Native Advertising and Content Marketing

WHITE PAPER

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‘The real fact of the matter is that nobody reads ads. People read what interests them, and sometimes it’s an ad’; is one of the most famous statements on advertising by Howard Luck Gossage, an American innovative ad-man from the ‘Mad Men’ era. Though Luck Gossage created ads in 1960s this statement is still true nowadays.

Today's consumers are bombarded with advertising messages which could mean up to 5,000 messages each day. The growth in ad messages each day makes it harder for advertisers to get through to consumers. Combine this fact with the increasing use of ad blocking tools and the challenge becomes even more real, in fact some audiences have become entirely unreachable via advertising. These contemporary challenges have meant that engaging formats and creativity have become key in online advertising. The different forms in which the industry tries to engage with consumers have led to a boost of online native advertising and content marketing spend.

Tech companies are offering ‘scalability’ to meet more demanding commercial needs. Scalability can create a proliferation of editorial degradation and if not nuanced the internet can be a Petri dish of bacterial content.

This is a Gordian knot which can be sliced through with a plethora of tech tools, but only if we think back to the very fundamentals of considering the user within an editorial-focused sanctuary. It means thinking more like an actual editorial team and their commodity, and less like a tech vendor, but if the equation is rearranged, the union can be far greater still.

There are many different elements that can come into play in native advertising and content marketing which can be challenging. This white paper aims to provide insights into how native advertising can build better advertising experiences for consumers and therefore more meaningful relationships. It also provides guidance on key considerations for creating and distributing native advertising.

IAB Europe has defined the key elements of native advertising and content marketing and these definitions apply throughout this white paper:

- **Native distribution ad formats**: ad units used for the automated distribution of content at scale and that align to the style and format of the surrounding environment.
- **Content-based advertising**: commercial content that is advertiser-controlled or jointly publisher/advertiser controlled (e.g. online advertorial, advertiser funded content or advertisement features) and is designed to fit with the format and style of the surrounding editorial content.

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1 The cost of ad blocking, PageFair and Adobe 2015 Ad Blocking Report
When understanding how to best deploy any advertising solution, look no further than the consumer, their absorption of the solution, its greater relevance within the fabric of their chosen content and the overall experience. Consumers are seeking stories and inspiring content rather than simple advertising messages; they appreciate and engage with advertisers that contribute to their knowledge or entertainment. Nothing could slot more seamlessly into this than native advertising, but it has to be in a way which does not contravene the value of trust. It should be only additive to the user experience.

In a recent global study titled ‘The Science of Engagement’, the commercial arm of the BBC (BBC Worldwide) measured over 5,000 consumers’ reaction to content-led marketing using facial coding and found that it deepens the emotional relationship between brands and consumers - brands saw a 14% uplift in subconscious positivity pre to post exposure. It also drives uplifts in more traditional brand metrics such as awareness, brand image and consideration. In addition, integrating the brand within the narrative of the content drives even greater uplifts for the brands involved. The research also revealed that when executed correctly and in the right environment, content-led marketing is trusted and persuasive. It works in a similar way to editorial content by helping to not only form but positively shift readers' opinions.

Additionally, the BBC study found that consumers were much more receptive to content-led marketing where brand involvement was fully transparent. Consumers displayed an emotional rejection of 18% above the average for non-labelled content, and 7% below the average where the content was fully labelled. Increased transparency also drove heightened engagement across a wide range of emotions.

In order to provide practical guidance to advertisers, publishers and marketing practitioners to help them understand the requirements of European Union laws applicable to online native advertising, IAB Europe has published a Guidance document.

2.1 Publisher Perspective
Native advertising allows publishers to provide high quality content and useful information for its users whilst at the same time enabling advertisers to tell a story. This means that advertising messages fit into the feed of publisher’s site and don’t interfere with the natural process of content consumption by users.

Another important aspect is the development of technology; consumers are increasingly seeking more engaging content which can cost more to create. Within a publisher-advertiser cooperation the advertiser could fund native advertising including more interactive elements such as animations, gifs, videos and charts.

In 2015 Netflix paid The Atlantic a six-figure sum for the creation of a native advertising campaign to promote the third season of 'House of Cards'. The Atlantic used interactive charts and a video material that animated the story about relationships between chosen U.S. presidents and their wives (see it here). It is a very good example of native advertising that consists both an engaging story and form that attracts the audience.

2 The concept of facial coding is that we reveal our true emotions by our facial expressions. The BBC was confident that this would provide the truest measurement of engagement because it’s what people actually feel, rather than what they claim to feel. This study is one of the first to use facial coding to measure emotional engagement with text based content.
In order to provide advertisers with quality content, the latest trend among publishers is to build dedicated content studios, most famous amongst them are Guardian Labs (The Guardian), The Independent Story Studio, El Pais (Spain), T-Brand Studio (New York Times), HuffPost Partner Studio (Huffington Post) or Buzzfeed Motion Pictures (BuzzFeed). The German publisher BurdaForward is evolving as a qualitative player in native advertising, investing in its own content studio.

With the growing demand for engaging content and as such native advertising campaigns, publishers have not only been able to drive revenues, but also improve their sponsored materials. However, together with the benefits comes a big responsibility; publishers should not forget that native advertising campaigns and content-based advertising are all commercial materials. This means that consumers should be able to distinguish between editorial and commercial materials. It might seem counterintuitive to state that, on the one hand native advertising is successful since it is less intrusive, whilst on the other hand it should be clearly identified as advertising; however, research has shown that consumers appreciate quality content; native ads have a positive effect on brand awareness and consumers turned are more likely to share native ads than normal ads3.

2.2 Advertiser Perspective

From an advertiser and agency perspective, native advertising enables brands to make their message both more relevant and impactful and therefore more effective in driving the key performance indicators. Native advertising is no longer a single entity but rather a range of opportunities which share the feature that the message is far more aligned with the environment in which it appears.

