Kakao Ad Products
Search Ad | DDN | KakaoStory Ad | Kakao Native Ad

For Overseas Advertisers, Ver. 1. 201605

kakao
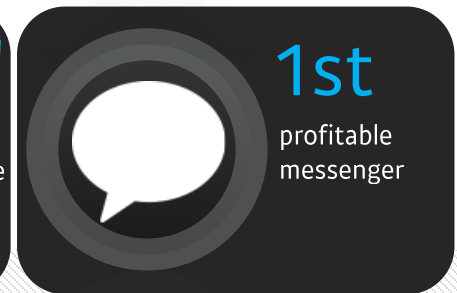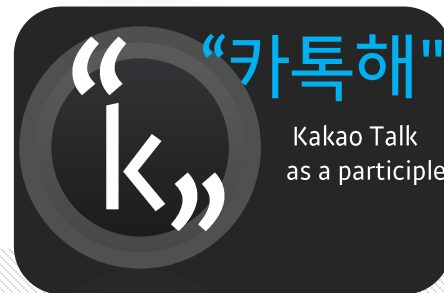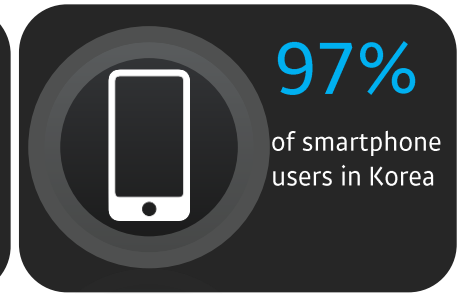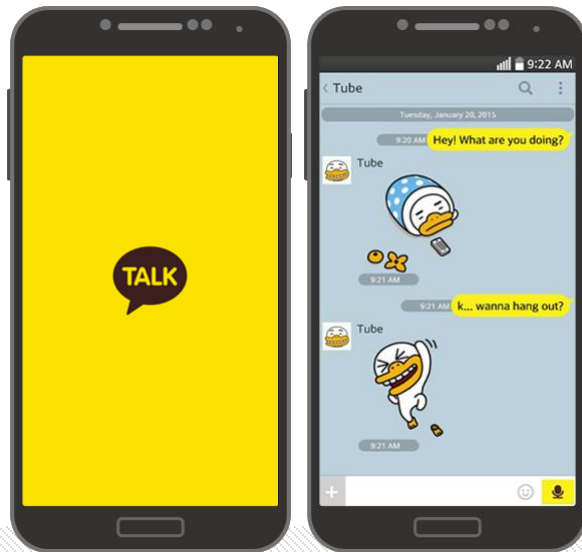
Contents

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Why Kakao Ads?

Why Kakao Ads

Kakao provides a wide variety services on the web and apps.
Kakao provides ads that are customized to Kakao's numerous services and catered to each service's users.

Why Kakao Ads

Korea **No.1** mobile instant messaging service

TALK Kakao Talk

40M
MAU in Korea

97%
of smartphone users in Korea

"카톡해"
Kakao Talk as a participle

1st
profitable messenger

- Mobile instant messaging service that allows free chat, voice and video call and group chat with up to 1,000 friends
- 48 million global MAU
- Grew into a social platform based on high traffic and powerful social graph
- Serves as the spine and central platform for many of Kakao's mobile services

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Why Kakao Ads

Korea **No.1** Mobile SNS, KakaoStory
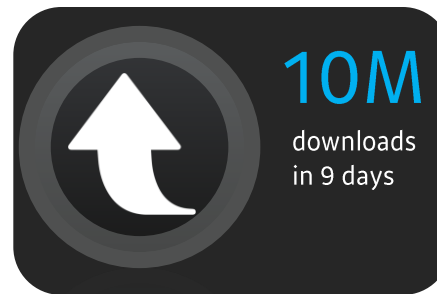
KakaoStory

10M
downloads
in 9 days
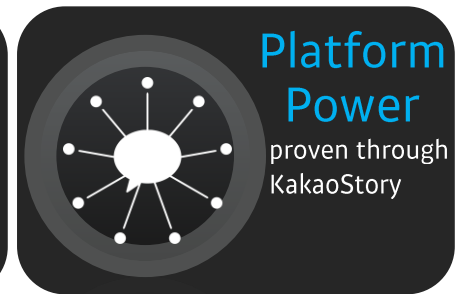
Platform Power
proven through KakaoStory
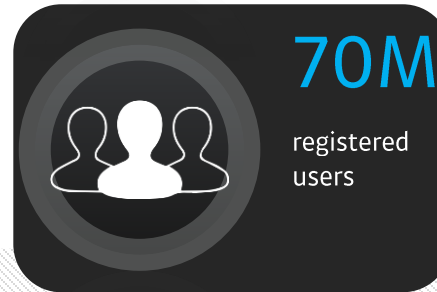
70M
registered users
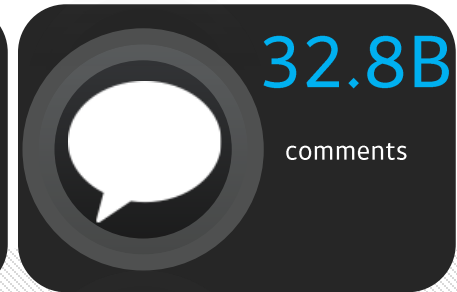
32.8B
comments

