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AP BUZZ Release

# Spending Optimism Runs High for Native Advertising

**NEW YORK - November 4, 2014** - According to the new Native Advertising and Content Report from Advertiser Perceptions, optimism is very high for Native Advertising spending over the next 12 months. More than half (58%) of all survey respondents say they will increase spending, with agencies (62%) slightly more optimistic than marketers (51%). A full 40% of respondents expect to maintaintheir spending levels, while just 2% anticipate spending decreases. As for market adoption going forward, 66% of advertisers say they plan to use Native Advertising in 2015, compared with 34% who haven't used it and don't plan to next year.

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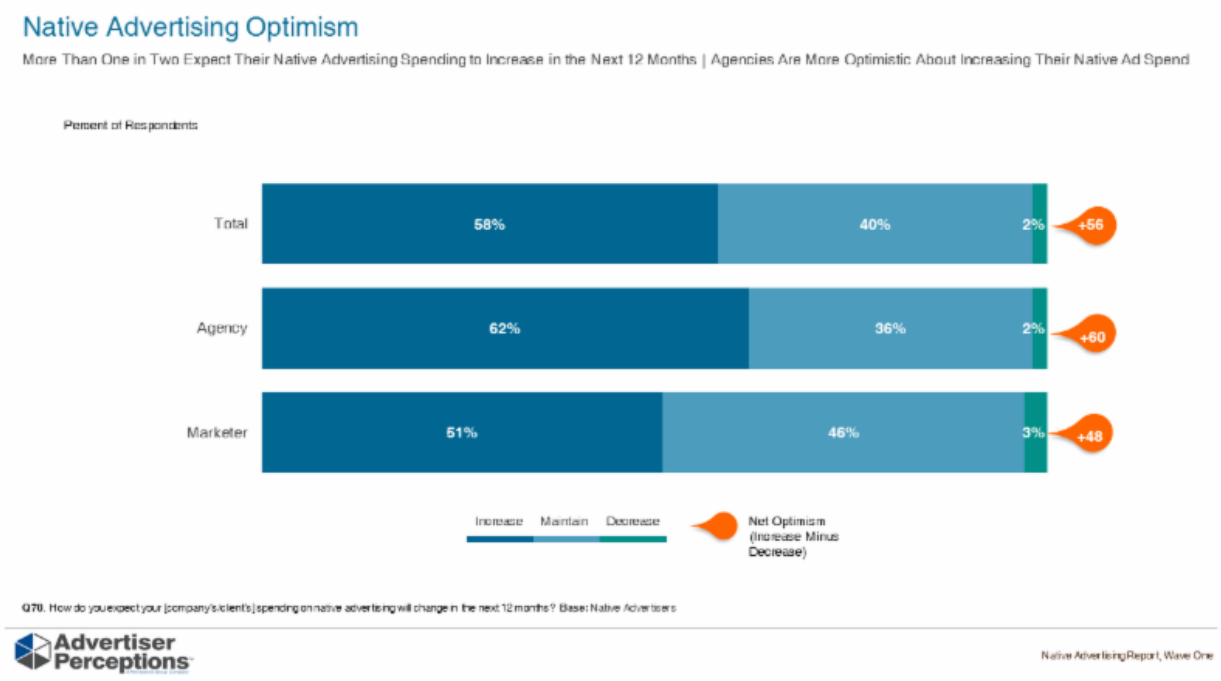