Native advertising in its various forms is able to deliver against a number of marketing KPIs, the three most popular according to a recent WARC survey4 were traffic, time spent and engagement. This can drive a number of benefits including:

- **A greater opportunity to be noticed** - if the message is aligned with the surrounding content it is more likely to be noticed as the cognitive load is lower, i.e. it is easier for users to pay attention to the kind of content they were looking for. This is increasingly important when a large proportion of media is delivered to a smartphone with limited real estate and massive competition for attention. Two thirds of 18–24s state that ‘interesting and useful content is most likely to make them interact with a brand or company online’ according to AOL’s Native age study5.

- **A more sustainable mechanism** – as native advertising is more sympathetic to its environment it is more welcomed by consumers; a recent study from the University of Antwerp stated ‘86% of consumers are OK with Native advertising’6.

- **A mechanism to segment audience needs and interests** - advertisers and agencies now have access to vast amounts of data about consumers and are able to define discrete segments with specific need states and purchase pathways. As native advertising formats are increasingly integrated with programmatic technology stacks the more differentiated messages, content and services can be delivered by them.

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3Native Ad Research from IPG & Sharethrough Reveals that In-Feed Beats Banners: https://sharethrough.com/resources/in-feed-ads-vs-banner-ads/


5AOL Native age study (2013) - http://mediatel.co.uk/newsline/2013/10/22/study-predicts-huge-rise-in-native-ads/

686% of readers are OK with native advertising (2016) - http://www.inma.org/blogs/research/post.cfm/study-86-of-readers-are-ok-with-native-advertising
• **An opportunity to differentiate brand through service** - the concept of native advertising is increasingly being driven by competition to deliver the most relevant and engaging content for a specific environment. This pattern has been seen in search marketing over the past 10 years in which success is driven by defining the most appropriate message (and bid) for very specific terms driving forward the utility of that message for both brand and consumer. Native allows this concept to be applied not just to text but to both content and services.

The very best native advertising today leverages these benefits simultaneously segmenting audiences around specific needs and interests whilst also scaling them across appropriate environments. Looking forward advertisers and agencies can expect to see these benefits and more delivered through new emerging formats and services such as virtual reality and artificial intelligence driving new levels of impact and relevance.
3. BUSINESS MODEL

3.1 Revenue Collection Model

Native advertising and content-based advertising are great opportunities for publishers to generate additional revenues. There are two basic elements that are monetised – content production and content distribution.

Content production depends on the complexity of the materials and interactive tools that will be used and is usually priced on demand by the publisher’s creative team. One of the most popular pricing models for content is flat fee (FF), the advertiser pays a fixed price for the whole campaign. For this model, the KPI must be defined before the start and should be delivered by the end of the campaign. Publishers may also set the price based on a cost per engagement basis (CPE), e.g. time on site, virality of the content, social media shares, comments or content views.

Pricing for content distribution is more complicated as it depends on the reach, channels and traffic source (i.e. social media, premium publisher’s sites vs. regular sites, etc.) and devices (desktop, mobile, tablet, multi-screen). Often publishers sell packages of content production and distribution as one campaign. For content distribution, publishers may also sell native ad placements known as in-feed ads separately to content production. This allows an advertiser to create their own content and utilise publisher networks to distribute it. Pricing for these in-feed ad units may be based on reach, cost per click (CPC), cost per mille (CPM) or viewability levels (CPV).

3.2 New Revenues from New Sources

The opportunities for developing and distributing content across the complex digital media landscape to target and reach an increasingly fragmented audience, are only just beginning to be understood. Beginning with the disruptively simple concept that digital audiences are accessing rather than passively receiving broadcast content, it has to be what audiences want. The entire eco-system encompassing advertisers, their agencies, publishers, media platforms and adtech companies is in a state of rapid change. The watchword, currently, is experimentation. As all stakeholders develop their understanding of the role that content plays in digital advertising and how to create reliable revenue streams and business structures, the landscape will continue to shift.

By no means comprehensive, the following are opportunities for revenue and experimentation:

- **Publisher content studios** - given that a publisher’s core strength is the means and journalistic expertise to develop content that audiences want to engage with, deployment of writers, film-makers, infographic makers, audio specialists, photographers and so forth are making content that is charged for separately, usually for distribution across the publisher’s media platforms. In most cases, this content or versions of it, can also be freely used by brands across their own media platforms for additional fees. Most news and magazine brands, both traditional and pure-play digital are developing these paid services.
• **Media agencies as content creators/facilitators** - media agencies are developing content creation / consulting arms on the premise that with digital, the medium is so often part of the message. These are new skills and will continue to evolve as brands, their agencies and media partners develop new relationships that recognise core agency skills and publishers’ unique relationships with their audiences. As one media agency exec was heard to say, ‘what we are buying on behalf of our clients, is a piece of that relationship a publisher has with its audience’. The industry’s challenge is to establish a fair value exchange for that ‘premium’ opportunity.

• **Cost Per View (CPV)** - for publishers it’s about getting the content seen and managing campaigns on and off platform (e.g. via Google AMP, Facebook Instant Articles etc.) via customised native format distribution units managed by the publisher at system level.

• **Sponsorship model** - where publishers receive payment from brands to gain content and maybe media brand association, but not editorial control. Similar to sponsorship of a sporting event – the brand has presence but no control over the play.

• **Native distribution units** - in-feed, social and recommendation units (see section 4 for examples) delivered by a network and appearing on a publisher platform can use a cost per click (CPC) revenue model shared between publisher and network.

• **Content hosting** - especially rich media which a brand makes directly or via creative agency and then pays a publisher to host.

• **Affiliate sales and leads** - content designed to drive actual sales rewarded on an affiliate CPA model is increasingly attractive for publishers who can deliver tailored products and services from brands to their audiences.

• **Brand as media owner** - RedBull has spearheaded a trend where the brand monetises its own media brand (though on the basis that what goes around comes around, consider Michelin, now a preeminent maps and guides publisher, was formed out of the famous French Michelin Tyre company. Mondelez has already announced its intention and expect more big names to follow.
4. NATIVE ADVERTISING DISTRIBUTION FORMATS

The following section provides a short introduction to the types of native advertising units including in-feed, recommendation widgets and social media.

