THE STATE OF

BRANDED CONTENT

BENCHMARKS AND INSIGHTS

POLAR

APRIL 2016

Introduction

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- Polar provides a technology platform that premium publishers use to increase reach and engagement with their direct-sold branded content programs. Visit www.polar.me for more info.

- This benchmark report is based on the aggregate performance and engagement data of branded content programs run on Polar's platform over the past year.
  - **6,165** branded content campaigns (programs)
  - **45,885** branded content creatives (posts/articles)
  - **18-billion** premium native promotions for branded content

- Branded content refers to the sponsored, custom or partner content itself, also known as the post-click destination or landing page within a publisher's environment. This is the page a user visits after clicking on a native promotion.
- Some of 2,000 premium publisher brands that are Polar's customers include:

Aol. | The Economist | The Washington Post | SHEKNOWS | POSTMEDIA | Discovery CHANNEL

GANNETT | The Telegraph | CONDÉ NAST | REFINERY29 | Los Angeles Times | DEFY MEDIA

Major Takeaways

- ◆ Engagement with branded content on smartphones is significantly higher than on desktop and tablet. Combined with 127% higher CTR on smartphones, the big opportunity for publishers and advertisers is clearly on mobile. We recommend publishers continue to optimize branded content experiences for mobile first.

- ◆ Average time spent engaging with branded content is dramatically different across publisher verticals and advertiser verticals.

- ◆ Publishers that partner with advertisers that align closely with the publishers core audience and editorial nature are seeing significantly greater engagement with branded content.
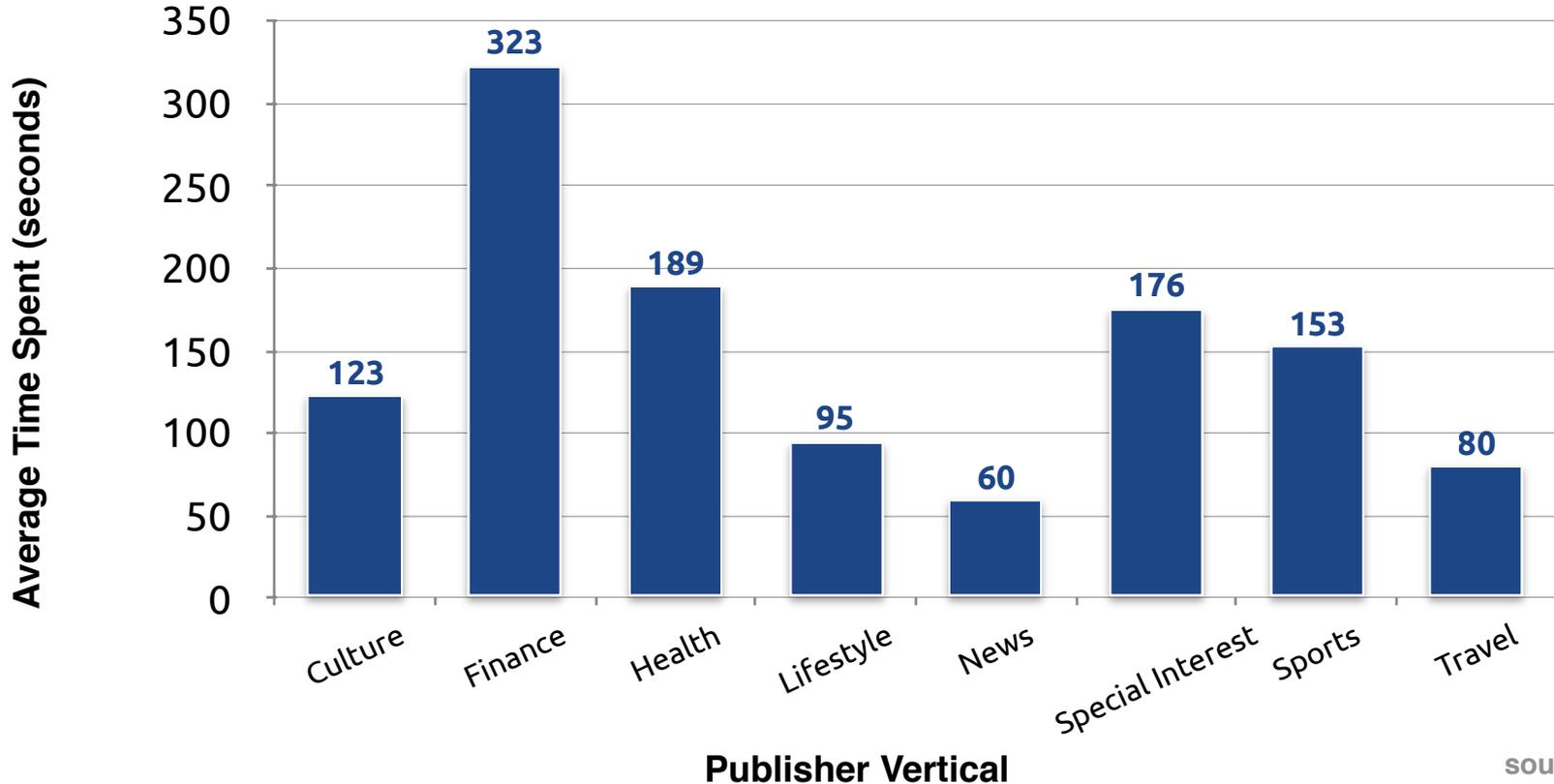
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132 seconds

Average time spent with branded content

45,885 branded content pages analyzed on Polar's platform over the past year

Aggregate data across 8 publisher verticals, 8 advertiser verticals, 3 device platforms, 5 regions

Average Time Spent *by Publisher Vertical*

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Average Time Spent with Branded Content By Publisher Vertical

Bar chart. X-axis: Publisher Vertical. Y-axis: Average Time Spent (seconds).

