanying chart highlights the relative performance of authenticated IP targeting and modeled IP targeting. The test results show strong improvement of the KPIs that were the primary focus of these campaigns.

+94%
Increase in CTR

+98%
Increase in Clicks

+30%
Increase in Average Session Duration

+356%
Increase in Device Reach of Target

DETAILED FINDINGS AND ANALYSIS

CLICKS AND CTR

There are a variety of factors that can contribute to CTR rates, particularly the device to which the impressions are delivered. For example, a greater number of impressions delivered to a mobile device will tend to result in a higher CTR. Therefore, it is important to compare the clicks generated and CTR by the respective devices.

The chart below shows the impressions delivered by device and their respective CTRs. Although there were slight differences in impression delivery, the total impression delivery was comparable. Despite these slight differences, authenticated IP targeting produced a significantly higher CTR than the modeled IP targeting across all device types.

+175%
Increase

+98%
Increase

+39.5%
Increase
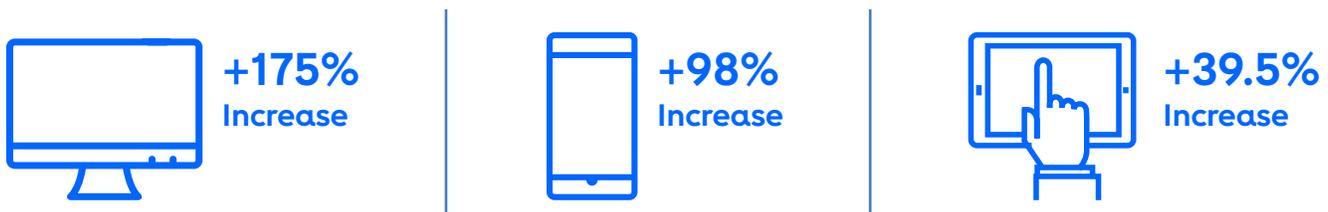
REACH AND FREQUENCY

One of the more striking observations of the test was the significant difference in reach and frequency.

There is more than a +350% increase in device reach via authenticated IP targeting. With a comparable number of impressions, this resulted in lower average frequency. The implication being that authenticated IP targeting was able to match a greater number of target individuals compared the modeled IP targeting approach.

Match rate likely contributed to the increase in CTR as well. As impressions increase, CTR usually begins to decline; by delivering a lower frequency of ads to a larger audience, a campaign is more likely to drive additional traffic.

Performance Overview by Device
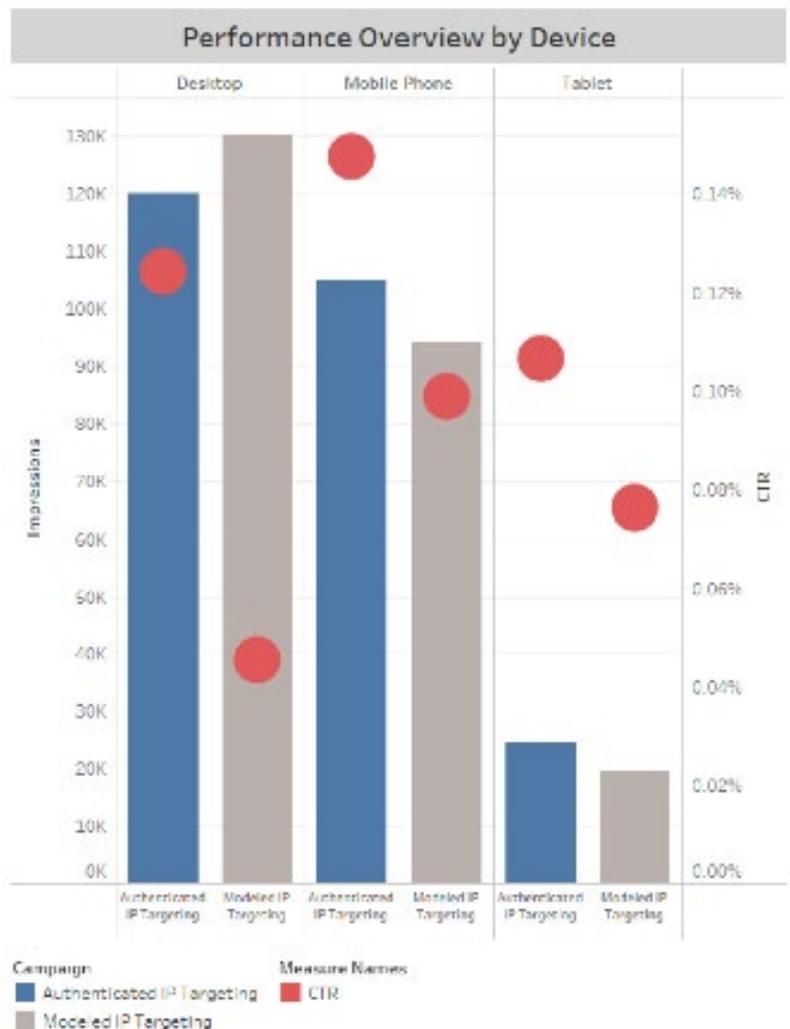
DAYPARTING ANALYSIS

A dayparting analysis highlights the differences in delivery and engagement throughout the course of the day and sheds light on why KPI increases were observed. The authenticated IP targeting method delivered impressions consistently throughout the day (and particularly during the evening), whereas the modeled IP audience was more likely to be targeted in the middle of the day.