**In-feed units**
There are many types of in-feed native ad units, this infographic from IAB US shows three main categories as content feed, social feed and product feed. The below in-feed examples show a native app install ad and a native video ad.
Recommendation widget
The below is an example of a recommendation widget. Given the reach provided by article pages and the opportunity to behaviourally and contextually target users, recommendation widgets have emerged as an effective way to insert content-based advertising ads into editorial recommendations at the bottom of a news article.

Native advertising email ad unit
Some platforms have introduced native advertising units for their mail offerings and below is an example on the Yahoo! mail app. These have the pre-click experience of a text/image based unit but when clicked they open a secondary ad asset within the inbox environment and can be forwarded, saved and deleted much like an email.
Social media units
The below examples show native ad units in social feeds including Tumblr, Facebook and Twitter.

Native out-stream ad units
The below example shows an out-stream video inserted into the heart of editorial content on a mobile.
The below example shows an out-stream video inserted into the heart of editorial content on a mobile.

Native ad unit assets
Native advertising is by its very nature non-standard. There is not a one-size fits all model for every site or app yet. Whether arranged as an in-feed ad on social media, a recommendation link or a content tile – a native ad unit is made up of a number of assets, which are assembled dynamically to be integrated seamlessly to the page or app environment in which the advert is displayed. These assets could be any of the following (not an exhaustive list):

- Rectangular Image
- Square Image / Thumbnail
- Video File
- Title / Headline
- Description
- Advertiser Name
- Commercial links such as product feeds, affiliate links or buy buttons

Many native ad vendors will also give buyers the option to customise the call to action (e.g. learn more, buy now etc.) and in the case of app install ads, app store star ratings are frequently included in the ad unit automatically.

Native ad units are in scope of the New Ad Portfolio recommendation proposed by the IAB Tech Lab which is open for public comment until the 22nd of December. This standardisation of native ad formats is the next step for technological evolution of native advertising, particularly for delivering at scale via programmatic.
5. GUIDANCE FOR BUSINESSES ON APPLICABLE EU RULES

The International Chamber of Commerce (ICC) released new guidance on native advertising in May 2015. The majority of the advertising self-regulatory codes which are enforced by the Self-Regulatory Organisations (SROs) are generally based on (or are similar to) the Consolidated ICC Code and SROs also follow all ICC Guidance papers.

In order to provide practical guidance to advertisers, publishers and marketing practitioners to help them understand the requirements of European Union laws applicable to online native advertising, IAB Europe has published a Guidance document. As the obligations are set forth by EU Directives, the rules have to be implemented into national law which may lead to some divergence in how some rules are interpreted. Therefore, the Guidance doesn’t constitute legal advice but rather outlines a practical approach for businesses to think about their compliance with EU rules applicable to online native advertising and content-based marketing.

The Guidance provides a short summary of the requirements of EU law, without going into legal technical details, and this is paired with good practice recommendations. The most comprehensive part of the Guidance is an Annex containing graphics depicting suggested good practice, alongside real world examples of these suggestions put into practice by IAB Europe members. Finally, for those interested in the legal provisions relevant to native advertising, the document closes with a legal analysis of several articles from the Unfair Commercial Practices Directive (2005/29/EC) and the E-Commerce Directive (2000/31/EC).

The good practice recommendations outlined in the Guidance are:

• Clear and prominent disclosure, which is necessary to ensure that the average consumer is properly informed and not misled as to the commercial nature of a native or content ad.
• At minimum, disclosure should include a label description that clearly conveys that the content is commercial and has been paid for. The identity of the advertiser whose goods or services are being promoted should also be disclosed, either through a label, or through the use of visual cues such as a brand logo or name. In addition to the above, for native advertising formats, disclosure should also convey the identity of the third party that has compiled the content (where appropriate).
• Visual demarcations - such as the use of different design by the publisher like shading, different fonts, outlines or borders - should be used to help mark the content out as being different to other editorial content. This can aid in ensuring that disclosure is clear and prominent.

6. OPERATIONAL CONSIDERATIONS

6.1 Stakeholders, roles and responsibilities

The potential challenge with native advertising and content-based advertising is the number of stakeholders involved and establishing a clear understanding of what each party’s role is within the process.

Below is an overview of best practice, however, applicability will depend on agency set-up, scope and the project in question.

Media Agency

In some cases, a media agency will have a specialist partnerships team, whose role it is to handle native advertising and content projects whereas in others, this may be handled by the standard planning and buying teams. The below outline should apply to either structure. In both cases the media team is often best placed to be the lead agency and liaise between parties, and the roles and responsibilities listed below are on this basis.

Roles and responsibilities

• Overall project management, ensuring project is adhering to timeline, and statement of work for all involved parties
• Ensuring media plan is executed and supervision of campaign and content plan delivery
• Day to day contact between all intended various parties including client, media owner and creative agency
• Overseeing of development and promotion of content, including providing recommendations and collating feedback from client, for revision with media partner
• Review of all deliverables against industry standards and campaign objectives
• Oversight of production (shoots, events and filming) where required
• Manage delivery of reporting data
• Regular status updates to client and across stakeholders

Media Owner / Partner

Ultimately the media owner’s role is to deliver the content within their environment, in an authentic way for both brand and audience.

Roles and responsibilities

• Final execution of creative idea in response to media brief, optimised to the media owners platform & audience, including creation, production, and activation of all content, digital, print and hub or event activity, as required.
• Provide delivery data and activity reporting, as well as contributions for status updates.
• Where relevant, manage third party relationships including production companies.
• Ensure delivery to campaign and activation timelines.
Client
The client’s role within a native advertising or content-based advertising activation is very similar to any other campaign in that their main responsibilities are focused on providing the upfront framework for the activation within a briefing document, and ongoing feedback or approvals as required throughout the campaign.

Roles and responsibilities
• Provide comprehensive briefing document to all agencies and partner.
• Provide feedback on all content and activation proposals and delivery as required.
• Approval of all content.
• Input into development or production, for example attending events or filming as required.