- Culture: 123
- Finance: 323
- Health: 189
- Lifestyle: 95
- News: 60
- Special Interest: 176
- Sports: 153
- Travel: 80

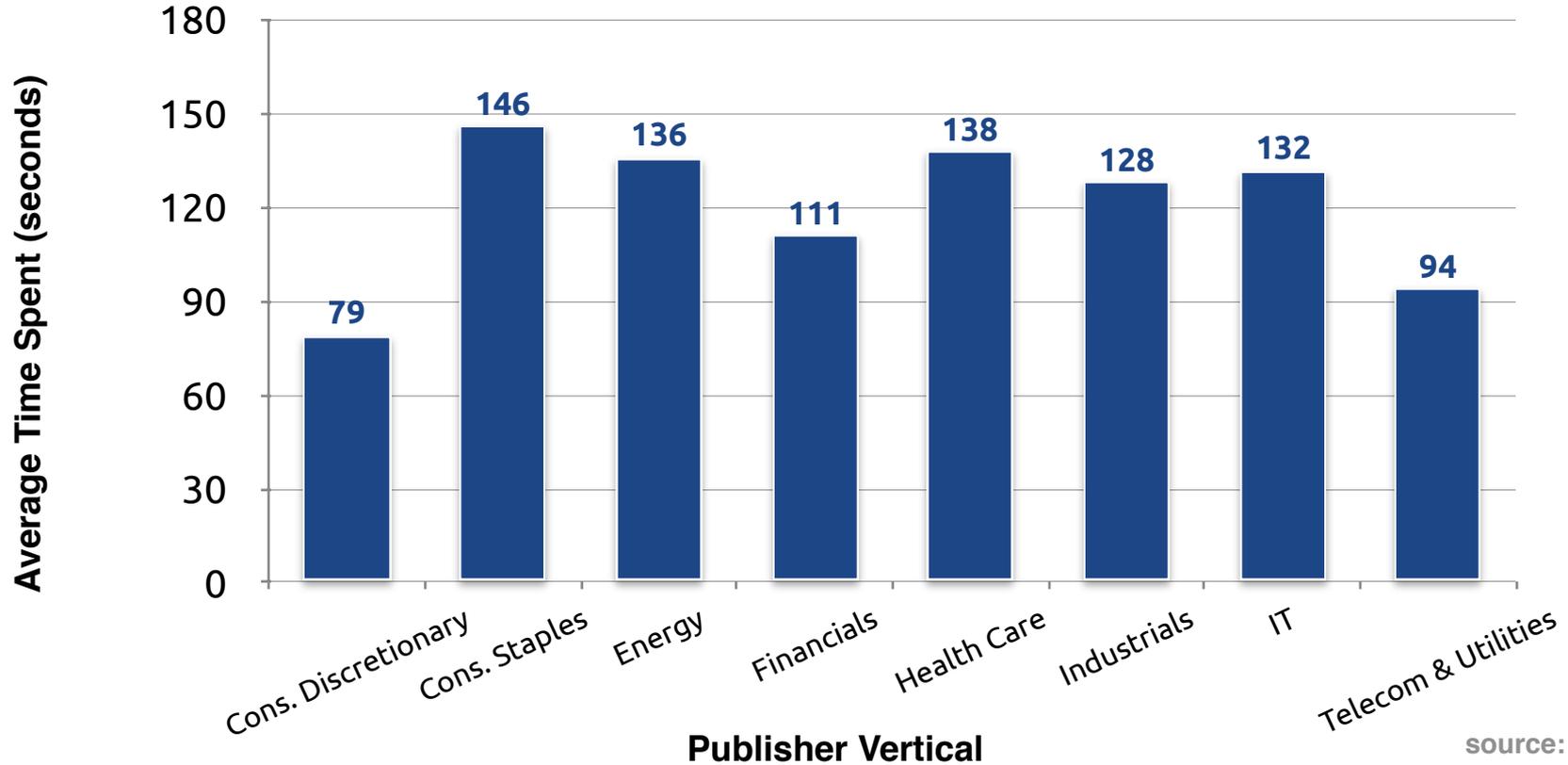# Average Time Spent *by Publisher Vertical*

Key Takeaway

- The more focused and specialized the content, the more attentive the reader. Likewise, the sponsored content usually promoted within the high performing verticals usually aligns more closely with the publisher's brand. For example, finance publishers will typically sell branded content campaigns to finance related brands, such as mortgage or insurance brokerages.

Insights

- The finance vertical by far experienced the highest time spent - 2.4x higher than the average.

- Health, Sports and Special Interest were all slightly above the average

- News, Travel and Lifestyle had the lowest relative time spent, 45% below the average

Average Time Spent *by Advertiser Vertical*

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Key Takeaway

- Consumer staples gravitate towards content which is tangentially related to their brand rather than clear calls-to-action, thus the longer time spent. Similarly with health-care and energy there is a research and showcase element which increases dwell time.

