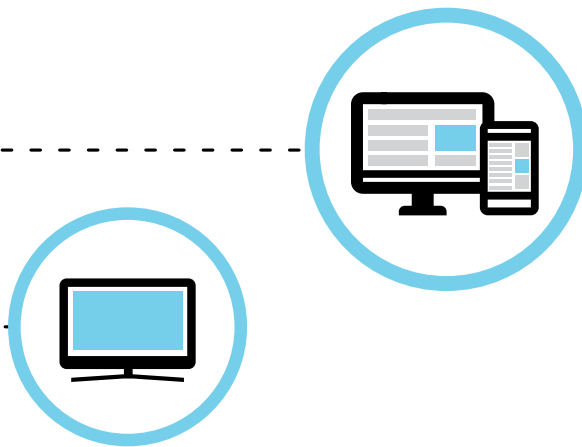


# The 2018 Native, Branded Content & Integrated Marketing Report

## Market Highlights

The 2018 Native, Branded Content & Integrated Marketing Report is a measure of the penetration of digital and television native advertising with metrics on advertisers' attitudes and needs to help media and content creation brands be more successful.



# What Inspires Advertisers to Increasingly Adopt Native Advertising?

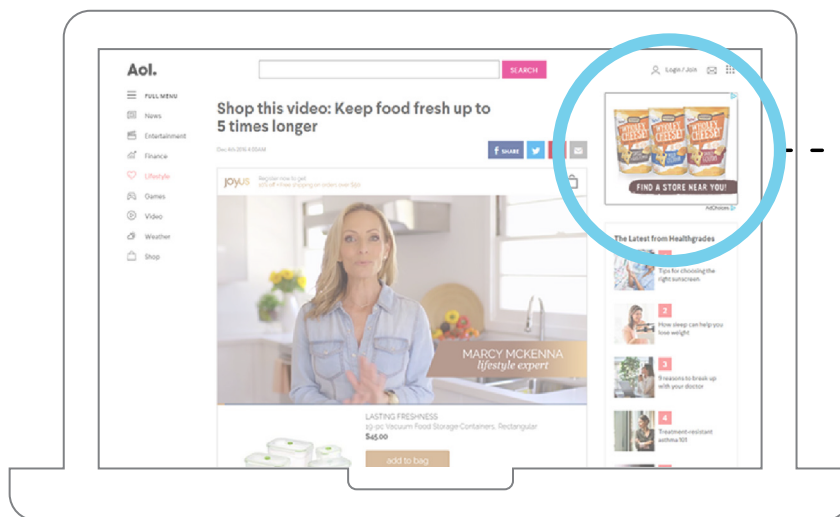
Competing for consumer mindshare is a perennial challenge for marketers – one made all the more difficult as consumers continue to find ways to avoid any kind of interruptive advertising. Unsurprisingly, momentum around ad formats that add value and harmonize with users' chosen media experiences continues to grow.

## Native Advertising Strategies

Advertisers cite many benefits to Native as key drivers of their strategy. Native is a way to boost visibility and elevate their brand while adding value to users and enhancing their online experience. Advertisers view this as an increasingly constructive way to reach consumers who are, so the conventional wisdom goes, less receptive to interruptive ad models.

## Native Advertising Spending

As adoption grows, native advertising spend continues to grow in direct proportion to overall advertising budgets, with a sizable jump to 28% of total 2018 digital and television ad spend respectively. Digital spending is fairly evenly split between Native Ads and Branded Content. And when we dig into the Native portion of that spend, advertisers indicate that 2 of every 5 dollars is being spent programmatically. And spending is evenly split across performance and brand focused objectives, with performance-based campaigns in pursuit of behavioral outcomes and brand-focused campaigns aligning with traditional awareness and positioning goals.



# The Digital Market for Native Advertisers

## Adoption Level of Native Advertising

Given the broad scope of what the marketplace defines as “Native Advertising”, we sought out the prevailing attitude advertisers have towards this category. In the digital space, Native is a mainstream tool – two-thirds of advertisers consider it a key part of their digital strategy. Every year fewer and fewer advertisers are sitting on the sidelines – making it clear that Native is an important tool in a marketer’s arsenal.