Creative Agency
Where an agency and media partner are creating content on behalf of a brand and client, it is key to ensure that the brand is identifiable and in most cases this will need to be within their own brand guidelines. Often, creative agencies are appointed as brand guardians with oversight of the creative direction and presentation of the brand, especially to ensure it aligns with existing campaign creative.

Roles and responsibilities
• Provide all brand guidelines and assets (such as logos, fonts and any key campaign messaging or imagery) in line with the production timeline.
• Where required, create and/or deliver client branded assets required for partnership as stipulated in project plan.
• Feedback where appropriate with client on media partner produced assets, in accordance with the production timeline.

6.2 Creating native and content-based advertising content
The idea of native advertising is to create valuable, high quality and content that consumers will engage with. Native advertising should apply non-misleading language, and fit with the editorial style of the publisher site. Programmatic technology could be used for generating insights on readers’ behaviour and delivering them relevant content.

A common challenge that publishers and advertisers face in the process of creating the content is not crossing the thin line between native content and pure sponsored materials. For examples, it’s important to understand that the article cannot be native if a brand is promoted in the title and in every paragraph or when an interview with the CEO of the company is added or every second paragraph provides information about a client’s current promotions in stores.

The goal of advertisers is to promote their brand, at the same time, the goal of publishers is to create valuable content adapted to consumer’s needs.

Another challenge is to understand that the publisher knows their audience and is best placed to recommend the content topic. If a topic doesn’t meet the needs of the consumers, then they won’t engage with it and thus the publisher won’t be able to deliver traffic.
6.3 Distribution and optimisation
The effectiveness of native and content-based advertising (when done well) is undisputed, after all, it is one of the original advertising formats. However the value of it to brands increases exponentially in the programmatic era, where data, distribution and optimisation tools are readily available. Advertisers undoubtedly need to find the audiences that they've built their content-based advertising campaigns for to bring the content ‘to life’. Today's average consumer jumps from one channel to the next across various devices forcing brands to a mixture of formats and distribution channels to deliver their content to the right audience at the right time and at scale. While targeting by context or behaviour makes it easier to find a desired audience in general, fragmented distribution of content-based advertising has become a major pain point for advertisers.

The overwhelming options in distribution channels has created a ‘paradox of choice’ for advertisers - numerous social networks, native advertising and content discovery platforms to choose from with all offering massive audiences at scale.

A good starting point is to learn and understand the differences between channels and which best supports the content type and message. Advertisers should evaluate the best channel(s) suited to their strategy. For example, advertisers should consider whether it is necessary to create advertising messages for Snapchat if a B2B audience isn’t consuming content there.

Global brands like Taylor Made Golf have started to address managing multiple distribution platforms by leveraging one programmatic platform to distribute native and content-based advertising - which provides access to multiple partnerships (social media, native advertising, and content discovery), centralised billing and real engagement metrics.

A single platform not only helps reduce the amount of time taken with manual, time consuming processes such as data optimisation, but it enables unified management and measurement, helping marketers better evaluate campaign success by more relevant metrics. Combining page-level analytics, dwell time, bounce rates, onward clicks, and estimated viewing time with standard content, page and video views, average scroll depth and velocity, hours in view, social actions, and website traffic can help determine behavioural patterns, helping advertisers to better understand and assess how their audiences engage with their content. It is critically important that advertisers find the right distribution partners that help them build more integrated strategies, reaching audiences across multiple channels and devices at scale.

6.4 Marrying targeting and creative strategy
As native advertising units occupy the same space as editorial content, advertisers have the opportunity to showcase their product and their service through intelligent and relevant creatives that are likely to resonate with users. In order to achieve this ideal, it is important to study what elements can help in that endeavour:

Logos: it's not when but where - A logo is an excellent element for brands to build trust & credibility with users. Ideally, it is best to integrate a logo with a relevant image that accompanies the text, preferably placed in a visible yet unobtrusive corner of said image (see example below).
One tactic to stay away from is to solely use a logo as the image; that may clash with the editorial content surrounding and risk being less engaging.

**Images: relevance rules it all** - a relevant image to the creative is an extremely powerful way to engage users as it serves to ignite their interests and entice them to explore the advertiser message. For example, images using people showing emotions may perform better as users gravitate to content that is likely to be compelling for them.

**Text: it’s all connected** - the key to great native and content-based advertising text is to tell a story that connects with the audience. One powerful way to achieve that is to ensure that the text adopts a three-step process that ignites, enlightens and engage users.

- **Step 1: Ignite**: A teaser or provocative question can spark the connection and pull the audience in. Igniters are best placed in titles as it is the first thing that users read, after seeing an image.

- **Step 2: Enlighten**: Using the description, it is best to describe the benefits of the proposed product or service. Unlike features, benefits are more likely to emotionally engage users as they can more easily feel potential outcomes.

- **Step 3: Engagers**: Also known as call to action, these words are explicit requests decided to push undecided or curious users to continue their exploration by clicking on the ads. Words like ‘learn more, shop now’ can entice users to engage with an advertiser’s content more swiftly.

**Targeting strategy** - great creatives are often not sufficient to accomplish an advertiser’s goals. Indeed, an effective creative strategy is usually accompanied with an intelligently constructed targeting strategy. It has been found that a fruitful creative and targeting combination occurs when it is aligned with the sales funnel portfolio well known by advertisers, also known as the awareness, prospection and purchase cycle.

- **Awareness (Top Funnel)**: Users in this cycle are typically unfamiliar or not considering the product, brand or service in question. In this cycle, a more general targeting strategy with known age and gender assumptions coupled with aspirational creatives is a great way of building awareness with a new audience.

- **Prospection (Middle Funnel)**: Users in this cycle have some familiarity here so they are more receptive to more specific creatives that describe the potential benefits of the offer in front of them. That creative is best included in campaigns targeted to specific personas or behaviourally specific groups.

- **Purchase (Bottom Funnel)**: Users in this cycle know what they want and are ready to get it. They tend to be receptive to more action oriented copy that emphasises giving them what they want. Ideal campaigns to use here are ones targeted to previous site visitors that have yet to convert.