Insights

- Consumer Staples slightly edges out other categories for top spot, performing 11% above average.

- Energy (3% > average), Health Care (5% > average) and IT (average) all follow.

- Consumer Discretionary comes in last in Time Spent by a wide margin (40% below average)

- While Financial publications have the highest Time Spent for Branded Content, Financial focused Branded Content performs 20% below average

Average Time Spent *by Device Platform*

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Average Time Spent with Branded Content By Device Platform

Platform	Value
Smartphone	119
Tablet	89
Desktop	73
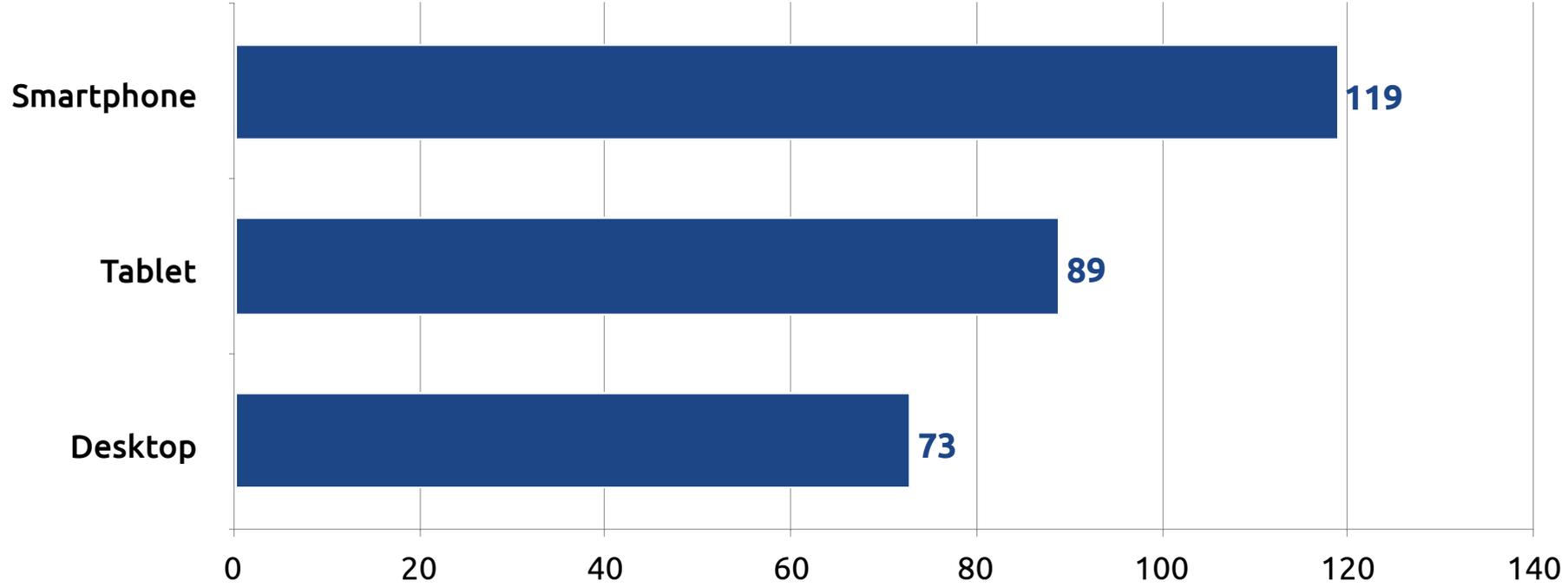
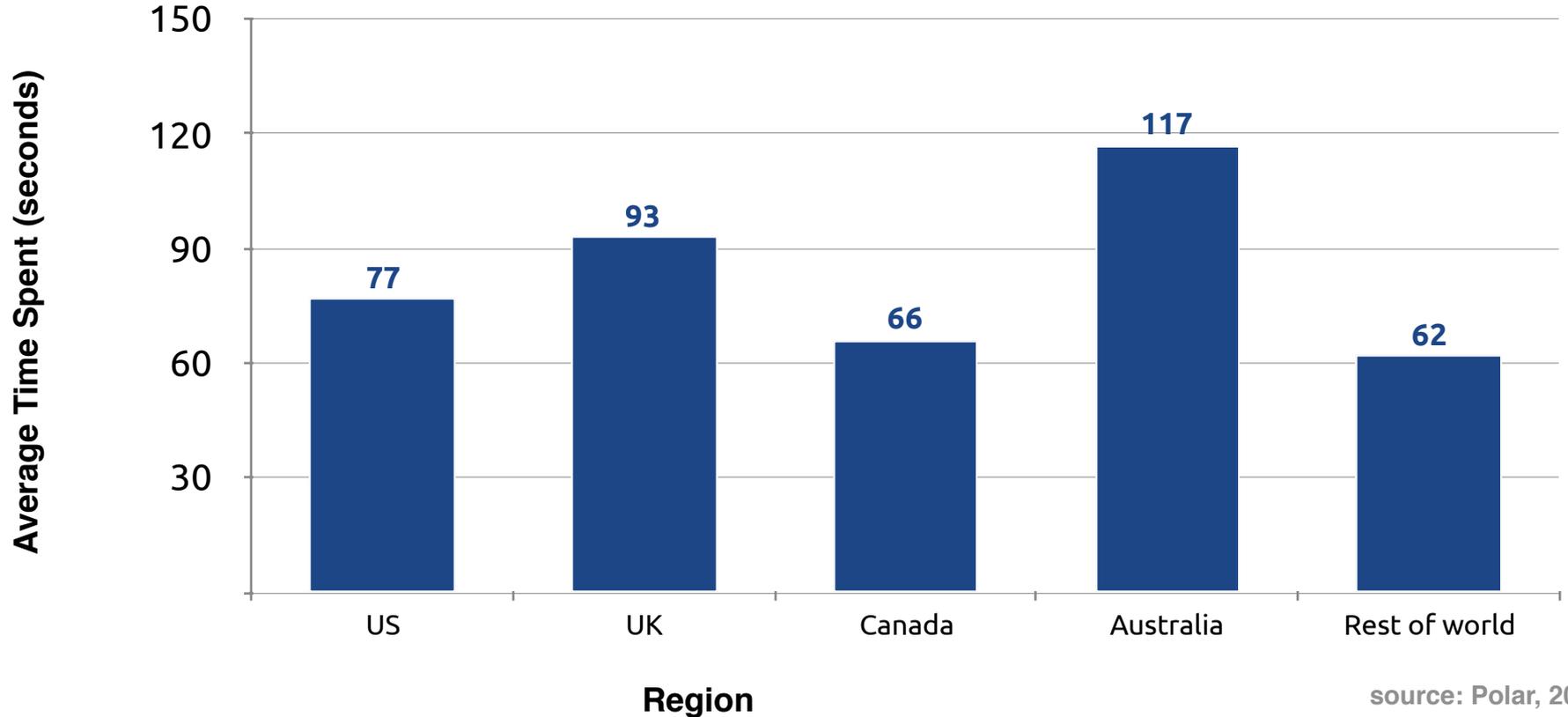# **Average Time Spent** *by Device Platform*