Delivering a majority of the modeled IP impressions in the late morning and early afternoon is not ideal for driving engagement, as primetime and early evening tend to be the dayparts when higher levels of engagement are observed. Engagement is reflected in the total clicks as well, which align with when impressions were delivered. By generating traffic in the evening, users are more likely to spend additional time on the site, which was also observed.

Per the below graphs, the impressions delivered via authenticated IP targeting were more consistent throughout the day; modeled IP targeting produced a spike of impressions during the earlier part of the day and then dropped off in the evening which, arguably, is most desirable daypart for driving engagement with a target audience.
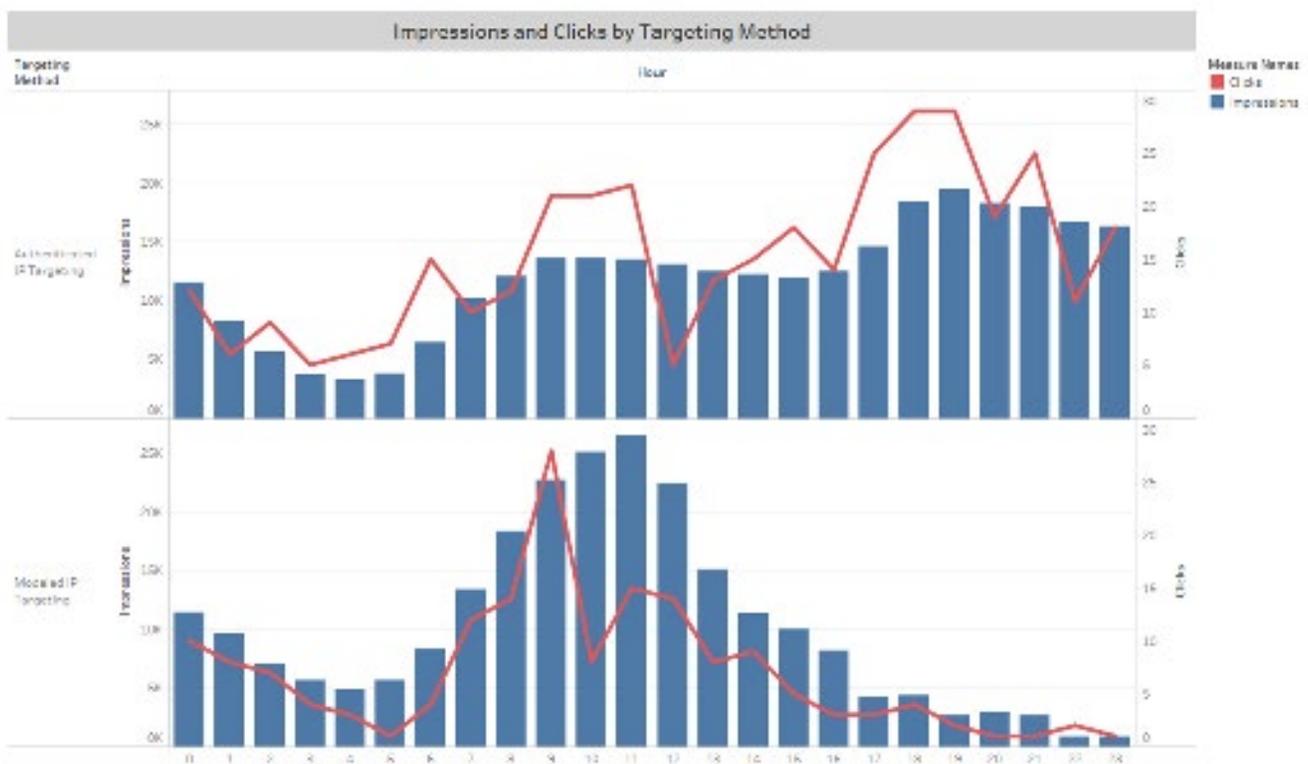
CONCLUSION

Authenticated IP targeting produced consistently stronger top-of-the-funnel (e.g. reach, CTR) and mid-funnel (e.g. time spent on site) outcomes. Superior results were driven by an increase in reach as well as a more consistent distribution of impressions throughout the day. Authenticated IP targeting is the clear choice to reach more of a target audience for stronger campaign performance.