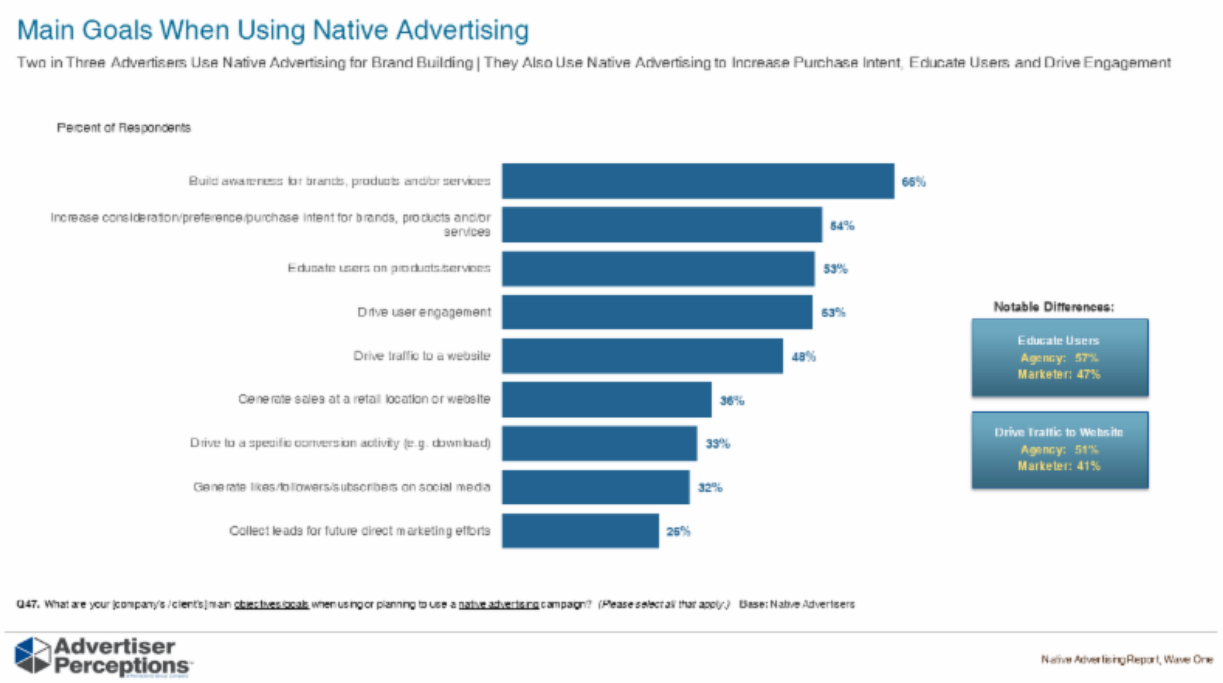

**Native Ad Spending Expected to Rise 28% in 2015**

Befitting its status as an emerging advertising format, Native Ads are far down in the pecking order when it comes to all forms of digital ads. Display, social, mobile, video and search all command more participation by respondents. But at 13%, it garners the biggest increase in planned spending from 2014 to 2015. Among current Native Advertising users, the portion of their budgets allocated to Native Ads is expected to rise 28% in 2015, to 23% of the digital ad budget. Currently Native Advertisers allocate about 63% of Native Advertising budgets to digital online versus 37% to mobile. Next year,

online will see a slight decrease and mobile a corresponding increase.

### Two in Three Advertisers Use Native Advertising for Brand Building

The foremost goals among those (Agencies and Marketers combined) who currently use Native Ads are Building Awareness for Brands (66%), Increase Consideration (54%) and Educate Users on Product / Services (53%). Only 26% of those Native Advertiser surveyed cited Collect Leads.

