Free Native Advertising E-Book Brought To You By:

THE Storystudio



IS NATIVE ADVERTISING?

Introduction

In 2013, native advertising galloped onto the scene like a masked hero, poised to hoist publishers atop a white horse, rescuing them from the twin menaces of programmatic advertising and sagging CPMs. But who's really there when you peel back the mask?

Native advertising is a murky business. Ad executives may not consider it advertising. Editorial departments certainly don't consider it editorial. Even among its practitioners there is debate — is it a format or is it a function? Publishers who have invested in the studio model position native advertising as the perfect storm of context, creative capital and digital strategy. For platforms, it may be the same old banner advertising refitted for the social stream.

Digiday created the WTF series to parse murky digital marketing concepts just like these. WTF is Native Advertising?

Keep reading to find out.....

Nomenclature

Native advertising An advertising message designed to mimic the form and function of its environment

Content marketing Any marketing messages that do not fit within traditional formats like TV and radio spots, print ads or banner messaging. Content marketing itself spans a wide breadth and can include sponsored and branded content (below) but is not always native.

Sponsored content Advertising created to mimic the editorial content of a particular publishing site, often created by an on-staff team called a content studio. Sponsored content is often used synonymously with native advertising in industry conversations, but is really just one manifestation of native advertising.

Branded content Content created to promote a brand's products or values. Branded content can take a variety of formats, not all of them technically "native." Branded content placed on third-party publishing sites or platforms can be considered native advertising, but if said content lives on a brand's own site, it's not really "native."

Social in-stream advertising This form of social native can take many forms, all of which are designed for seamless inclusion in your social stream. Facebook's sponsored posts, Twitter's Promoted Tweets and Pinterest's Promoted Pins all fall within this category. **Content-recommendation widgets** Another form of native advertising often used by publishers, these appear to consumers most often at the bottom of a web page with lines like "From around the web," or "You may also like."

Paid search listings Often overlooked as its own form of native advertising, search engines' first few results are usually paid advertisements marked "Ad."

Decision tree

Native advertising is, very simply, an advertising message designed to mimic the form and function of its environment. It is, however, an umbrella term applied to and conflated with a wide variety of digital content. Use the handy chart below to distinguish whether what you're looking at is native advertising or not.



ISSUES STILL PLAGUING NATIVE ADVERTISING



6 / WTF IS NATIVE ADVERTISING? ISSUES STILL PLAGUING NATIVE ADVERTISING

Scale

Publishers are in a bit of a pickle. For those banking on the studio model, native advertising is analogous to custom content--a pricey, digital, if direct descendent of the advertorial. *The New York Times, New York Magazine, Rolling Stone, Gawker, Salon* and Condé Nast have invested in their own studios.

They boast teams of writers, creators and strategists sometimes numbering in the dozens, all on hand to create on-brand content custom for their precious, particular audiences. But the problem with any artisanal product is that it can only be made in small batches. Or, in industry parlance, native don't scale.

Some publishers, like Hearst, aim to solve this problem by embracing a "platform mentality," running native content across their networks. A recent video series for Revlon, for example, ran across Cosmopolitan.com, Elle.com and Mademoiselle.com. Others, like Vox, use technology to run the same content across their sites, but tailor the look of it to each environment. It's an in-house step toward native programmatic the ad tech industry's name for the automated distribution of content advertising. There's no shortage of technology companies vying for the opportunity to change the sausage casing on traditional art and copy so they'll work across Facebook, Twitter, Yahoo! and other platform publishers and ad exchanges. Using some combination of programmatic ad buying, dynamic creative and cheerful (or utilitarian) content, these companies claim they're making content look native, even if it isn't exactly custom.

Metrics

Definitions

Click-through This metric carries over from display advertising, where a user clicking on a banner ad is the primary measure of how enticing a particular message is. With native content, however, click-through rate is just part of the picture, providing marketers with a sense of how competitive their content is when measured against other content. However, taken on its own, click-through rates are insufficient.

Pageview The number of times a particular web page — in this case one carrying your native content — has been viewed. A metric more native to publisher environments than the simple click, which was engineered for straight-up advertising.

Unique pageview The number of unique visitors who have visited a particular page. This number can be lower than pageviews, as it does not count repeat visitors or multiple visitors viewing a page from the same device.