By aligning relevant creatives to the right audience, marketers can build effective campaigns that showcases their message in a seamless and organic manner in the native space.
6.5 Workflow
Below is an example of a workflow process for developing native and content-based advertising campaigns.

1. Client brief
As with any activity, native advertising or content-based advertising should start with a brief. It may be that the client already knows that native advertising is the desired solution, or they may want to do some insight analysis to investigate this before committing to that route, especially if it is part of a larger media plan which is often the case. Either way, the client needs to provide a clear objective and context to their media agency.

2. Media partner briefing
Once the media agency and the client have agreed that native advertising or content-based advertising is the desired solution or part of a media plan, the media agency then need to brief partners. As part of this, there are two key tasks:

- **Translating the brief** - the client brief delivered to the media agency often needs to be adjusted before it is sent to prospective media partners. There may be extraneous or commercially sensitive information within it that needs to be removed; and conversely, there may be additional requirements that need to be added in, for example, a detailed set of KPIs, an existing creative concept or specific response requirements. Once these changes have been made, then the revised media partner brief is ready to be sent out.

- **Selecting partners** - it is unlikely a media agency will want to brief every available media partner so the agency team needs to curate a selection of media partners that are most suitable for the task at hand. This will be based on considerations like audience alignment, budget/cost, available formats and reach, to name just a few, and a shortlist will be agreed between agency and client.

Briefs should then be issued to media partners in accordance with standard agency practice, with clear deadlines for responses.

3. Proposals
Depending on the number of partners briefed, and the quality of the responses, a media agency may further filter and short list proposals, until they have a list of preferred options. Often the partners will then have the opportunity to further develop and revise their proposals in line with agency feedback before these are finalised and presented to the client.

The media agency can also make a recommendation, based on which proposal best answers the brief, but this will be dependent on the brief and circumstances in question.

4. Media partner selection
Once the proposals have been reviewed, the client and media agency will select a chosen partner. The proposal must then be fully fleshed out, including a media plan, full run down of costs, including any production, and a detailed outline of all deliverables. This can then be agreed between all parties, including any creative agencies, and the activity approved to be booked and finalised.

5. Tracking
It is important to ensure that all the relevant tracking is in place prior to the start of any activity. This should be agreed as part of the partner’s proposal and all parties should work to ensure it is implemented and tested before activity goes live to ensure accurate measurement both during and after the activation.

6. Project plan
Before the activity commences, it is important to agree a project plan with all stakeholders. This should confirm all deadlines and deliverables, as well as roles and responsibilities of all involved. These documents can then be referenced at any point of the activation for clarity or confirmation.
7. Project management
During the activity, regular communication and status updates should be shared among all stakeholders addressing any key phases or milestones and ensuring all task holders are clear on requirements for delivery and timelines are maintained.

If the activity is live for a significant time, for example more than two weeks, it’s advisable to also include results reporting as part of status updates, to ensure that any over or under delivery is acknowledged quickly.

Should any amendments or changes be required, these should be discussed among all stakeholders and agreement reached and communicated to ensure everyone is aware of what has been updated and why. All changes should be approved by the client.

8. Post-activation analysis
Once the activation is complete, the media partner should collect all data from the activity and provide to the media agency for analysis. This can then be curated into a report to be shared with stakeholders.

6.6 Key things to watch out for
As with any type of advertising, there are as many opportunities for things to go wrong as there are for them to go right. Below are some of the key things to watch out for when developing and implementing a native advertising or content-based advertising campaign below. Considering these upfront should help to avoid them, and the consequences, in the future.

Upfront understanding
Any activation should always start with a clear brief and this type of activity is no exception. Having a document that clearly outlines what is required by the client in regards to objectives, KPIs and messaging provides a strong foundation to build upon.

However, as well as clarity from the client, this should also be established across stakeholders, ensuring that everyone involved is clear on what the activity entails and why it is being recommended or delivered in a certain way. Where people raise questions later in the process, after commitments have been made or deadlines set, it can often cause unnecessary confusion or delays compared to if these questions had been asked earlier in the development process.

This is often best prevented by implementing some form of scope or delivery document that outlines in detail what the campaign will deliver, and by when. This can be referred back to at any point in the campaign and any changes to the document should only be made when absolutely required.

Acknowledging limitations
As part of upfront understanding, a key area to ensure clarity on is any restrictions or regulations that need to be adhered to as part of the activity. These could be industry-wide, for example with financial services or pharmaceuticals, or could be brand-specific, such as visual identity rules / guidelines. These are best discussed and confirmed early in developing the activity rather than retrospectively applied which may cause disruption to production and delay approvals.

Ongoing alterations
As with any campaign, deviations from the initial plan can cause challenges. Making ongoing changes, such as to messaging, theme or creative requirements, will impact timelines and often quality of output as adjustments have to be made or elements redesigned or even produced from scratch which is an inefficient use of time and resources for all involved. Although these are bound to arise in some instances, it is worth doing everything possible to minimise them during an activation.
Realistic timelines
This can be said to be a common risk of any project but it is important to note nonetheless. When putting together the delivery document or scope, and agreeing timelines with all stakeholders, these should be realistic and achievable.

This should include approval deadlines for clients, who are often incredibly busy, to ensure that they have enough time to review and pass on to any additional internal stakeholders they may have before signing off on content. This is especially key if publishing deadlines are dependent on timely approval and these kinds of dependencies need to be made clear to all involved.

Usage rights
Probably the most important and often debated element of a media partner agreement is usage rights, relating to the use of any content created. This needs to be clearly established upfront in line with the client’s needs and expectations, especially in relation to geography (UK-only vs Global for example) and time limit (e.g. use for 12 months or in perpetuity). The license to use content will often have a direct impact on the cost of an activation so it is important this forms part of the agreement and negotiations before work commences.

Respect for platform and partner
Part of the benefit of native advertising and content-based advertising is to leverage the association of the media partner and their talent in producing quality content and environments for their audience. This means that the client must respect the boundaries and conventions of that environment as also applying to their activation.

