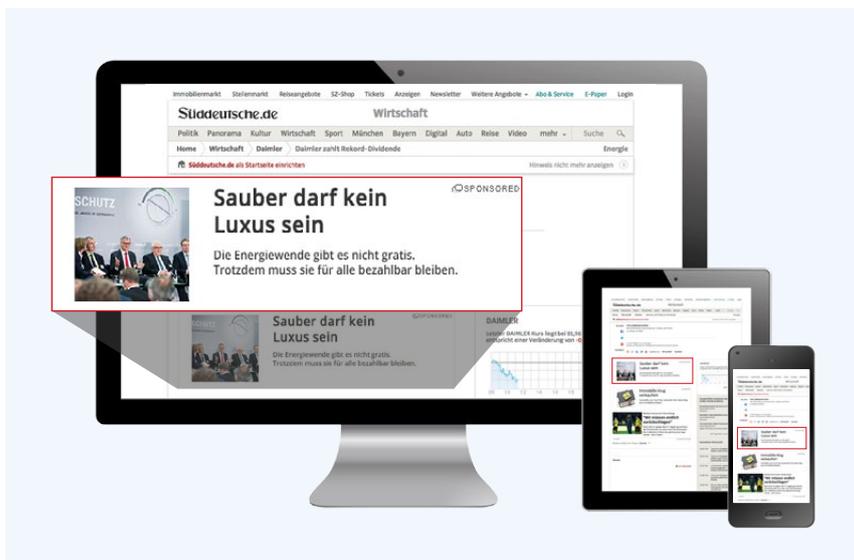


What is Native Advertising?

Native Advertising is an online marketing form, which is characterized by its special ad format and placement. Designed in the look & feel of the editorial environment, native ads are placed in the users' direct reading flow. In this way, they fit into the surrounding content and do not disrupt the user experience. To avoid any confusion with editorial content, native ads are labeled e.g. as "sponsored" or "ad".

From trend to the State of the Art

Within a short time, native advertising has developed from a trend to a leading marketing topic. While in 2013 the spending on native advertising in the United States was \$4.7 billion, it is expected to grow to \$21 billion in 2018.¹ Thereby, native ads are one of the most important formats, which are trusted by advertisers, offer publishers new revenue sources and enjoy high user acceptance at the same time.



Overview of Native Formats²

The variety of native ads is vast. The IAB Native Advertising Playbook divides native ads in six categories:

- In-Feed Units („sponsored“ articles & content)
- Paid Search Units (paid ads in search results)
- Recommendation Widgets (content and ad recommendations in an editorial environment, e.g. native ads from plista)
- Promoted Listings („sponsored products“ in search results)
- In-Ad (IAB standard) with Native Element Units
- Custom (customized solutions)

The impact of native ads vs. display advertising³

High visibility

93% of the users notice native ads on desktop PCs and 85% on smartphones

Remembering the content

Desktop users remember the content of native ads 13% more often compared to display advertising; mobile user even 19% more often

Expectations after clicking

73% of the desktop users and 74% of the mobile users can distinguish between sponsored brand messages and editorial content

Native advertising & content marketing

Particularly in the context of a content marketing strategy, native advertising is the perfect format for generating greater reach for branded content from owned, earned and paid media. Therefore, paid content distribution is crucial, since it ensures that the content reaches the right target group. Using native advertising, high-quality content can be unobtrusively integrated on e.g. news sites, themed portals and blogs for targeted distribution. More and more companies are recognizing this: 38% of B2C companies already use native advertising for content distribution, 19% are utilizing content discovery tools.⁴

¹Business Insider UK (2014): "Spending On Native Advertising Is Soaring As Marketers And Digital Media Publishers Realize The Benefits"

²AB.net (2013): The Native Advertising Playbook

³Studie (2014): The Native Experience - Ad Content in Context

⁴Content Marketing Institute (2015): B2C Content Marketing – Benchmarks, Budgets & Trends