Time on page The average number of minutes spent with a piece of content. This metric usually reflects the type of content or its complexity — in-depth reportage or text with video should reap a higher time on page than a simple infographic, for example. Either way, it's a measure of how much time a viewer has spent with your content.

 Pro tip If you've enlisted some kind of amplification network and are consistently seeing time on page under a minute for any kind of content, you'll want to work on optimizing with that partner, or consider a new one.

Bounce rate The percent of visitors who view a particular piece of content, then leave a site. If your native ad placement is a portal to a piece of owned media, like your brand site, this is a useful way to see if you are engaging consumers enough to keep them beyond that first click.

Remember pass-along readership? Ah, junior, sit back and let me tell you about a day when gas cost 99¢ and print publishers claimed that 2 1/2 readers saw every copy of their particular handheld product. Ad buyers believed them! And who knows, maybe it was even true. The point is — the mighty "passalong" was an unknowable yet conventionally believed "truth."

This golden media age died with the banner ad, the click through rate and the dogged pursuit of ROI. While click-through rate may still apply to native ads like paid search, content recommendation and in-feed social, publishers have taken back some ground with sponsored content.



Some publishers and tech providers are going further than baseline metrics, contextualizing what what matters to their organizations as a map to dictate custom metrics. As you'll see below, there are a number of ways to spell success.

Social lift, BuzzFeed The not-so-new-kid on the block built its content strategy around what and why people are most likely to share, so naturally their success is determined by the frequency of social sharing. "Social lift" is determined by the multiple of traffic a given post gets from sharing.

Attention minutes, Upworthy You'll never guess what they did now! As Upworthy doesn't run banner ads, counting page views isn't too useful. What they do care about is maximizing attention on important topics, so "attention minutes" takes into account time on page, but also factors in things like which browser tab is open and mouse movements to determine how actively attentive a user is on their site.

Velocity graph, Mashable Focuses on social sharing a' la' BuzzFeed, but uses early sharing patterns as a predictor of which content will catch on and, dare we say, go viral.

Content quality score, Sharethrough Sharethrough, an in-feed native ad company, introduced CQS as a way to analyze how various data points, like social sentiment and an ad's relevance to current events, signal how effectively a native ad resonates with people. This is contrary to other metrics like time on page or completion rate, which look at how users interact with on-site content.

Total time reading, Medium The distraction-free platform encourages its users to do one thing with their time: read. So the more time they spend doing it, the more successful Medium sees itself at doing its job. The site periodically records scroll positions, then cuts out pauses and interruptions (when you might've gone to walk the dog or taken a phone call) to create an aggregate number, defined as Total Time Reading, or TTR.

More and more, publishers are mitigating click through rates with time-based metrics like "attention minutes" and the even fuzzier "engagement." It's easy to see why publishers are taking this tack. While an infinite supply of pageviews has eroded ad rates to an unsustainable level, attention is finite — and can therefore be sold at a premium.

Ad buyers aren't completely sold on this metric for traditional banners, but it has some currency for content-heavy native placements. Content takes time to consume. Meanwhile, advertisers looking to tie native placements to sales, subscriptions and other conversions place calls-to-action, banners other clickable units around the high-concept stuff.

The ROI gods demand tribute.

Labelling

What's in a name? A lot, apparently. While most publications have settled on "sponsored content" as their choice euphemism for "this is paid for," some argue this wordplay is confusing to the reader.

The balance between clarity and subtlety is a tough one to strike. *The New York Times* and Buzzfeed, for example, have repeatedly tweaked their labeling in an effort to create good brand experiences while also giving readers clear signs they're reading ads. The Grey Lady most recently settled on "Paid Post," while Buzzfeed is going with "Promoted by." Facebook and Twitter also favor some variation of "Promoted." In the U.S., the IAB has long held that there should be some disclosure to consumers that the content is an ad, even if it doesn't look or sound like one. The U.K.'s guidelines are more explicit, asking that publishers "provide consumers with prominently visible cues" that tell them when an article originated with or was produced on behalf of advertisers. The labeling can include prominent brand logos, shaded boxes or an entirely different font. It should also include wording like "paid promotion" or "brought to you by."