- Mobile based, photo-centric social networking service where users can share pictures, videos and thoughts
- Spread through the Kakao Talk social graph, creating another powerful social graph of its own
- Recently introduced new features like hashtags, content recommendation, messages and more to widen usage spectrum

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Why Kakao Ads

The quickest way to meet customers

Daum | Search Advertising 🔍

85%
More than 28 million of

Republic of Korea Internet users

access Daum monthly.

66% of all users are 20-40 ages.
(Higher than N Corp.
source from Korean click 12.2012

40million
Search more than **40 million** a day

on domestic top quality websites

and affiliated network.

No.1
More than 6,600 of

mobile web & app partnership.

Exposed to 90% of

mobile internet users.

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Why Kakao Ads

Kakao Ads can find out and reach your high-potential customers exposed in a wide variety for popular Kakao services with countless users

Kakao Service	Index
Daum News & Media	21.0m UV/Month
Daum Café	19.2m UV/Month
Daum Mail	13.7m UV/Month
Daum Search	15.2m UV/Month
KakaoTalk	29.4m UV/Month
(Total Subscribers)	190 million
KakaoStory	15.0m UV/Month
(Total Subscribers)	70 million (As of Mar. 2015)

Kakao Ad Partner Network

※ Korean Click PC website + application report, mobile domain report (Nov/Dec)
No. of total subscribers - Kakao's internal data (Dec)

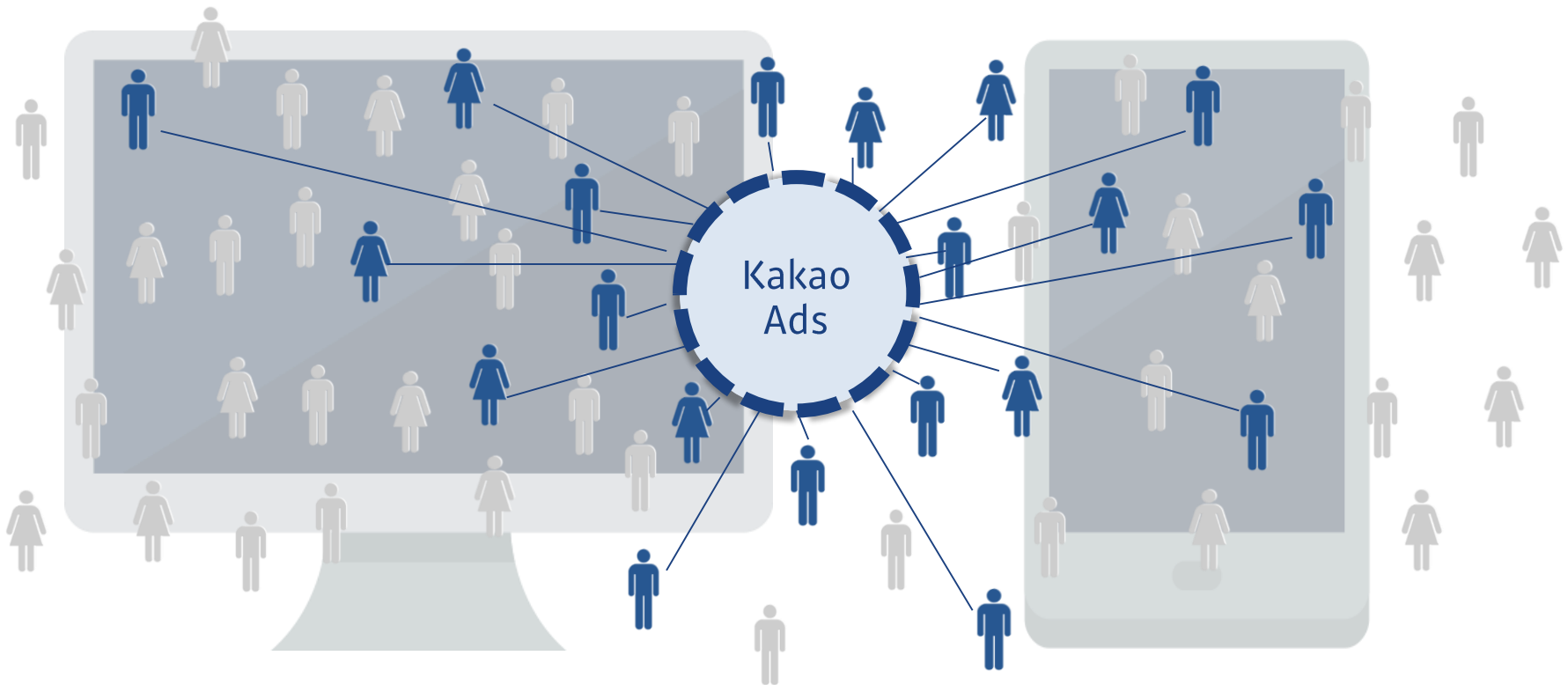※ As of 2016

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Why Kakao Ads

Users with no boundaries!
Users enjoy PC and mobile, app and web, portal and messenger,
social and new services, all at once!