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- Several factors can be attributed to the smartphones dominance in time-spent. The linear path of the reader ensures there are less distractions and less chances to click away from the sponsored content. As well content is increasingly tailor-made for the format.

- Tablet devices role in the middle can be attributed to responsive formats occasionally rendering full desktop versions, which may not load as quickly on tablets, or provide more avenues for the reader to disembark.

Insights

- Smartphone time spent is 63% higher than desktop

- Desktop time spent is 54% lower than the average

- Tablet time spent is 67% lower than the average

Average Time Spent *by Geo and Region*

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Average Time Spent with Branded Content By Geographic Region

Average Time Spent (seconds) vs Region bar chart:
- US: 77
- UK: 93
- Canada: 66
- Australia: 117
- Rest of world: 62

Average Time Spent *by Geo and Region*

Key Takeaways

- Lower numbers in the US and Canada are an indication of the maturation and saturation of the market as users encounter more branded content.

- Rest of world numbers will continue to rise as more players are taking advantage of the native formats in those regions, as well as larger publishers rolling their over-arching sponsored content plans to their titles in EMEA.

Insights

- Australia and UK audiences have the highest time spent numbers as adoption of Branded Content heats up in those regions.

- Time Spent by audiences in Australia is almost 2x that of the rest of world, and well above global average.

Glossary - Vertical Definitions

Publisher Verticals

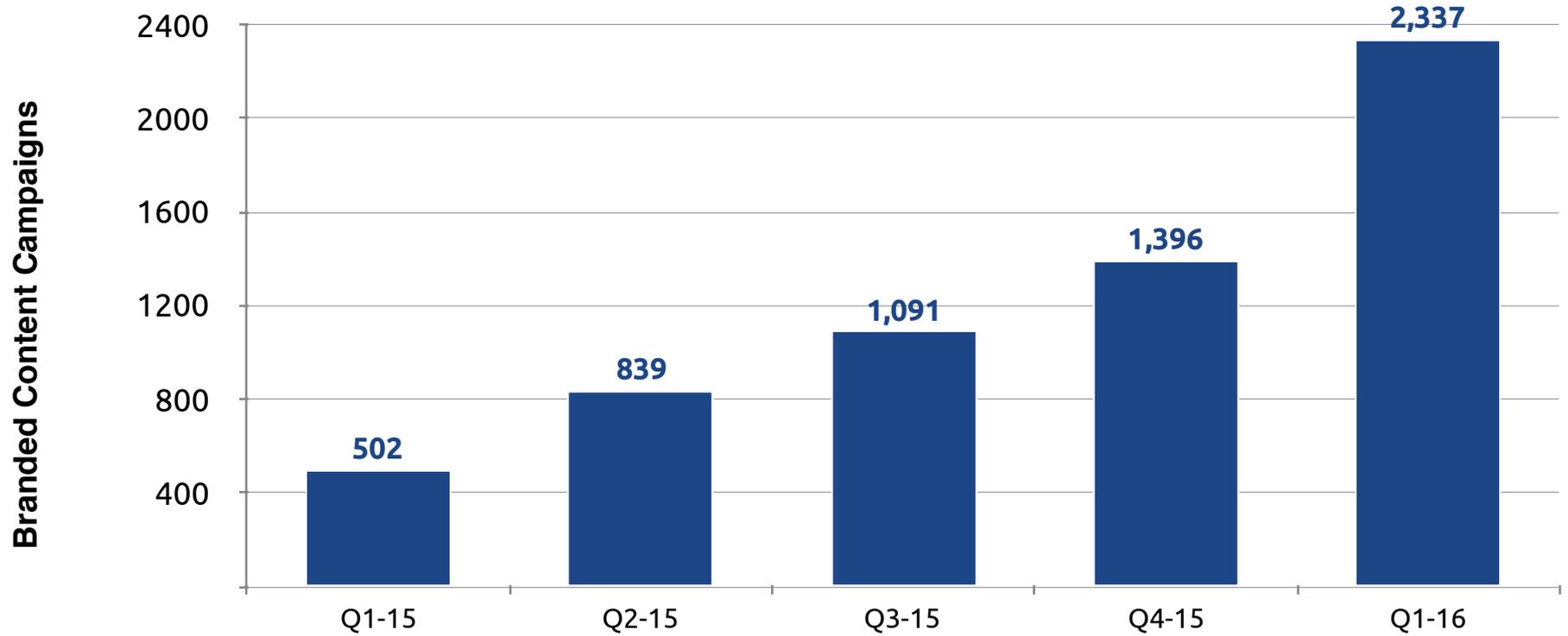| Vertical	Description	Sample Publisher Brands
Culture	Entertainment, celebrity & fashion	Cosmo, New Yorker, MTV, Bro Bible
Finance	Business, finance & careers	Bloomberg, Seeking Alpha, The Street
Health	Health, wellness, family & spirituality	Health Central, Mens Journal, Clinical Advisor
Lifestyle	Home, garden, food, dining & shopping	Epicurious, Food Network, Architectural Digest, Good Housekeeping
News	Global, national, regional, local news	Globe and Mail, Economist, Calgary Herald, Washington Post, Tribune
Special Interest	Hobbies & niche	Bloomberg Politics, Texas Lawyer, PC Gamer, Wired, Discovery
Sports	Sports	Golf Digest, Shooting Times, MotoX, AP Racing
Travel	Travel, auto	Conde Nast Traveler, AutoTrader, Driving