### Adoption Level Using Digital Native Advertising & Branded Content



**8%**

of advertisers are testing native

**26%**

of advertisers are beginning to adopt and use native content

**66%**

of advertisers are including native regularly and consider it a key part of their digital strategy

While 25% of digital advertisers’ native/content placements are earmarked for social media, consumers are likely to encounter native ad formats nearly everywhere they go: on premium publisher sites, video platforms, and across the broader web via programmatic placements.

### 2018 Allocation of Digital Content/Native Advertising Budget – Average Percent

**25%**

Ads native to **Social** media brands

**20%**

**Programmatic** native ads placed across **network of sites**

**19%**

Ads appearing in **Publisher content feed** (direct buy)

**18%**

**Custom content co-created with publisher** (display or video)

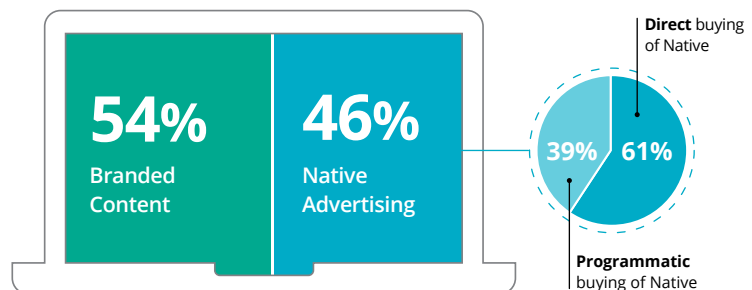
**17%**

Native **Video** ads (on video-only sites)

## Programmatic is a Legitimate Buying Channel for Native Ads

Automation of native ads enables lower-funnel marketers to bring even more dollars to the table, leveraging advanced targeting options, including retargeting. Native advertising is not immune to the same challenges that plague programmatic advertising in general - native advertisers have also flagged brand safety and verified target audience delivery as deterrents.

### Mean Allocation of Native Advertising/Branded Content Efforts by Advertisers



## Native Advertising and Branded Content Goals

Native advertising/branded content goals have diversified well beyond upper-funnel objectives and one-off custom integrations. While brand lift is the biggest benefit, advertisers are using native and content programs for everything from brand storytelling to sales goals.

### Digital Native Advertising & Branded Content Percent of respondents agree

**71%**

is effective at building  
brand awareness

**66%**

effectively influences consumers'  
perceptions of your brand

**52%**

is effective at generating  
sales



## What Digital Advertisers Say...

### *About Obstacles to Native Advertising*



"Hard to quantify ROI."

—Marketer, Director

"Lack of controls."

—Marketer, Director

"Every brand, strategy, and campaign is different. We don't blanket any individual tactic that would fit every campaign effort. We test and see what works."

—Agency VP-Level

"Legal restrictions on category and suspect ROI."

—Marketer Director

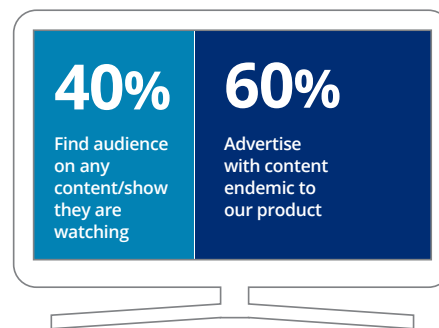
"Difficult to measure ROI."

—Agency VP-Level

# The Television Market for Native Advertisers

With consumers in control of their TV viewing, advertisers are evolving the way that they use TV. They are focusing on meaningful engagement with viewers and are looking for ways to break through the clutter. Brand integrations or sponsorships on content relevant to their product are preferred and drive partner selection along with audience.

**Preference About Where to Run Brand Integrations or Sponsorships**  
Percent of Respondents



## Integrated Marketing

More and more advertisers are imposing performance-based expectations on Television and it's no less so with their integrated marketing campaigns. While the top two objectives are brand-related, there is an expectation that integrated marketing efforts will drive lower-funnel metrics as well, and are seen as an effective way to break through increasingly cluttered ad breaks.