Displayed in areas with high user traffic, increasing the user reach-rate

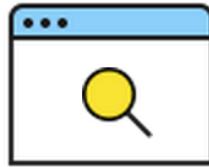Displayed to high-potential customers, increasing click-through-rate

Kakao
Ads

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Connect
Everything

kakao

Mobile Lifestyle Platform

1. Search Ads

Kakao Search Ad (Summary)

Search ads uses data on users' needs, which are identified with search keywords entered into various areas, to provide ads in areas that are visited by users with those specific needs. Ads about the keyword entered into the search bar are shown (search network) or ads that meet the user's identified needs are shown to the user (contents network, extended search (broad match))

Ad Space

Daum, Nate, Bing and other major portals, news outlets and other affiliated media, major portals and affiliated mobile app/web

- PC: Top 10 search results (Premium Link), Below the Premium Link 5 search results (Wide Link), click 'More' in Premium Link to show all available ads
- Mobile: Top 3 to 5 search results, show all available ads by clicking 'More'

Exposure

Ranking is determined by ad quality and bid price.
Minimum bid is 70 KRW

Bidding

Cost-per-click (CPC), charged often less than your maximum bid amount, depending on the order the ad is exposed in

Review

Website registration review, keyword review, text material (title/description/URL) review

Guidelines (Korean)

http://adnetwork.ad.kakaocorp.com/20

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Kakao Search Ad - Ad Format and Ad Space_ PC

Search Network
(Displayed in Daum portal and other network websites' search results)

Contents Network
(Displayed in Daum portal, various contents sections in affiliated networks, app and web)

**Max 10 in Premium Link and 5 in Wide Link
Show all ads with the 'More' feature**

Displayed in various banner forms in content areas with a lot of user activity

Daum

Others

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Kakao Search Ad – Ad Format and Ad Space_ Mobile

Search Network
(Displayed in Daum portal and other network websites' search results)

Contents Network
(Displayed in Daum portal, various contents sections in affiliated networks, app and web)

Mobile Daum AD is exposed at the
top and bottom of Daum web/app search screen

AD is exposed in banner form, in over 6,600
web/app pages that are run by our partners
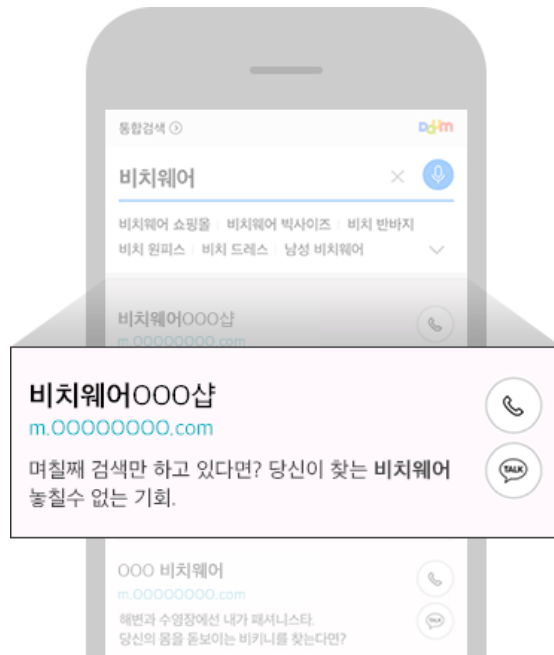
3 to 5 ads are exposed at the top of the search results
'More' is used to show all ads

Ad is exposed at the top or bottom
of the mobile app or website

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Kakao Search Ad – Exposure and Bidding Method

Ad rankings are determined by the bid price and the ad group's quality index. A click is charged in real-time, employing Second-Price-Auction model as following : a bid amount of next highest position ad + 10 KRW + VAT.

<Example>

Bid + Quality Index ➤ **Ad Ranking** | **Actual CPC**

Advertiser A — (100)(100)(100) — [4] → 1st Advertiser A (100)(100)(100) → (100)(10) + VAT
Next highest bid 100 +10 KRW

Advertiser B — (100)(100) — [1] → 2nd Advertiser C (100) → (100) + VAT
If the next highest bid is too high, the billed amount will not exceed the advertiser's bid

Advertiser C — (100) — [6] → 3rd Advertiser B (100)(100) → (70)(10) + VAT
Next highest bid 70 +10 KRW

Advertiser D — (70) — [3] → 4th Advertiser D (70) → … + VAT

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2. DDN

2. DDN (Summary)

DDN

DDN

DDN are banner ads that use images.
CPC web display network ad product that requires advertisers to pay for only ads that are clicked. DDN ads are exposed on Daum, various areas in the Daum affiliated networks and also targets potential customers by using various targeting features.