Name	Description	Examples
Energy	Extraction, refining, transport, storage and related (oil, gas & renewables)	BP, Shell
Industrials	Commodities, agricultural, packaging, metals & mining, engineering/construction	Cargill, P&G, UPS
Consumer Discretionary	Auto, electronics, home, apparel, leisure, media & entertainment, and retail	Chevrolet, BMW, L'Oreal, P&G, Modelez
Consumer Staples	Food & beverage, drugs, household & personal products	Coca-Cola, Nestle, Hellmanns, Kraft
Health Care	Health care equipment, services, facilities, biotech and technology	Red Cross, Cleveland Clinic, Medtronic, AstraZeneca
Financials	Banks, financial services, investing, insurance & real estate	Bank of America, BlackRock, Goldman Sachs, UBS
Information Technology	Computer, electronic & communications software, hardware, services	Adobe, Hitachi, GE, Symantec
Telco & Utilities	Telco carriers and gas, hydro & water providers	AT&T, Telus, Bell

45,885

Branded content creatives analyzed

45,885 branded content creatives for over 6,165 branded content programs over the past year on Polar's platform

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Growth of Campaigns *on Polar's Platform*

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Branded Content Campaigns

2400	
2000	
1600	
1200	
800	
400	

- Q1-15: 502
- Q2-15: 839
- Q3-15: 1,091
- Q4-15: 1,396
- Q1-16: 2,337

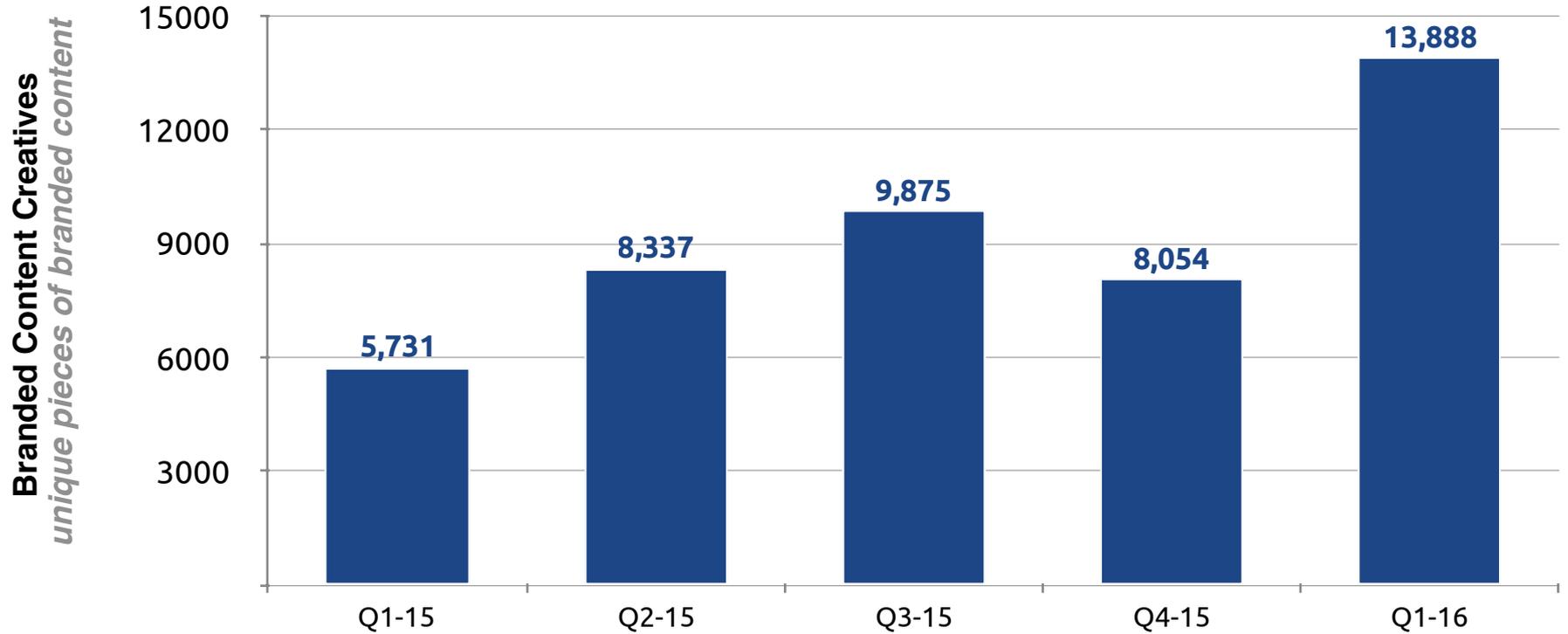# Growth of Campaigns *on Polar's Platform*