Of course, you could always go Google's route. They call their ads, uh, "Ads."

The Church / State Divide

Not so long ago, the idea of asking a journalist to create advertising for a publisher's client was absurd. If a journalist was to maintain impartiality in their reporting, they couldn't work directly for the advertising side of the building. That's why copywriters were invented.

For better or worse (we vote "worse'), this fundamental question of credibility is no longer black-and-white.

More and more, editorial staffers are being asked to craft sponsored content on behalf of advertisers. Conde Nast, publisher of famous glossies like *Vogue* and *GQ*, announced in January that <u>it would use its</u> <u>editorial staff</u> to write for its newly launched branded content arm. Ditto U.K. lifestyle magazine <u>The</u> <u>Debrief</u>, a Bauer Media title, and the <u>Mail Online</u>. *Mental Floss*, one of the first to cop to having journos write ads, said it maintains editorial control of that content — and they're not alone. The argument goes, having all writers under one departmental room simply helps align the marketer's message with the final product. Others say it's a matter of subject matter: If Time Inc.'s gear editors create a gift guide for Amazon, who cares? There's only an issue when the editorial in question has more heft.

Media critic Jack Shafer had harsh words for Conde Nast. "By mixing the two forms — editorial content and advertising — Condé Nast is debasing the former to the benefit of the latter," <u>he said</u>. "This might not matter that much in their fashion magazines, where there is little editorial independence to debase. But the practice won't improve Vanity Fair and The New Yorker, or Condé Nast's other non-fashion titles."

It's worth noting that most publishers have <u>created separate content studios</u>, with separate staffs, sometimes helmed by former journalists, to craft that content.

Credibility

Finally, there's the issue of credibility. Publishers who push their luck may find themselves facing a backlash from their readers. But, as with native advertising itself, the issue of credibility is hard to lock down.

Take Buzzfeed, for example. Despite recent initiatives to produce long-form, investigative journalism, Buzzfeed is still widely known for its unrelenting, unrepentant lists of pop culture clickbait. At this level, what's the qualitative difference between "<u>11</u> <u>Baby Animals Who Fell Asleep At 'Lincoln</u>" and "<u>16 Water Balloon Explosions That Will Blow Your</u> <u>Mind</u>," as sponsored by Nestea?

The problem arises not for publishers promising 175 million churning uniques every month, as Buzzfeed does. It's when advertisers want to reach, say, 50,000 discerning, intelligent, highly engaged readers. In 2013, when *The Atlantic* famously published a sponsored post on behalf of Scientology, media critics lost their minds. The item was pulled, and

much hand-wringing commenced among the nation's media watchdogs and pundits. Had *The Atlantic* compromised its much-admired editorial standards? Had readers been deceived?

According to a <u>survey by PBS's MediaShift</u>, nearly half of us are still "very concerned" about preserving objective professional journalism. The other half, not so much. The trick is knowing which half you're addressing.

For high-volume, low-calorie websites like Thought Catalog and The Chive, no one cares if you've broken down the wall between ads and edit. But try that with NPR listeners? Oh boy. That crowd is begging for an excuse to write letters to the company ombudsman.

IS THIS IN THIS N A **▲**` HU

LEADING CLIENTS TO SUCCESSFUL, DATA DRIVEN INPACTFUL CANPACTFUL CANPAGENS

D360

Proud sponsor of Digiday's WTF Native Dictionary! 360.DEMANDMEDIA.COM

THE NATIVE AD TRIUMVIRATE

Native advertising can't exist without the complex relationship between three very distinct players. From creation to distribution, here's where things come together.

The Ad Man



Advertising creatives are tired of the hype around native advertising. The digital industry's newest shiny object sprung up largely without them, you see, and they're jealous. "It's not new. It's not the next big thing. It certainly is not the answer," wrote Todd Copilevitz, partner of digital strategy at JWT Atlanta. It's so much less important he wrote, than "honing the craft of meaningful marketing campaigns... a short-term gain for minimal investment." Copyranter Mark Duffy is even less forgiving, saying most native advertising belongs in one of two buckets: "Dumb or boring."

You know what, though? They're not wrong. At its worst, native advertising can be uninteresting schlock. It can be cheap and cheerful filler that aims to get a brand logo in front of an audience for 30 seconds or more. (Unlike the high art of Super Bowl ads, which historically have offered audiences a rich tableaux of trucks, twins and trained animals.)