Ad Spaces

– Media: Services in Daum (News, Finance, Real-Estate, Movies…)
      Exposed in various inventories of networks (including major news outlets and communities)
– Position: Shown in various areas and sizes depending on whether its shown on the PC or mobile and on the media and advertising space
– Banner Size: 13 total

Exposure

Target users can be selected for the ads
Ad exposure is determined through bids made between advertisers with identical target users. The quality index is also a determining factors.
Minimum bid: 10 KRW

Bidding

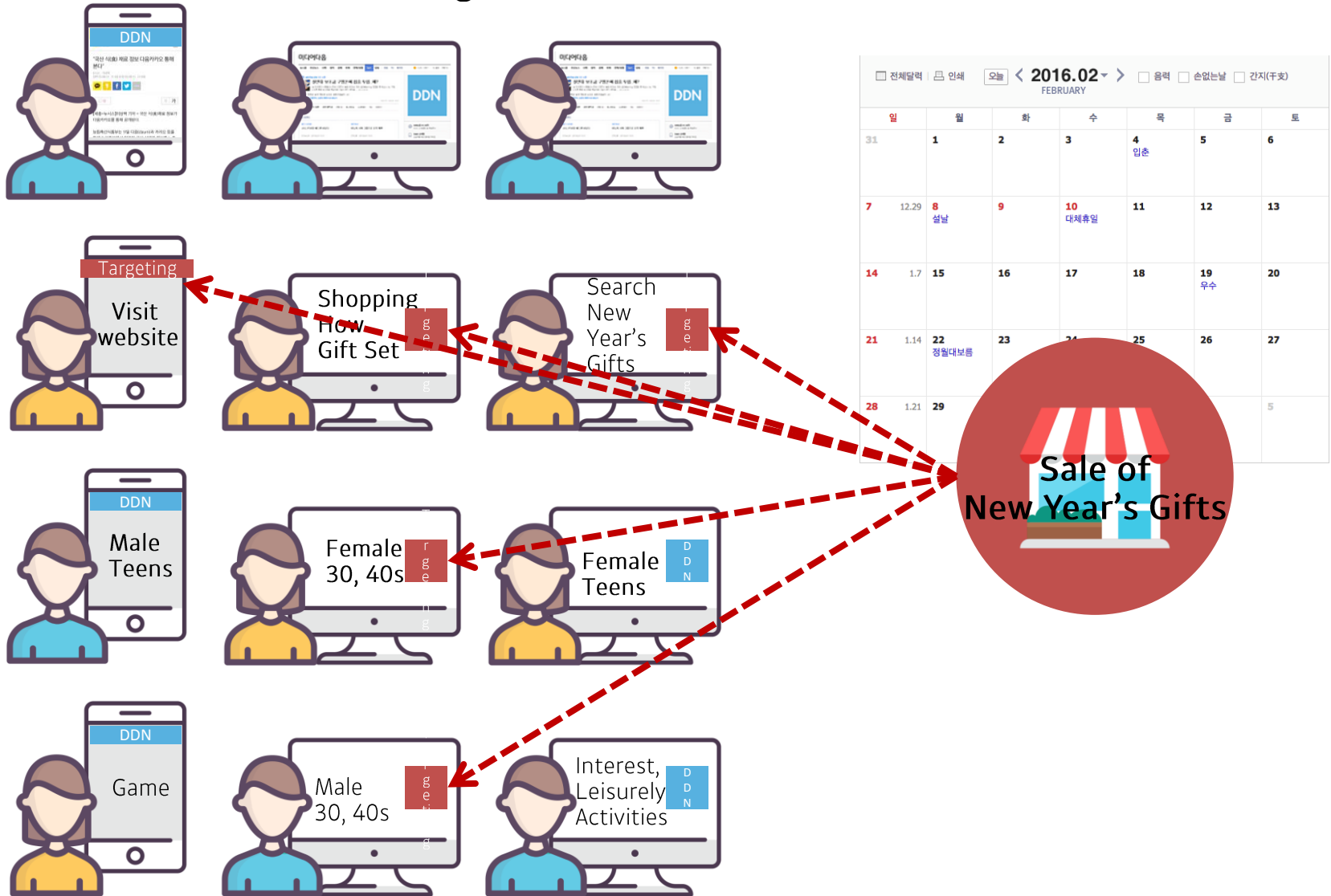Cost-per-click (CPC), charged often less than your maximum bid amount

Review

Website registration, guideline for each industry, advertisement size, advertisement (image, description, URL) review

