

Native Advertising Gains Momentum

Dec 7, 2016

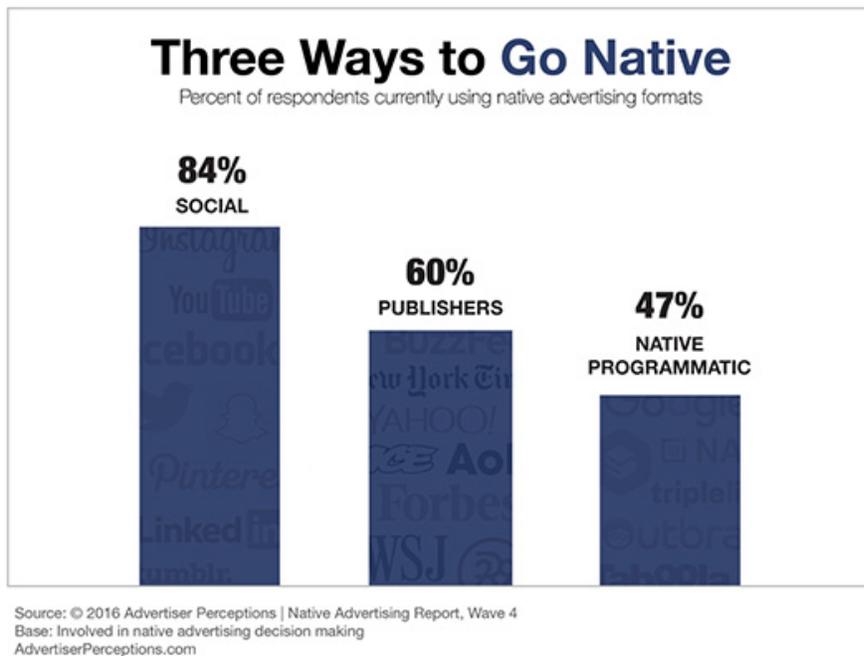
Social networks lead the charge as more advertisers look to commit more money to native campaigns.



Kevin Mannion

Native advertising is gaining momentum as a brand advertising genre, according to the media industry business intelligence experts at Advertiser Perceptions. A new report tracks what advertisers really think about native advertising and content, which according to the firm, is projected to double in five years. Insights reveal that more advertisers are running native campaigns today, devoting larger shares of digital budgets to native, with most intending to increase their activity in the next 12 months.

Furthermore, while 60% of native advertising remains with traditional publishers, social networks (84%) and native advertising platforms (47%) dominate the lists of channels advertisers associate with native and the platforms they consider best at the practice.

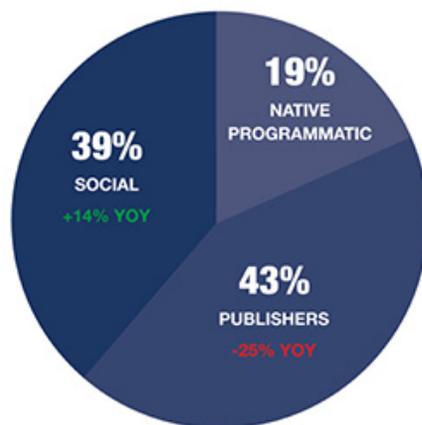


“We’ve seen a profound change since we first started asking top-spending advertisers about native three years ago,” said Kevin Mannion, Chief Strategy Officer at Advertiser Perceptions (pictured top left). “Initially, advertisers were most excited by native content in traditional publications. Now social networks are first and foremost in their minds, especially Facebook, when they think of native.”

That said, the report confirms native’s central place in publishers’ future. After social media platforms, advertisers cite publishers as the channel they intend to develop. The publisher category now includes BuzzFeed, which advertisers rate above such venerable brands as The New York Times and The Wall Street Journal.

Native Spending in Social Formats on the Rise

2016 budget allocation for native advertising formats

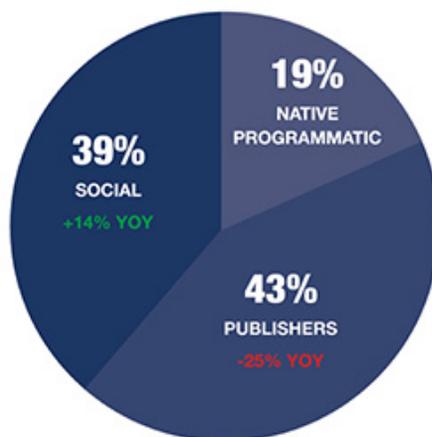


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Base: Involved in native advertising decision making
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“Advertisers are preoccupied with reaching Millennials and Gen Xers, and they associate digital platforms with younger audiences,” said Mannion. “The other comes down to marketing and sales. The digital and programmatic platforms are impressing advertisers with their press attention, audience stories and sales force expertise. In particular, Facebook’s promise of people-based marketing that enables ads to appear in the stream of a conversation has given them first choice at the native budgets.”

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Advertisers are also bullish on programmatic native platforms. Links to sponsored articles calling out, “you may also be interested in...” are rapidly gaining trial and trust. In particular, advertisers singled out Outbrain, Taboola, Sharethrough, Nativo and Bidtellect.

Overall, advertisers cite brand awareness (33%) and storytelling (32%) as their main goals in native advertising, and say they are picking their partners primarily on ability to target. Most perceive native ads to be less disruptive for readers, and believe that the media’s brand will reflect positively on their own. If there is anything holding native back, it’s return on effort and investment. Fully 43% of advertisers have a hard time proving ROI, and 25% complain that native takes too many resources.