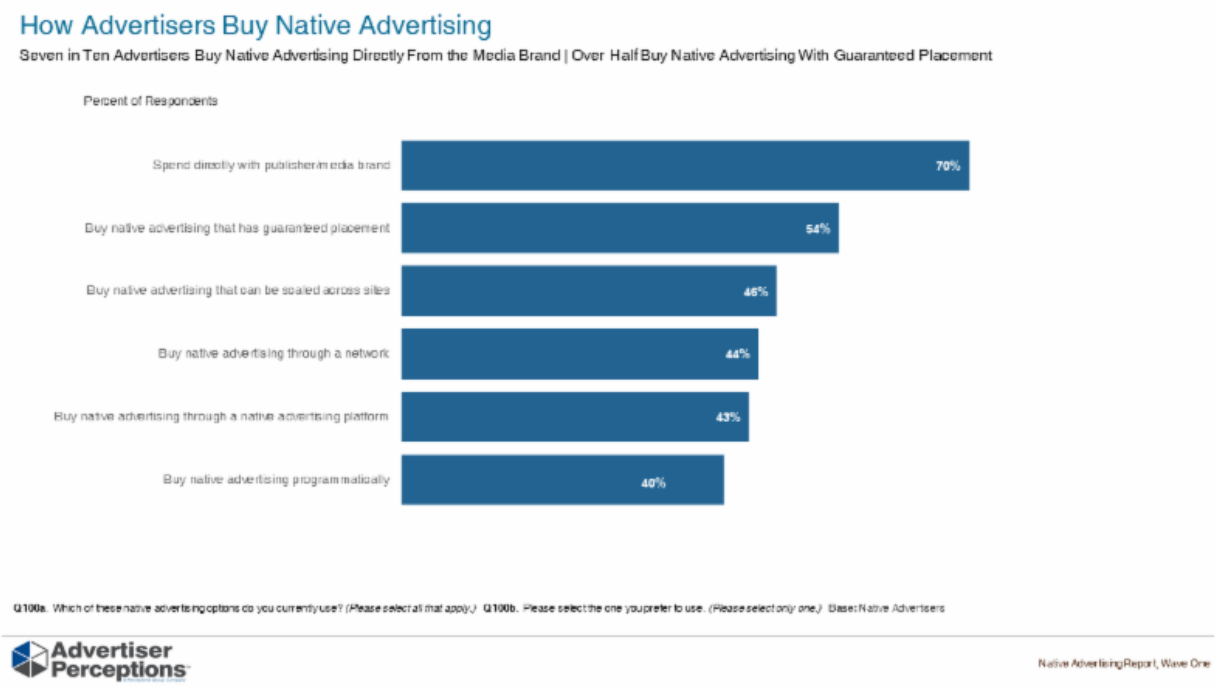



*"With all campaigns the overarching goal is to drive conversions. This is an important metric when evaluating native ads, but we also will quantify additional soft metrics (i.e. awareness / favorability) when evaluating these campaigns, as well as their contribution to the total media mix (i.e. increase in qualified cookies for remarketing & audience modeling)"*
*- Agency Professional*

*"Since native advertisements provide better customer targeting, they are typically more useful and interesting information to consumers than traditional advertising."*
*- Marketing Executive*

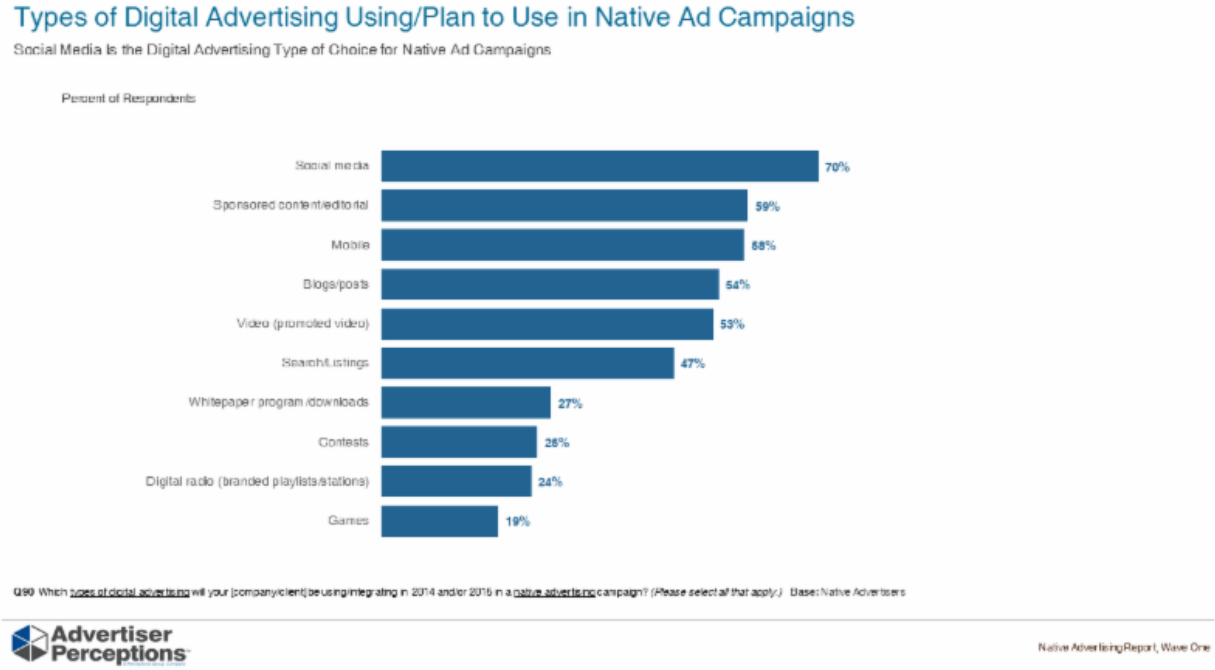
### Seven in 10 Advertisers Will Buy Native Ads Directly from Media Brands

Most advertisers will spend their Native Advertising dollars with a publisher or media brand offering native content opportunities. More than half (54%) of advertisers will buy Native Ads whose placement is guaranteed. Other popular buying venues will include Native Ads that can be scaled across sites, networks, Native Advertising platforms and programmatic venues.