Guidelines (Korean)

 http://adnetwork.ad.kakaocorp.com/17

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DDN Ad Format and Ad Space

Show ad to targeted users in the Daum network

DDN Ad Format and Ad Space

In Web group type, select targets the advertisement is to be shown to

Select targets in the ad group	❯❯	DDN partner media	❯❯	Show ad to targeted user

Target 1　　Target 2

Targeting	Description
DDN Only Search Keyword Targeting	Target audiences who have searched specific keywords by using keyword search history in the cookie data
Area of Interest Targeting	Ads are shown for specific areas of interest. Interests are grouped into 20 major categories which are then divided into four depths, creating approximately 800 categories on users' areas of interest.
DDN Only Shopping Category Targeting	Provides Daum Shopping How visitors with customized ads that are chosen with user data from 58 detailed categories.
Profile Targeting	Ads are displayed to users depending on their gender, age and location and applied to all medias in the network
Install Code Website Retargeting	Ads are shown to users who visited the advertiser's website, in order to encourage then to revisit the website, sign up and make additional purchases.
Install Code Product Retargeting	Efficient targeting done by displaying an ad that contains the advertiser's product that was seen by the user on the advertiser's website. This encourages the user to visit the advertiser's website and purchase the product

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DDN Ad Format and Ad Space

DDN ads have priority exposure in main ad spaces in Korea's leading portal Daum and partnering networks, including Nate, Zum and Afreeca TV

	Exposed in Daum (Displayed in Daum portal and other network websites' search results)			Partner Network (Displayed in Daum portal, various contents sections in partner networks and partner app/web) (Exposed area may vary depending on the partners)			
PC	News	Media	Sign-In	NATE	중앙일보	일간스포츠	chosun.com
	Mail	Finance	TV Pot	dongA.com	프레시안	ezday	dcinside.com
	Miznet	Real-Estate	Section	iMBC	OSEN	노컷뉴스	아시아경제
	Q&A	Movies	Game	Let'sPLAY mgoon	전자신문	경향신문	머니투데이
Mobile Web	Life	Ruliweb	Community	웃긴대학	inven	YTN	스포츠투데이
	Cafe	Cars		MLBPARK	JJang21		

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DDN Bidding Method

Advertisers compete for a specific advertising space and target, and ads with the highest real-time bid price and ad click-through-rate (CTR) is selected.
Cost-per-click (CPC) method is applied, and the advertiser is charged an amount that equals the exposing advertiser's minimum bid,
combined with discounts imposed depending on the ad quality and VAT

<Example>
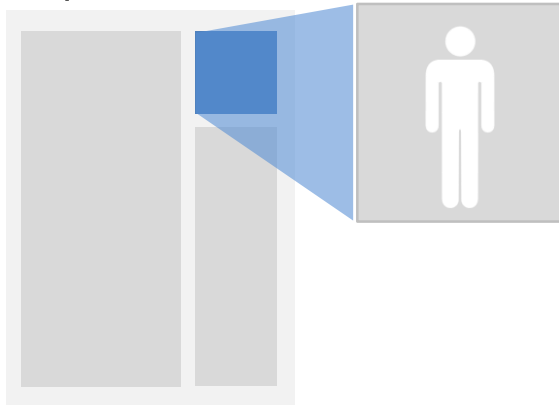
Advertisers that can expose ads in real-time are grouped and selected depending on the advertiser's real-time bids and available ad space. Ad exposure is determined by the selected ad group's maximum bid + advertisement click-through-rate

Advertiser Group	Advertiser 1	Advertiser 2	Advertiser 3	Advertiser 4
Max. Bid	500 KRW	400 KRW	300 KRW	200 KRW
Ad CTR	Low	High	Average	Average

Click

Standard billed amount	200 KRW, minimum bid from the group of ad-exposing advertisers
Billed Amount	200 KRW (Standard amount) + Discount given in accordance with the ad CTR

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3. KakaoStory Ads

KakaoStory Ad (Summary)
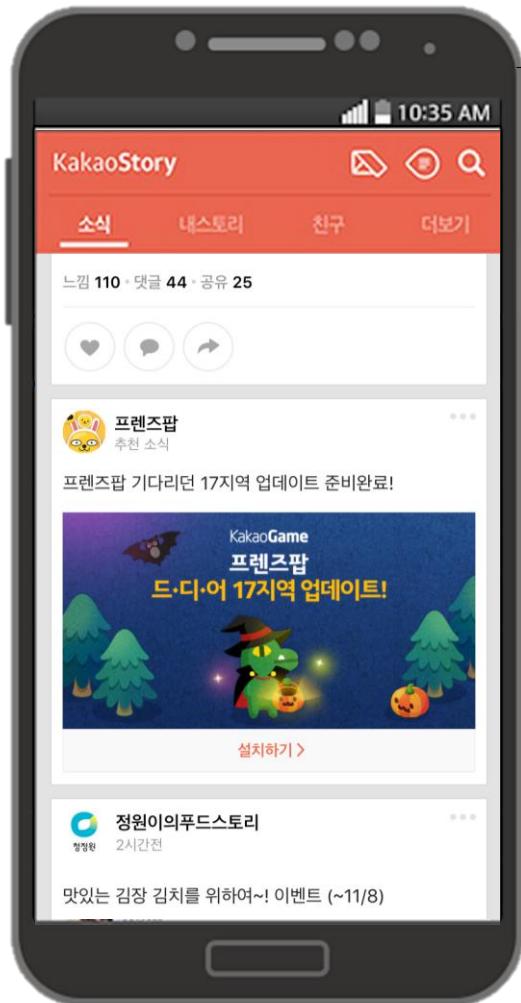
KakaoStory ads are Real Time display ads exposed in KakaoStory, Korea's largest mobile SNS. Users who click the ad will be redirected to various ad-purpose landing pages, such as the advertiser's mobile website, page to install the mobile app, add the advertiser as a Plus Friend or follow the advertiser's Story Channel