There certainly is room for improvement among native ads. The medium is nascent, with brands only just beginning to consider it as part of their overall strategy and publishers still struggling to attract premium talent. Maybe one day Copyranter will find a job with one.

The Publisher



After decades of watching their revenue model and culture buckle under the digital shift, publishers are holding out hope in this newest revenue stream. Is it really new? Not really. Publishers have played host to lackluster advertorial for years, much to the Ad Men's point.

But with first party data and back end metrics on their side, they offer something agencies don't have — a complete view of their audience and a robust understanding of engagement with a campaign. And they come at it from a different point of view.

"<u>The point of difference is that I'm an editorial person</u>," said Tiffanie Darke, creative content director for News UK, parent of *The Sun, The Times* and *The Sunday Times*, and formerly editor of *The Sunday Times Style* magazine. "We want [our point of difference] to be about the quality of the content."

That's all well and good, but when someone else is writing the check, how much say do publishers really have? And do they really want former reporters and editors at the helm of client services? That job requires swallowing a lot of the righteous indignation journalists are very good at.

The Platform



Marsha, Marsha, Marsha. You can almost hear platforms in the background, needling us about their place in the ecosystem. Native advertising is about more than sponsored content, the digital "it girl" cooed about by the vertical press.

According to James Aver, founder and CEO of Adzerk, "<u>native advertising has a</u> <u>serious image problem</u>," in that it gets conflated with sponsored content all too often. It overlooks the importance of longstanding products like Google AdWords, a format native to Google's search results.

Pinterest's Promoted Pins, Twitter's Promoted Tweets, Tumblr's custom microsites and Facebook's sponsored posts all contain very little "content," but are still legitimately native advertising because they blend seamlessly into their surroundings.

If native advertising is more about look and feel than custom content, then platforms and publishers with scale are likely to embrace native programmatic. A variety of technology companies are looking for ways to reframe art and copy to blend into platform and publisher newsfeeds, emails and web pages. If it looks like native and it acts like native, it is native.



18 / WTF IS NATIVE ADVERTISING? GLOSSARY

A-Bo

AdChoices

Developed by the Digital Advertising Alliance (a consortium of the advertising and marketing trade groups), the AdChoices icon appears on websites and banners to inform consumers that their preferences are being gathered by advertisers. The goal is to inform consumers about online behavioral advertising, and to allow for opting-out. At native advertising becomes more sophisticated, AdChoices will help marketers pair their content marketing with the right audience.

The original term for native advertising, now an outdated flag for ads that ran alongside editorial content — and intentionally disguised to resemble that editorial content. The term dates to the 1940s, when broadcasters packed television shows with "words from our sponsor" that were often read by the program's stars or presenters.

Affiliate Links

Advertorial

Special URLs that include codes, IDs or usernames that identify referrals, often for the purpose of collecting a finder's fee. This winter, digital scrapbooking platform Pinterest made waves when it banned affiliate link by pinners in order to consolidate commerce--its adding a "buy" button to promoted pins this week. These buttons will likely include affiliate links, which are on the whole though, featured in more content marketing and native advertising, both as a way to earn revenue and for tracking customer conversion.

Amplification

The process of enhancing an advertising campaign or a portion thereof. For instance, a brand awareness campaign can be amplified through strategic placements of native advertising in appropriate editorial venues.

Applicance Program Interface (API)

A set of standards, routines and protocols that explain how a platform or software handles its data. Like an SDK, an API is typically opened up by a large company to encourage third parties to integrate with them. For example, thanks to an API, LinkedIn members can sign into non-LinkedIn websites using their LinkedIn credentials. For native advertising, APIs are available to help marketers glean more information about users — and thereby custom-tailor their offerings.

Audience Reach

The potential viewership and readership for any given campaign or placement. Note that reach is not a measure of actual results, but rather the sum total of the possible audience. Reach can be defined by any number of terms, such as specific households in a certain social demographic, or the number of viewers known to watch a certain TV show.

Autoplay

only people who like autoplay, which can increase views significantly by playing a video without the user's prompting.