**Social Media is the Most Widely Used Platform for Native Advertising**

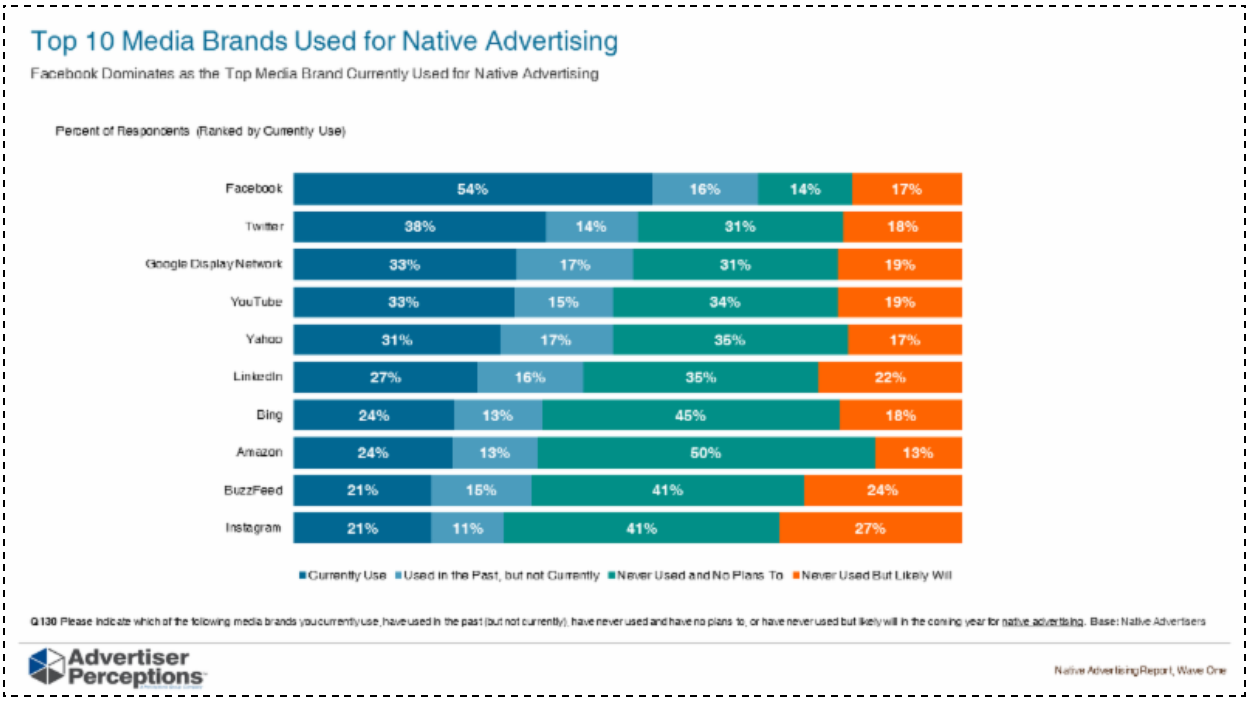
Currently, Native in Social is the most widely used type of Native Advertising. However, while all types of Native Advertising will see growth, more than three in four advertisers plan to use Publisher Content Native Advertising in 2015, which will make it the second most widely used format. A big increase is also expected in the use of Native Advertising platforms. Looking ahead to 2015, while agencies will increase their use of Native in Social and marketers will trim theirs slightly, Native in Social will continue to be the dominant type of Native Ads for both groups of decision makers.




**Facebook Dominates as the Top Media Brand Currently Used for Native Advertising**

Among survey respondents who currently use Native Advertising, 54% are using Facebook and 38% are on Twitter, while one-third are on Google Display Network and YouTube. Asked which media brands they had never used but likely will, Instagram led the way at 27% of current Native Advertising

users. BuzzFeed was close behind at 24%, followed by LinkedIn (22%).




**About the Native Advertising and Content Report**

In June and July 2014, Advertiser Perceptions interviewed 371 agency and marketer decision makers online to discern advertisers' insights to, and perceptions of, Native Advertising. All survey respondents are involved in digital advertising. They include 321 who currently use or plan to use native advertising and 50 who have never used it and have no plans to. Among the respondents, 61% are agency advertising decision makers and 39% are marketers. Overall, 44% of respondents are at the VP level or higher.

**About Advertiser Perceptions**

Advertiser Perceptions, a Perceptions Group company, is the world leader in providing the media industry with research-based advertiser insight and guidance necessary for strengthening brands, improving advertiser satisfaction and increasing advertising sales. We specialize in determining, analyzing and communicating what advertisers think - their plans, opinions and motivations.

Our proprietary database of media decision makers is one of the largest in the world. The advertiser survey and questionnaire development process that we employ ensures optimal response. Singular focus and media industry expertise enables us to effectively analyze and accurately interpret the research that we conduct on behalf of our clients who represent many of the largest international media companies.

As always, if you would like a private press briefing regarding these, and other insights based on our media industry research, please contact me directly at your convenience... Frank.Papsadore@PerceptionsGroup.com.

Best Regards,

*Frank*

Frank Papsadore

*Vice President, Marketing*