Ad Space

Media: KakaoStory (Mobile)
Position: Third to fifth feed on KakaoStory

Exposure

Audience targeting available. Auction running based on bid price and expected CTR, ads competing for the same audience segment

Bidding

Cost Per Click (CPC): Minimum bid, 90 KRW,
Cost Per Mile (CPM): Minimum bid 2,000 KRW (for 1,000 exposures)

Review

Website registration, advertisement review, profile review, image material, description text, linked page

Guidelines (Korean)

  http://kakaostory.ad.kakaocorp.com/2

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KakaoStory Ad Format and Ad Space

Banner and in-feed ads are placed between feeds from KakaoStory friends and subscribed Kakao Channels

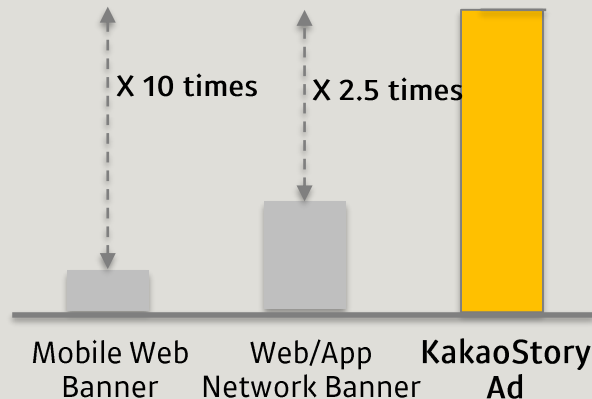### Banner Ads

In-Feed Ads

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KakaoStory Ad Characteristics

KakaoStory Ads are positioned in between feeds followed by users so that it blends in naturally.
The response rate is up to 10 times higher than general ads !
Ads naturally stimulate users' interests and desire to make a purchase.

CTR of general mobile banners vs. KakaoStory Ads

X 10 times   X 2.5 times

Mobile Web Banner   Web/App Network Banner   **KakaoStory Ad**

Contents

Contents

Native Ads

Increase in brand loyalty and preference

Native Ad 32%

general Banner ad 23%
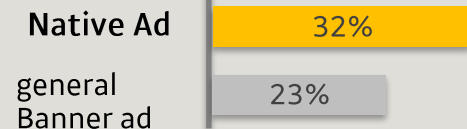
Increase in intention to purchase the product

Native Ad 52%

general Banner ad 34%
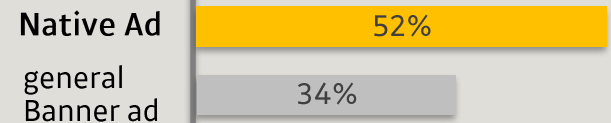
[Source : Kakao Ad > Ad Plus, 2015]

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KakaoStory Ad – Meets Various Advertising Objectives

KakaoStory Ad encourages users to visit the advertiser's mobile website, make Plus Friends with advertisers, subscribe to advertiser's Story Channels and install apps

Visit mobile websites and encourage to …

1. Add as a Plus Friend

2. Follow the Story Channel

3. Install app

KakaoStory Ad Characteristics - audience targeting
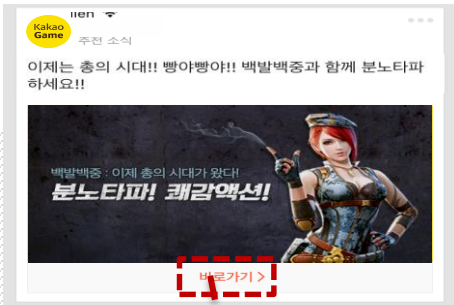
Optimized ad exposure is ensured by creating various combinations of the elements below when selecting targets the ad will be exposed to in app groups.