For example, an advertiser in the Financial Times couldn’t and shouldn’t ask to change the colour of the paper from its famous pink, whatever the reasons for doing so. The media partner has a duty to its audience to maintain the look and feel of its platform and this must be respected by all parties when developing a native advertising or content-based advertising solution.

Respect for audience
Similarly, it is also key to ensure that the proposed solution is respectful of the audience and their expectations. In most cases, the media partner will have built up trust with the audience to provide content and an environment of a certain quality and style. Native advertising shouldn’t deviate from this and ask any more from a user than they would expect otherwise it risks being a negative experience which could have a detrimental impact on both the advertiser and the media partner.

For example, if an audience is used to receiving content from a media site for free in an open way, it is unwise to create a native advertising activation that requires some kind of sign-up or payment as this would be out of line with the users’ normal behaviour.

Stakeholder project managers
It is key to have a single point of contact, who is in charge of project oversight within each key stakeholder group; client, media agency, creative agency and media partner. Often there are many more people involved in development and activation but having multiple parties from each group involved can lead to confusion over who is responsible for tasks or who has final input into a discussion. By ensuring each group has a single project lead, and ensuring that this person is capable of project managing everything from their side contributes to the smooth running and delivery of the activation.

Regular communication and managing expectations
Again, as with some other watchouts, this is best practice across any form of project management, but as with other projects, it is so often the thing that can cause challenges. When implementing a native advertising or content-based campaign, it is advisable to hold regular update sessions to communicate with all stakeholders as to the progress and upcoming stages of a campaign. This allows all project leads to manage expectations and for all stakeholders to remain clear on roles and responsibilities throughout the duration of the activity.
The adoption of native advertising varies across Europe and the following section provides an overview of the current status of native advertising in a number of European markets.

**Czech Republic**
In the Czech Republic SPIR published a native advertising guideline in April 2015. The guideline includes a native advertising definition (created by the Self–Regulatory Committee which is composed of the publisher representatives of SPIR members), examples of it and recommended basic rules. Besides the rules for native advertising SPIR also has Code of Ethics for gathering news on the Internet. Native advertising is not specifically defined in the Czech legal code. The specific subject of native advertising is covered by law no. 40/1995 Sb. about advertising regulation, which regulates different media types.

SPIR has dedicated one of its regular events (held in September 2015) for members and journalists to the topic of native advertising. The topic has been discussed from various different perspectives.

**Denmark**
Native advertising accounts for a small percentage of the Danish market, currently estimated at less than 1%, but is a growing market. Danske Medier published a native advertising guideline for the Danish market in April 2016.

**Finland**
The native advertising market in Finland is approximately €6m which accounts for about 12% of total display ad spend (excluding mobile and video).

IAB Finland has a Native Advertising Task Force which is working on updating the Native Advertising Handbook and building a library of case studies. The task force is also working on a new initiative to outline a process for planning and producing a native advertising and content-based advertising campaign. The main aim of this is to highlight the importance of clear campaign objectives and the importance of measuring native advertising campaign results.

**France**
In 2014 IAB France published a white paper with its members to create consistency in the main categories of native advertising.

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Hungary
2016 was the year of native advertising in Hungary, and this is just the beginning of a rising trend according to the CEMP&NEW research 2016 survey. The survey found that 87% of Hungarian marketing leaders are committed to increase the number of native campaigns in the future and the budget spent on such solutions.

Meanwhile, IAB Hungary launched a Native Advertising Task Force which is preparing a native advertising research project and working on the first Hungarian Handbook that will provide guidelines to all stakeholders involved in native advertising.

Ireland
Native advertising is worth €36.6m in Ireland and increased 129% from H1 2015 to H1 2016. The IAB Ireland Native Advertising Council created a Native Guide in October 2015. The council has been focused on sharing learnings in 2016 and introduced quarterly Native Breakfasts at which a leading advertiser shares a case study in respect of native advertising. KBC Bank, Volvo and Carlsberg have shared both practical and inspirational learnings from their native campaigns at the Native Breakfasts to date.

Italy
Native advertising accounts for a small percentage of the Italian online advertising market, currently estimated at 3-4%, but it is a growing market. IAB Italy’s Native Advertising Task Force is undertaking a survey with its members to understand the market size and value in more detail. The task force also intends to help educate the market through a white paper.

Poland
In 2014 IAB Poland created a dedicated group to work on content marketing tasks. Since content marketing and native advertising are very similar directions of online advertising, in 2016 the group changed its name to Content Marketing and Native Advertising. Education and setting rules and standards for content marketing and native advertising is the main mission of the group. The first guidebook on content marketing was published in 2014. As a follow up the group published best case studies from content marketing in 2015.

More recently IAB Poland published a Polish Native Advertising Playbook.

In 2015 IAB Poland decided to add this category to the AdEx ad spend report. The data is undergoing analysis and when this process is finalised it will be available for public use. With growing demand for native advertising from advertisers, this data will be very important in terms of planning media strategies in the future.

In 2016 IAB Poland released another thorough media report, the topic was content consumption vs marketing and a whole chapter on native advertising was included.

Questions regarding native advertising are part of the IAB Poland Digital Marketing Qualification which is the first exam verifying knowledge of digital marketing in Poland.

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13 CEMP & NEW survey: http://m.cdn.blog.hu/ce/cemp/skins/cemp_141112/nativ/nativkutatas.html
14 IAB Ireland /PwC H1 2016 ad spend report: http://iabireland.ie/pr-landmark-digital-adspend-report-mobile-adspend-overtakes-desktop-for-the-first-time/
Romania

Native Advertising is developing in the Romanian market, with different publisher and advertiser initiatives, and with IAB Romania’s participation in creating and adapting self-regulation and best practices for this field. It is growing in interest and usage, due to the interest and involvement of both IAB Romania (in terms of seminars, workshops and whitepapers) and with the support some dedicated companies that are creating the right environment for delivering native ads that merge into the users’ reading experience. It is not yet fully measured, but IAB Romania is planning to start including it in online advertising market size study in 2017.