**Advertiser Attitudes Toward Integrated Marketing In Television**

Percent of respondents agree/completely agree



**67%**

Breaks through the cluttered ad breaks

**66%**

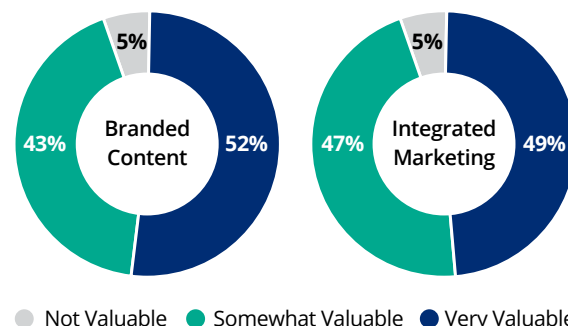
Are still memorable for the consumer, even with the volume of content marketing across media touchpoints

**66%**

Effectively influences consumers' perceptions of your brand

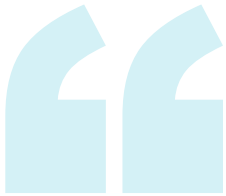
Integrated marketing and sponsorships are critical to their TV efforts because they see them as an effective and valuable tool to influence consumer perceptions and break through ad breaks. And though there is a significant volume of content marketing across media touch points, advertisers still believe that these tools are memorable for viewers.

**Value of Branded Content and Integrated Marketing to Television Advertisers**



## What Television Advertisers Say...

### *About Integrations and Sponsorships as Strategic Tools*



"The way we're using TV as a channel is evolving from traditional spot buys to more integrated approaches."

*-Agency Planner*

"We are looking for ways to break through clutter and overcome that numerous ways consumers can skip through our messaging."

*-Agency SVP*

"More emphasis on meaningful engagement than reach."

*-Agency Buyer*

"Less commercial time in some areas plus brand trackers have shown marked improvements for integrations versus traditional :30 spots."

*-Agency Director*

#### Methodology

Field Period: July 2018

457 Marketer and Agency contacts from The Advertiser Perceptions Media Decision Maker Database.

Sample: Marketer and Agency contacts from The Advertiser Perceptions Media Decision Maker Database and third-party databases as needed

Qualification: Involved in brand selection decisions for TV or digital and involved in integrated TV campaigns/sponsorships or native advertising/content marketing

Incentives: Cash and information

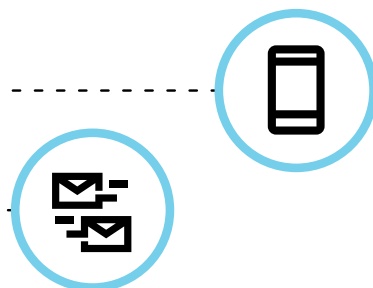
Annual Ad Budgets of Respondents:

- TV - \$24.4M mean ad spend in the next 12 months
- Digital - \$18.5M mean ad spend in the next 12 months

This summary shows highlights from the 2018 Native, Branded Content & Integrated Marketing Report. The complete report is available for purchase by contacting us at 212-626-6683, or [Info@AdvertiserPerceptions.com](mailto:Info@AdvertiserPerceptions.com).

## What's Covered in the Full 2018 Native, Branded Content & Integrated Marketing Report

- Familiarity with Native Advertising Platforms
- Most Important Benefits of Native Advertising Campaigns
- Native Advertising/Branded Content Adoption and Spending
- Native / Branded Advertising Campaign Goals
- Typically Native/Branded Content Advertising Pricing Models
- Obstacles to Adoption and Investment
- Criteria that Influence Intention to Use for Native Advertising
- Funding Sources for Digital Native Advertising/Branded Content Efforts
- Allocation of Digital Native Advertising/Branded Content Budget by Channel
- Site preference - Audience-based buying vs. contextually targeted placements
- Frequency of Native Remarketing/Retargeting Use
- Effectiveness of Dynamic Native
- Native/Branded Content Creation Preference - Agency vs. Advertiser
- Advertiser Preferences for Retaining Ownership of Branded Content
- Collaborating with Influencers on Branded Content
- Evaluating Media Partners for Native Advertising/Branded Content
- Past and Projected Usage of Native Advertising Partners
- Leading Native Advertising/Branded Content Partners
- Use of In-House Production Studios
- Evaluating Program Effectiveness
- Used/Trusted Native Advertising Measurement Tools
- Opinions on View Guarantees re: Native/Branded Content Campaigns
- Platform Preference for Content Distribution
- Level of Satisfaction with the Content Created (Top 10)
- And More...



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