Period ✕	Platform ✕	Age ✕	Gender ✕	Region ✕	Interests ✕	Game Preference
Date Day of the week Time	Android IOS	15 to 19 20s 30s 40s 50s +	Male Female	Seoul Busan Gyeonggi Gangwon Chungcheong Gyeongsang Jeonla Jeju	Food Entertainment Education Digital/IT Home/Parenting Health Beauty Fashion/Shopping Sports/Travel Others	Shooting/Role-Playing Simulation Puzzle/Quiz Strategy Sports Action

Advertiser —Targeting→ [cube] ←User ID— User

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KakaoStory Ad Exposure and Billing Method

Advertisements with the identical target audiences compete to show their ads. The real-time auction determines whether or not the ad actually shows based on bid prices and expected CTR. Real-time CPC model is applied and advertisers are to pay
"the next highest bid price + 10 KRW + VAT.

	Advertiser A	Advertiser B	Advertiser C	Advertiser D	Advertiser E
Bid Price	300 KRW	200 KRW	1000 KRW	400 KRW	500 KRW
Ad Response Rate	Average	Poor	Good	Poor	Good
Targets(Ex)	Female 30s	Female 30s	Female 30s - 40s	Female 40s	Female 40s

Female 30s

Female 40s

Competition for Exposure
(Bid price + Ad response rate) — **Bid Price** — **Billed Amount**

		Bid Price	Billed Amount
Advertiser C	Exposed	1000 KRW	310KRW + VAT
Advertiser A	Not Exposed	300 KRW	Next highest bid 300 +10KRW
Advertiser B	Not Exposed	200 KRW	

Competition for Exposure
(Bid price + Ad response rate) — **Bid Price** — **Billed Amount**

		Bid Price	Billed Amount
Advertiser C	Exposed	1000 KRW	510 KRW + VAT
Advertiser E	Not Exposed	500 KRW	Next highest bid 500 +10 KRW
Advertiser D	Not Exposed	400 KRW	

kakao

4. Kakao Native Ads

Kakao Native Ad (Summary)

Various ad elements (profile name and image, ad phrases, product image) are combined with the contents UI of the ad space, making the ad look like it's part of the content.
Kakao Native Ads encourages users to meet four advertising objectives and press 13 action buttons, supporting advertisers to meet their advertising needs.

A d   S p a c e

– Media : Kakao and Kakao's affiliated mobile app network
– Position : KakaoTalk Channel Tab>Entertainment News page
          Daum App>Top section Fun·Webtoon
          Daum App>All News page

E x p o s u r e

Audience targeting available.
Auction running based on bid price and expected CTR, ads competing for the same audience segment

B i d d i n g

CPC method will be applied. Discount can be made with the ad bid price depending on the ad quality. Minimum bid is 90 KRW

R e v i e w

Website registration, advertisement review, profile review, image material, description text, linked page

G u i d e l i n e (Korean)

http://adnetwork.ad.kakaocorp.com/41

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Kakao Native Ad Format and Ad Space
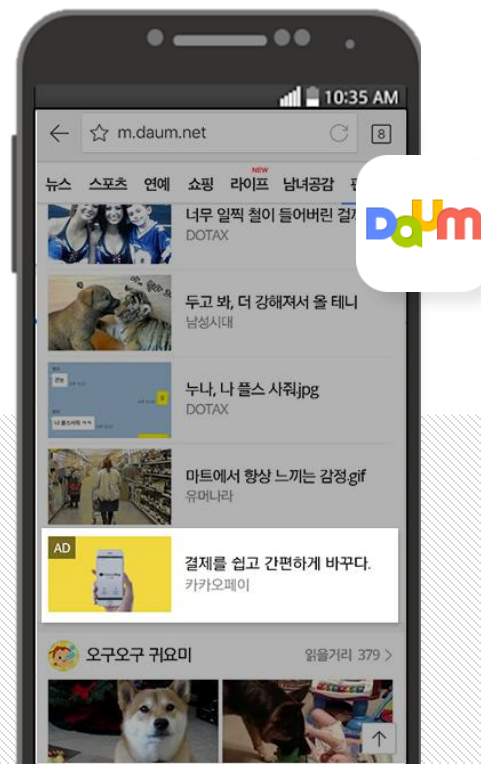
Advertising Space in the Kakao Network

Ads are naturally exposed to various potential customers
through Kakao-affiliated mobile app network.
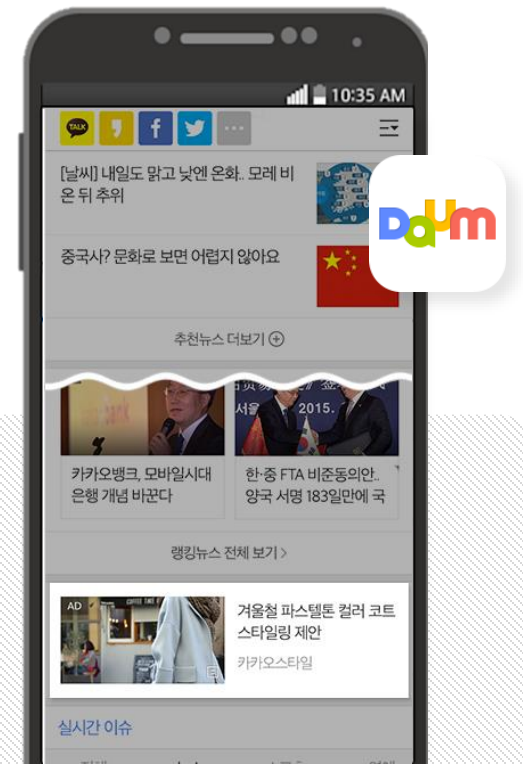Ads are shown on premium ad spaces such as KakaoTalk Channels or Daum's top section