Spain

As native advertising becomes increasingly important in Spain, IAB Spain is working on the following projects within various workgroups:

• Workshops with advertisers: working to launch a day work group with advertisers and agencies to share the vision offered by both parties about Content & Native advertising
• Study of Content & Native advertising consumption among Spanish Internet users
• Content & Native advertising white paper
• Content & Native ad formats

Sweden

Native advertising a growing market in Sweden and is becoming increasingly important to both the buy and sell-side stakeholders in the Swedish market due to many challenges faced by the industry including ad blocking and ‘banner blindness’. IAB Sweden published guidelines\(^\text{21}\) to help the Swedish market execute native advertising and comply with the relevant regulations. IAB Sweden has recently re-started its Native Advertising Task Force.

Turkey

Native advertising is a growing market in Turkey as advertiser demand increases, indeed investments grew by 27.7% in the first half of 2016. IAB Turkey has published a white paper\(^\text{22}\) on the topic and organised a ‘Best of Content Marketing and Native Advertising’ seminar to help educate the market.

UK

Content and native marketing is thriving in the UK. The strength of the sector led IAB UK to begin separately measuring its contribution to overall digital advertising expenditure in 2014. Then, content and native (including in-feed) ad spend accounted for £509 million (approximately €601 million), a 22% market share\(^\text{23}\) By the end of 2015 it had grown to £776 million (approximately €917 million), representing over one quarter (26%) of all display advertising. On mobile, almost half of all display is content and native (46% or £593 million/approximately €694) – a rise of over 60% since 2014\(^\text{24}\).

Digital content and native marketing has been embraced widely by everyone from ‘pureplay’ digital publishers to traditional newsbrands, with many of the latter establishing dedicated, in-house commercial content creation teams. These creative partnerships are leading to innovative approaches that are allowing marketers to push the boundaries of digital and to reach their audiences in exciting new ways.

IAB UK’s Content and Native Council brings together members from a wide sphere of the membership reflecting the deep and integral role of content-based marketing within digital advertising. IAB UK, working with this Council, has produced a Definitions Framework\(^\text{25}\) that helps define the market for measurement and to bring clarity to the industry. The framework is kept under regular review to keep pace with this quickly-evolving sector.

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\(^{22}\) IAB Turkey Native Advertising white paper - [http://www.iabturkiye.org/sites/default/files/iab-min-native-advertising.pdf](http://www.iabturkiye.org/sites/default/files/iab-min-native-advertising.pdf)


\(^{24}\) IAB UK / PwC Digital ad spend report 2015 - [http://www.iabuk.net/research/digital-adspend](http://www.iabuk.net/research/digital-adspend)

One criticism often levelled at ‘native’ advertising is that it blends ‘seamlessly’ with surrounding editorial, and that advertising messages may therefore be disguised as independent editorial. This is not the case: the law and the UK’s advertising rules\(^{26}\) are very clear that advertising must be clearly identifiable as such – and consumers demand this too. Native and content-based advertising draws on what people love about editorial content on their favourite sites and apps, but it is, and must be seen to be, separate.

The UK industry works closely together to ensure that clear and transparent identification is the hallmark of good practice. Through the Content and Native Council, IAB UK has produced two sets of cross-industry disclosure good practice guidance, informed by consumer research: the first for native distribution units, and the second for content-based marketing.

The good practice guidance has been widely welcomed and plays an important role in helping the industry understand how to build and maintain trust with their audiences by respecting their right to know when they are engaging with marketing content. After all, any advertiser should be proud to be associated with its advertising! Protecting these valuable audience relationships will only become more important as content and native marketing continues to develop and to provide an increasingly vital source of income for media owners, publishers and advertisers.

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\(^{26}\) UK Code of Non-Broadcast Advertising and Direct & Promotional Marketing (CAP Code) - [https://www.cap.org.uk/Advertising-Codes/Non-Broadcast.aspx](https://www.cap.org.uk/Advertising-Codes/Non-Broadcast.aspx)
8. CONCLUSIONS

Today’s consumers are overloaded with advertising messages. The growth in ad messages each day and the increasing use of ad blocking tools have posed both advertisers and publishers with serious challenges. These developments have led to a boost of native advertising and content marketing.

For publishers, native advertising is a huge opportunity. A publishers’ brand value, combined with experience in content creation and knowledge on visitor’s interests give them the ingredients for delivering high quality, relevant, content. This is both in the interest of the advertiser, as well as that of the consumer. From an advertiser and agency perspective, native advertising enables brands to make their message both more relevant and impactful and therefore more effective in driving key performance indicators.

Furthermore, research has shown that consumers are more receptive to transparent content-led marketing and that consumer engagement is higher than average. Technology enables more detailed measurement of user interaction with content, e.g. scroll depth, percentage of a video that has been watched. Here lies the value of native advertising campaigns; real engagement with users.

However, the business of native advertising is not an easy job. Native advertising and content marketing are labour-intensive fields of advertising. A good qualitative campaign combines creativity in content with technology for the right distribution of that content. Common understanding of campaign goals, clear agreements on pre-defined KPIs and close cooperation between, media and creative agencies and publishers are key to a successful campaign.

Looking forward, the next step in this field of advertising can be expected to focus on standardising existing formats and techniques to deliver native content at scale via programmatic. Furthermore, new emerging formats and services will arise with technologies enabling virtual reality and artificial intelligence driving new levels of impact and relevance.

The opportunities for developing and distributing content across the complex digital media landscape to target and reach an increasingly fragmented audience, are only just beginning to be understood. Experimentation will be an important part of the puzzle in bringing native advertising and content marketing to the next level.
9. CASE STUDIES

Marki Mówią (Brands Speaking) – native programme for ING Bank Śląski

Introduction and objective
ING Bank Śląski is one of the leading banks in Poland. Financial education is a very important part of the brand’s communication strategy. The goal of the client was to inspire consumers to make wiser financial decisions. The brand wanted to reach Polish internet users interested in finance and home budget management and show them that those decisions can have high impact on their lives and goals. Therefore, ING in cooperation with Newsweek Poland prepared an online native advertising campaign together.