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Key Takeaway

- These numbers represent only the growth of sponsored content on publishers' websites themselves, and don't account for other formats through social formats.

- There is little doubt that sponsored content is cemented as a consistent revenue source for the largest publishers in North America, Europe and Australia.

Insights

- Branded Content campaign volume increased 365% in Q1-2016 over Q1-2015.

- Branded Content campaign volume increased 67% in Q1-2016 over Q4-2015.

- Increase attributed to the leveraging of Polar's MediaVoice scale features as publisher's branded content business growth accelerated.

Growth of Creatives *on Polar's Platform*

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Branded Content Creatives
unique pieces of branded content

Quarter	Value
Q1-15	5,731
Q2-15	8,337
Q3-15	9,875
Q4-15	8,054
Q1-16	13,888

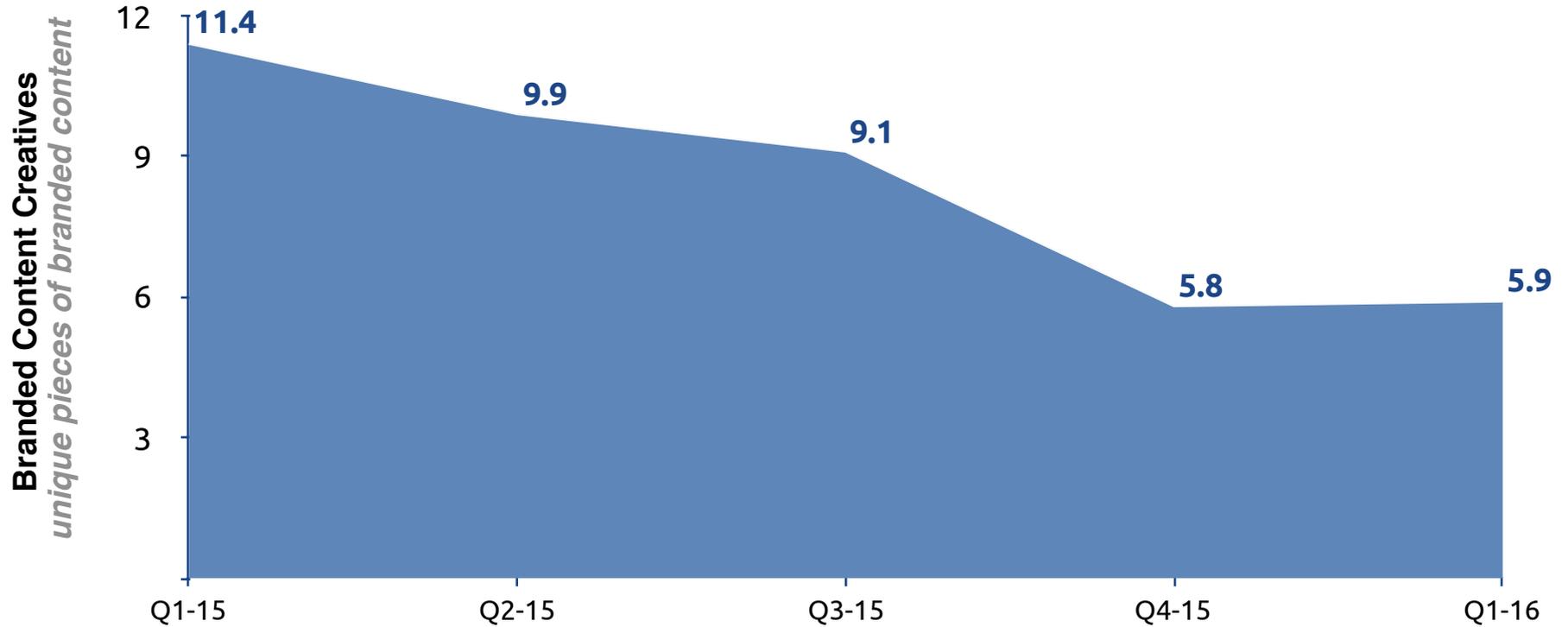# Growth of Creatives *on Polar's Platform*

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Key Takeaway

- While the total number of creatives in Q4-15 dipped, as the previous data shows, the actual number of campaigns still increased. This can be attributed to publishers treading water with demand during the busy holiday season; brands and marketers truly embraced sponsored content in this past year's media plans.