A widely loathed option for embedded video. Marketers are the

The measurement of how many users read one web page, then leave the website without reading anything else. Native advertisers look at bounce rates to assess how well they're matching surrounding editorial. A high bounce rate can suggest that the advertising carpet doesn't match the editorial drapes, and that readers are put off by the disconnect.

Bounce Rate

19 / WTF IS NATIVE ADVERTISING? GLOSSARY

Br-C

Brand Journalism

Brand Lift

The use of traditional journalism techniques to tell a brand's story.

Increased interaction with or awareness of a brand, as the result of an advertising campaign. Like steak sauce slathered on a cheap cut of meat, citing "brand lift" as a measurement of success can hide many marketing sins because it's largely unmeasurable.

Branded Content

Another term that's essentially synonymous with native advertising, only it's not quite. Branded content is increasingly coming to denote publishing enterprises — not just individual articles — that push forward a brand's message in some manner. GE's Txchnologist, sponsored by GE or Intel's iQ are two such examples of branded content that stand on their own and are therefore not "native" to any other established publication.

A less successful branded content venture was the much-maligned, immediately doomed Sugarspring, for example, Verizon's illconceived attempt to publish an independently operated techfocused website. It collapsed under the weight of executive oversight and a clear misunderstand of what "independently operated" means.

Content Management System (CMS)

The software that drives a publication or website. If editorial is the sausage, the CMS is the meat grinder. WordPress is probably the world's most popular CMS, driving millions of blogs and other websites. To cut down on production costs and turnaround time, publishers are increasingly granting marketers direct access to their CMSs so native ads can be inserted directly into the editorial queue.

#Content



Content Studio

Loved by marketers, hated by journalists, "content" has become the catch-all term for anything that's published. The hashtag "#content" is often used on Twitter to negatively denote native advertising that's gone too far.

Any marketing messages that do not fit within traditional formats like TV and radio spots, print ads or banner messaging. Content marketing itself spans a wide breadth and can include sponsored and branded content (below) but is not always native.

Essentially, an in-house marketing agency housed within a publication and tasked with creating native advertising that aligns as closely as possible with the organic editorial content. Agencies and brands are also launching their own internal content studios to differentiate this output from traditional advertising. May also be called a "brand studio."

Conversion

Click-through Rate (CTR) The process of driving potential customers to take concrete action — clicking on an Amazon banner ad and actually buying a book, for example.

The measure of an ad's success at driving traffic to a specific destination. CTR is expressed as a percentage: ad clicks divided by ad impressions. For native advertising, CTR is losing its luster, as driving "brand lift" and "conversion" are often more important than simple clicks.

Di-Pa

Disclosure/ Labeling

As led by the Interactive Advertising Bureau (and prompted by the Federal Trade Commissions), native advertising should be disclosed and properly labeled as such. See also "Sponsored Content."

Dynamic Optimization

The use of algorithms and other mathematical calculations to match advertising with a particular target audience. Already integral to the display world, dynamic optimization is coming online with native ads, too, giving marketers the ability to programmatically reach the right readers with sponsored content.

Earned Media

Publicity and awareness gained through promotional and PR efforts, rather than advertising (which is "paid media"). Though it's technically paid, native advertising would like to be considered earned media, as it's meant to have the reach and impact of editorial, not advertising.

Embedding

Blurring the line between paid and native editorial, embedded marketing is meant to bring brand awareness by inserting messages inside proper editorial content. Imagine product placement seen in television and film — only with editorial.

Engagement

A broad, oft contentious term for a consumer's time spent with a given brand or advertiser. On a website, engagement can mean time spent reading an article, while social media engagement is measured with likes and retweets.

Impressions

The number of times an ad is put in front of a reader. Note that viewability is not universally guaranteed, so impressions do not always equate to actual views.

In-Feed Marketing



nofollow

Inserting advertising assets directly into an article or editorial stream. Done well, in-feed native advertising matches the look, feel and behavior of its surrounding editorial.

Advertising messages designed to match the form and function of the environment in which they appear. Well, it sounds simple when you put it like that.

The online equivalent of the "do not call list," nofollow is a tag inserted into certain websites and pages to prevent search engines from indexing its content. Per the FTC, native advertising must be flagged for "nofollow," to separate it from native editorial.