Execution and solution
The publisher decided to use 'Marki Mówią' (Brands speaking) native tool. It’s a dedicated native programme that allows brands to share their knowledge with the online population. During the campaign ING’s experts supported Newsweek’s native creative editors by writing a series of native materials dedicated to the idea of responsible money management, encouraging Poles to be active and bring their plans to life. The campaign was divided into three themed stages: education; aspiration; action. It consisted of articles, questionnaires, video interviews with millennial influencers and an infographic. All content was gathered in one place, a dedicated brand site on the Marki Mówią platform: ING Bank Śląski Marki Mówią. Underneath each material there was a questionnaire dedicated to users as an element of getting them involved in the campaign. At the end native creative editors created an infographic summarising the data from those questionnaires. The materials were distributed across a wide network of sites: Newsweek.pl, Forbes.pl, Onet.Kobieta, the Home Page of Onet and the social media network of the publisher.

According to the publisher it was a role model campaign as the brand understood that native advertising is not about intrusive commercial promotion of the brand, but about delivering valuable content for the audience. ING’s specialists supported Newsweek’s native creative editors with professional advice and knowledge of the financial market. All content was adapted to users’ needs, the materials were relevant and high quality. The brand was an expert informing the audience about the importance of the impact of financial decisions they make every day. It didn’t promote ING’s products or in-store promotions.
Krzysztof Matlak, Marketing Manager – Marketing Communication Department, Bank ING Śląski, said: “Native advertising is one the best solutions to reach a certain audience, engage and inspire them to interact with our brand. I've been working with native campaigns for two years with the purpose of educating internauts on the idea of wise cash loans. From our perspective, this campaign has been a good part of our wider communication strategy of building an image of a bank that is socially responsible and where people matter.”

Results
The main KPI of the campaign was to reach a level of 180,000 unique users, which was delivered and in the end the campaign reached the level of 200,000. Another important KPI for native advertising is the engagement of users. They spent over 4 minutes on native materials from this campaign. The average CTR of the campaign was 0.4%.
Introduction and objective
The online marketplace for people to list, find and rent lodging, Airbnb currently lists >1.5 million places in 34k cities and 190 countries.

Preparing for the 2016 Summer holidays, Airbnb urged “would-be travelers” to think differently about their next trip under the tagline “Don’t go there, Live there”.

AirBnB partnered with Teads, the inventors of native out-stream video formats, to distribute this campaign between May to June. The campaign objective was to raise attention and brand awareness within a German audience aged 18 to 54 years old, interested in travelling and leisure but also sports and music enthusiasts, reaching them during their “me-moments”.

Execution and solution
Working with the most premium publishers worldwide, Teads distributed Airbnb’s campaign across a walled garden list of premium publisher sites in Germany through innovative, user friendly out-stream video formats.

Outstream is a digital video format that sit outside of the video stream. More specifically, out-stream ads are natively embedded into an article on a publisher site. Teads’ flagship out-stream format is the inRead format, a skippable video ad that plays within written editorial content.

Airbnb chose to work with multiple Teads outstream formats in order to maximise campaign reach and impact across devices:
• inRead Landscape: the classic outstream format, a skippable, viewable video player in 16:9
• inRead Top: an outstream format that sits at the top of a webpage for maximum impact and viewability
• inRead Vertical: a mobile pureplayer, this format allows a full-screen user experience

The campaign ran in two phases:
Phase 1: From April to May 2016, AirBnB aimed at raising attention and awareness amongst travel enthusiasts aged 18-54 years old. For this phase, AirBnB chose to adopt Teads’ inRead Landscape, Top and Vertical outstream formats.
• Phase 2: From May to July 2016. This phase of the campaign aimed at raising awareness amongst a more granular audience based on their interests, targeting users with or without children:
  • Hipsters: Audience A: Travel and music enthusiasts
  • Foodies: Audience B: travel, food & indulgence enthusiasts
  • Sports Enthusiasts: Audience C: Interested in travelling and sports
In this campaign phase, AirBnB used the inRead out-stream format and inRead Vertical on mobile to raise brand awareness with lowest intrusiveness.

Data, Creative & Publishers:
The campaign featured two versions of the same creative: a 15- second creative for mobile and a 30- second creative for desktop.
High brand safety levels were guaranteed by applying negative keyword targeting through a third party provider, thus distributing the AirBnB creative on fully brand-safe pages. Additionally, third party analytics were used to measure AirBnB’s campaign performance on traffic and viewability.

The creative was optimised with a call to action that incentivised immediate user engagement.

A banner with a box inside the video frame was added and was followed by the text:
“Sei dort zuhause. Auch wenns nur für eine nacht ist. Jetzt buchen” or “Be at home there. Even if it is only for one night. Book now”

The user exposed to the video was incentivised to fill in the box with their “to go” city. Upon user interaction in the box, the video would redirect the user to the Airbnb homepage to provide more information on the user’s city of preference.

Results
Airbnb’s campaign successfully reached the target audience and achieved outstanding results. The videos were distributed across premium German publishers featuring travel, sports, music, entertainment and lifestyle related content such as Arcor.de, Geo, Tagesspiegel.de, Nationalgeographic.de, Travelbook, Stylebook.de, Vogue.de, Cosmopolitan.de, Glamour.de, rollingstone.de and Sportbild.de

At a glance:
• 12,873,374 views (66% desktop /31% mobile / 3% tablet)
• 2.5% click-through-rate
• 21% view-through-rate (12% higher than industry benchmarks for outstream)
• 181 premium German publishers

Independent tracking through a third party analytics provider shows that the out-stream formats drove exceptional results for Airbnb, reaching 99% human rate, and 65% viewability (2 sec in-view rate) which is 3% above benchmarks. Further measurement shows that the campaign appeared in brand safe and not cluttered environments, ensuring a premium branding experience, consistently exceeding benchmarks for human traffic and lack of fraud.

inRead Landscape and Vertical, mobile
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IAB Europe is the voice of digital advertising and the leading European-level industry association for the interactive advertising ecosystem. Its mission is to promote the development of this innovative sector by shaping the regulatory environment, investing in research and education, and developing and facilitating the uptake of business standards.

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