Inside KakaoTalk Channel > Entertainment > Contents page

Inside the Daum App's top section Fun·Webtoon contents
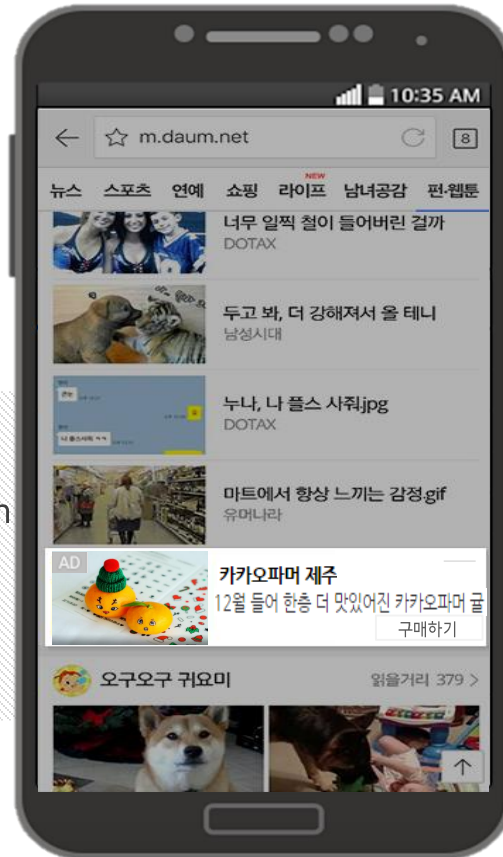
Inside the Daum App > bottom of the News page

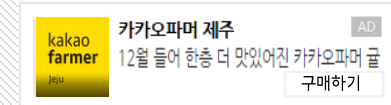# Kakao Native Ad Format and Ad Space

Native Ads

Shows ads in various UIs

Kakao Native Ads are provided in various forms and easily blend in with the UI of contents in sections the ad is shown in

Example

kakao

Kakao Native Ad Characteristics - Meets Various Advertising Objectives

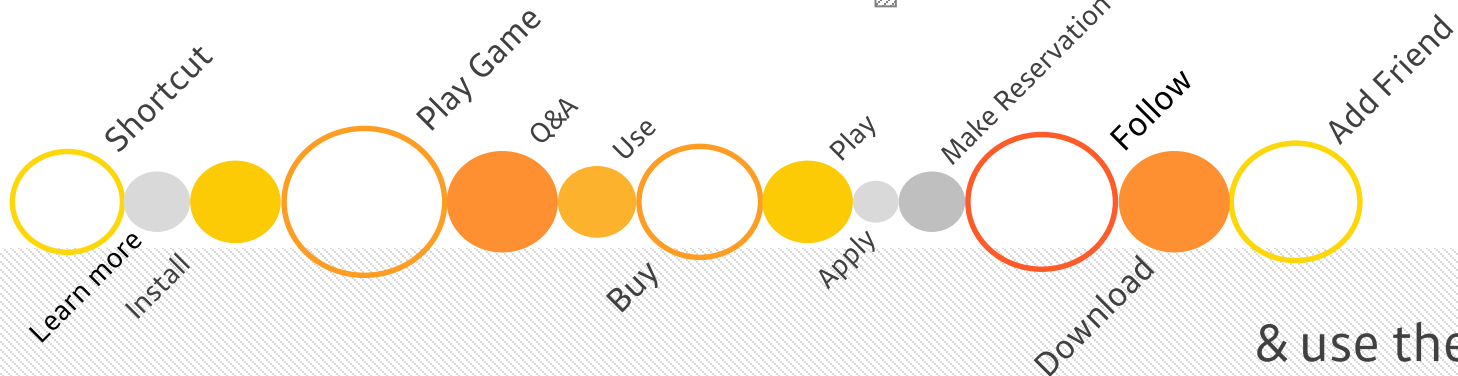encourages users to click various action button

to meet adverting goals !

Encourage users to···

Click to website

Install mobile app

Add Plus Friend

Follow Story Channel

Shortcut

Play Game

Q&A

Use

Play

Make Reservation

Follow

Add Friend

Learn more

Install

Buy

Apply

Download

& use the 13 action buttons

kakao

Reference

- Kakao Corporate Website (English) : http://kakaocorp.com/en/main
- Introduction of Kakao Ads (Korean) : http://ad.kakaocorp.com
- Kakao Ad Tutorial Website (Korean): http://adplus.biz.daum.net

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Thank you.