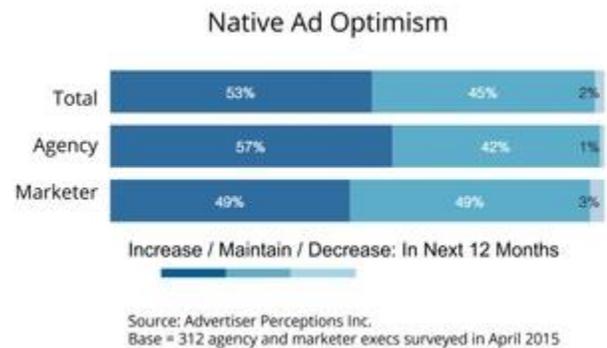


Native Optimism Remains High, But Begins Eroding: Agencies More Bullish Than Clients

by Joe Mandese

Ad executives remain bullish about spending more of their budgets on “native” advertising formats, but their enthusiasm is beginning to temper, according to a survey of marketers and ad agency executives responsible for buying media. Importantly, agency media buyers are far more optimistic about increased spending on native ad formats than their client counterparts.

The study, which will be released early next week by Advertiser Perceptions Inc., surveyed 312 ad executives in April and found that the net optimism -- the difference between the percentage planning to increase vs. decrease their spending -- for native advertising in the next 12 months is a 51. That’s down five points from a similar survey conducted by API in 2014.



Both marketers and agencies have reduced their optimism for native, but agency execs remain far more bullish. While less than half (49%) of clients expect to boost native ad spending in the next year, 57% of agency execs said they plan to do so.

According to the self-reported findings, native may be reaching a point of saturation in terms of total digital ad spending. Respondents said native now accounts for 22% of their total digital ad spending, up from 18% in 2014.

While native still is a soft term that defies an explicit industry definition, [programmatic technology appears to be playing a significant role](#) in driving its growth. Currently, respondents say more than a quarter (26%) of their native advertising is bought programmatically, and project that percentage will rise to 34% in 2016.

Interestingly, agencies are more optimistic about the role of programmatic native than marketers. While 50% of agency execs said they buy native advertising programmatically, only 34% of clients said they are using programmatic native.

In terms of native ad platforms, social media dominates the mix. Seventy percent of respondents buying native advertising say they do so on social media and that number is expected to rise to 73% in 2016.