Insights

- Branded Content campaign volume increased 142% in Q1-2016 over Q1-2015.

- Branded Content campaign volume increased 72% in Q1-2016 over Q4-2015.

- Increase attributed to the leveraging of Polar's MediaVoice scale features as publisher's branded content business growth accelerates.

- Drop in Q4-2015 was due to customers repeating the use of existing creatives.

Creatives per Campaign - *historical trend*

Growth Of Branded Content Creatives On Polar's Platform

Branded Content Creatives
unique pieces of branded content

11.4
9.9
9.1
5.8
5.9

Q1-15   Q2-15   Q3-15   Q4-15   Q1-16

source: Polar, 2016

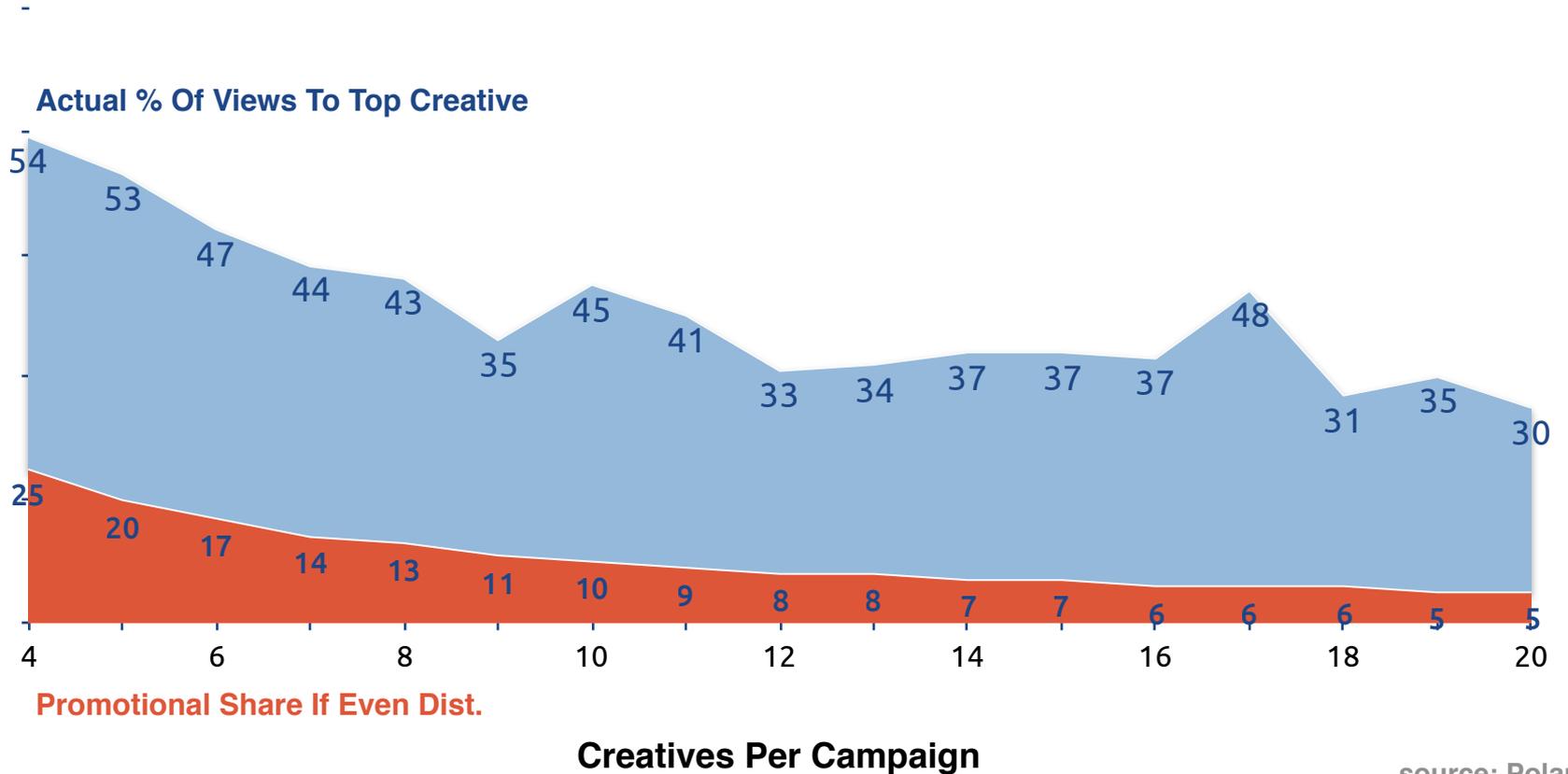# Creatives per Campaign - *historical trend*

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Key Takeaway

- The flat trend over these last two quarters reflects branded content business moving out of experimentation phase and locking into best practices.

- Where as publishers were throwing everything at the wall and seeing what stuck, consistent testing, editorial experience, and optimization tools like Polar's have helped them refine how they initially construct the promotional units for sponsored content.

Insights

- On average, each Branded Content campaign had 5.9 creatives (unique branded content posts/articles) in Q1-2016.