Owned Media

Outlets and channels that are controlled by the brand or advertiser itself. Owned content marketing is big business for brands, who are creating their own blogs, online resources and other branded content to drive awareness and conversions.

Pageviews

The number of times a web page is put in front of a reader. For native advertising, pageviews tend to be a fraction of the surrounding editorial's. The higher the "share of traffic," the more successful the native ad.

Paid Media

In its simplest definition, paid media is advertising and promotion that's placed in media through paid partnerships. By its definition, native advertising is paid media meant to masquerade as earned media.

DIGIDAY

21 / WTF IS NATIVE ADVERTISING? GLOSSARY

Pa-So

Paid Post

Another term for native advertising, an article produced by an advertiser and paid to run alongside — and blend in with — organic editorial content.

Paid Search Ads

Paid listings that appear at the top of search engine results, generally won through a complex (but instantaneous) auction for popular and/or highly targeted search terms.

Platforms

A broad term for a software service that facilitates a certain practice. Facebook, for example, is a social media platform. In publishing, there's an ongoing argument about the difference between platforms and publishers. Medium, for example, is an open platform where writers can self-publish their work (much like a CMS). But Medium also commissions original work, like a publisher. Native advertising is welcome on these platforms to varying degrees, depending on the service's policies and terms of service.

Programmatic Native

The hot new thing, the marriage of native advertising and programmatic ad technology (automatically delivering targeted ads according to user demographics and other characteristics). Several players promise to deliver native advertising programmatically, by matching readers' interests and the marketer's goals. The success of programmatic native rests largely on publishers' willingness to open inventory to the programmatic native platforms.



Like paid search ads, listings that appear at the top of editorial streams. On Etsy, for example, a jewelry box maker might pay for her listing to appear at the top of pages listing handmade jewelry. Promoted listings are identified as advertisements, but they're meant to blend with the organic, curated results.

Separation of Church and State

Also known as the Chinese Wall, the traditional division between editorial and advertising departments at a media company, suggesting that one won't influence the other. Want to start a fight at your local journalist hangout? Announce that the separation of church and state is a thing of the past.

The period of time any given user spends on a website, as identified specifically via the user's IP address or another distinguishing variable. Native advertising seeks to be part of a user's overall editorial session by not increasing bounce.

A subset of brand lift, increased awareness and engagement driven

specifically through social media sharing.

brand lift for our partners."

Social Lift

Session

Storytelling

Like #content, "storytelling" is achieving backlash status, and is increasingly despised by writers and editors who are just doing their jobs as journalists. They're telling stories, yes, but "storytelling" has a marketing buzzword stink about it. Used in an awful sentence: "Let's proactively create some content through storytelling to achieve

Software Development Kit (SDK)

Like an API, an SDK is a suite of tools made available by a platform or large software company in the interest of encouraging third parties to make new products for that platform. This is not altruism. Twitter, for example, supports an SDK so developers will build products based on Twitter, thereby expanding Twitter's reach, usage and therefore value. For native advertising, SDKs are available to help advertisers create assets that match native editorial and can be automatically inserted into editorial streams.

22 / WTF IS NATIVE ADVERTISING? GLOSSARY

Sp-W

"Sponsored Content"

Per the FTC, the mandate that native advertising be clearly differentiated from its editorial surroundings. Depending on the publication, this designation may be prominent or intentionally obscure, and may be described as "paid content," "partner content," a "paid post" or an even more creative term.

Time on Page

As the name suggests, how long a reader spends with a certain article on a website or app. At its best, native advertising returns time on page that's comparable to the native editorial surrounding it.

Unique Pageviews

Whereas pageviews are the simple count of a page's total views by every visitor, uniques keep track of individual sessions. For example, if a reader clicks on page A, then page B, then page A again — the page A pageviews is 2. Meanwhile, the uniques for page A is just 1 because the second view was part of the same session.

Widget

A simple, standalone software application or component meant to run inside a larger platform, often expanding the platform's functionality. For example, Taboola and Outbrain use widgets to insert suggested links into articles. A new breed of widgets promise to insert native advertising into editorial content streams, presenting users with a more seamless experience.

Contact Us Today To See How StoryStudio Can Benefit Your Brand Objectives

Alison Pfaff APfaff@sfchronicle.com