- The decline in the number of creatives per campaign over the past year reflects a greater focus on quality versus quantity.

Distribution of Views *across creatives*

% Of Campaign Views That Went To The Most Popular Creative

Actual % Of Views To Top Creative

54 53 47 44 43 35 45 41 33 34 37 37 37 48 31 35 30

25 20 17 14 13 11 10 9 8 8 7 7 6 6 6 5 5

Promotional Share If Even Dist.

4   6   8   10   12   14   16   18   20

Creatives Per Campaign

source: Polar, 2016

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# **Distribution of Views** *across creatives*

Key Takeaways

- The overall trend sees a rise as the number of creatives gets to 4-5, and slowly tapers off (with a few outliers) as the number increases.

- This can be attributed to reader fatigue (they are seeing the same or similar content pointing to story they've already engaged with), or a slow down in creative variation as the publisher loses steam promoting the same content repeatedly.

Insight

- Campaigns typically have one creative out of a campaign that is the clear winner in garnering the most pageviews (E.g. In a campaign with 4 creatives, the top creative got 50% of views instead of 25%).

Average Time Spent – *Historical Trend*

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Average Time Spent (seconds)

Q1-15	100
Q2-15	85
Q3-15	81
Q4-15	79
Q1-16	91
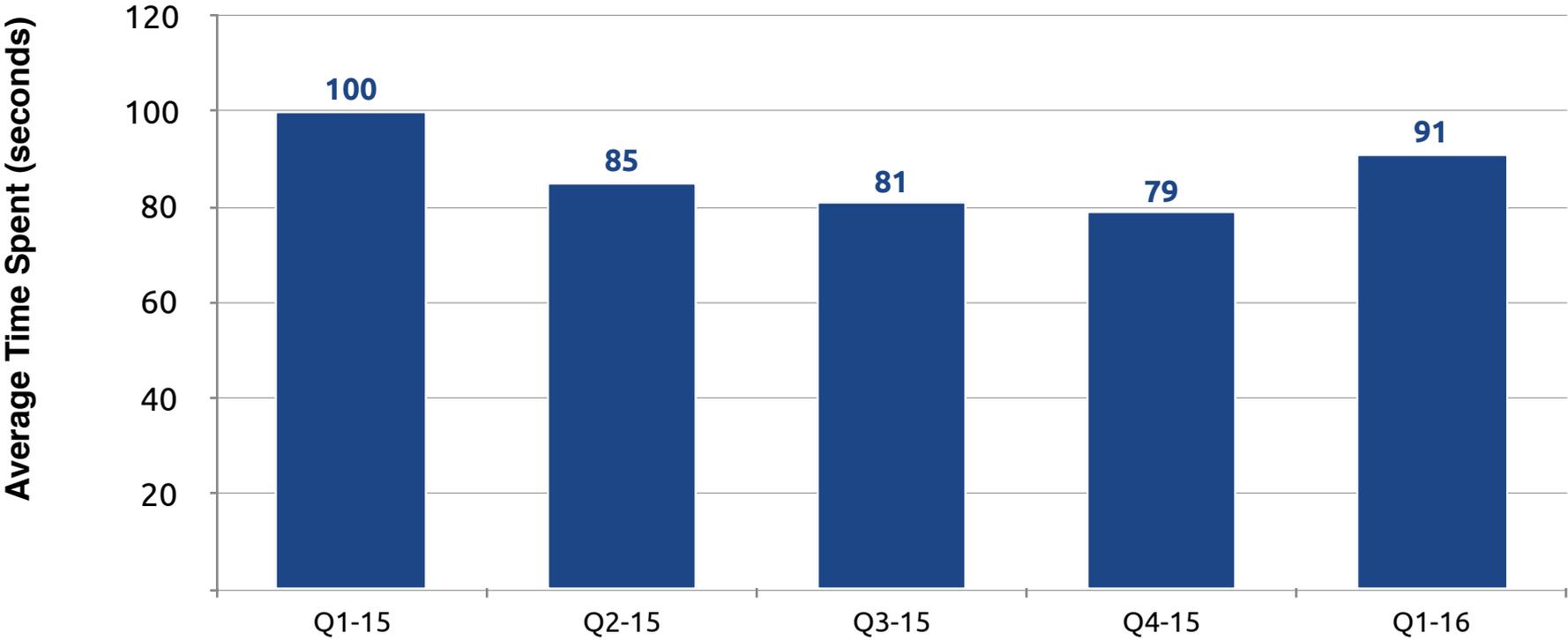
source: Polar, 2016

Average Time Spent - *historical trend*

Key Takeaways

- Time spent decreased 21% from Q1-15 to Q4-15, likely due to an increase in the volume of branded campaigns.

- Given the slow Q1 starts for sponsored content, average-time-sent has remained remarkably consistent in the past year, as publishers refine their programs and display their expertise in the native promotional format.

Insights

- Average Time Spent with branded content has decreased 9% in Q1-2016 over Q1-2015.

- Q1 engagement numbers continually spike as compared to previous quarters. This is correlated with less campaigns being executed during Q1 traditionally, thereby reducing user fatigue.

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BENCHMARKS AND INSIGHTS

APRIL 2016

Polar has delivered more than 18-Billion premium native ads across 2,000+ global premium sites. The data in this report is a subset of the aggregate data on Polar's platform.

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