

20 Predictions

for Native Advertising in 2016



Native
Advertising
Institute



What you need to know about 2016

Welcome to the first ever edition of our new annual e-book: 20 predictions about native advertising.

We have sought out 20 outstanding experts in the field of native advertising to help us understand the ramifications of the year 2016. They forecast a 12 month stretch in which native advertising will make significant strides to reach its full potential, but also face some serious challenges. Sounds dramatic? Well, it kind of is. If you want to know why just keep reading.

We hope that these 20 predictions will help you navigate the upcoming year to the best of your abilities.

Best wishes,

Anders Vinderslev

Editor, Native Advertising Institute



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Native won't be for just the large corporations

Smaller brands will begin to explore native advertising. As it becomes more established, native won't be just for the largest corporations. Additionally, publishers will become more serious about establishing firm ethical and disclosure guidelines.



Rebecca Lieb
Analyst, Advisor, Author
& Board Member Conglomotron LCC



A shift to quality over quantity

Native advertising grows up. Advertisers start caring about quality over quantity, about context in addition to reach.

Jaime Stephens Pham
Content marketing and social media
consultant at LinkedIn



Political moments will be used for messaging

In 2016 brands and organizations will finally lose their obsession with mass scale and recognize that targeting a quality audience of influencers with brand journalism products tailored to their needs will win the day, both in native advertising and in general.

Given the timing of this shift, 2016 will also be the year that brand marketers begin to understand the value of political moments as messaging opportunities akin to the perennially successful live sports environment. In an increasingly noisy world, these moments cut through the din and focus audience attention.

But unlike the Big Game, political moments are times when members of our society become actively engaged in the process of reaffirming or reevaluating the ideas and values that will move their individual lives and our nation forward. Brands seeking to define or redefine their place in our lives will be poised to use these political moments (such as the State of the Union, presidential debates and election nights) as key opportunities to tell compelling stories that connect the brand's values with the audience's values—transparently and imaginatively.



Stephanie Losee
Executive Director of
Brand Content at Politico

Native advertising will be part of most content marketing strategies

Native-only platforms

In 2016 we will begin to see platforms where all or most of the content is native advertising. We've already seen some major newspaper publishers transform their traditional sections into native-only environments and this will happen online as well. The new platforms will be established either by media companies or a new breed of publishers. And if they succeed in making the content interesting and good enough the audience will come.

Integrated with content marketing

We will also see native advertising as part of most content marketing strategies. There will still be plenty of examples of native advertising executed as a replacement for traditional advertising campaigns but more and more content marketers will adopt sponsored content as a way to grow their own audiences.

Jesper Laursen
CEO, Native Advertising Institute



More high quality content will drive engagement

- 1.** ‘Brand as publisher’ will continue to grow. Content fuels connectivity back to brand UX. Publishers will have to develop a content first approach to client RFPs.
- 2.** The concept of “Data = Circulation” will pose greater challenges to legacy distribution platforms. Every piece of content will have data embedded into its architecture. Digital networks will provide algorithmic channels to reach customers efficiently and effectively.
- 3.** “Native” definition will be discussed and debated even more than in 2015. How it evolves and is defined will matter more than ever.
- 4.** The content business will continue to help re-shape the media landscape. Traditional buying houses will move quickly to build this into their core competency. Independent content creators will need to prove margin to their investors. Publishers brand DNA provides organic contextual relevance.
- 5.** Quality fuels engagement. In 2016, brands and marketers will demand native content mirror the qualities and values of the goods and services they are selling. Native content that is contextually relevant, provides good service/intriguing story/visually appealing will capture consumers attention driving the most important metric – Engagement.
- 6.** Mobile amplifies native adoption. Traditional advertising in the mobile stream doesn’t work. 2016 will prove native content as the solution for effective marketing inside the mobile stream.



Newell Thompson
VP, Content Marketing at FORTUNE



Content recommendation networks will get better

Google will finally launch its native advertising network this year. There have only been a few leaks over the last twelve months, but currently the search giant has its native network in private beta. It's rumored to compete directly with networks like AdBlade, Outbrain and Taboola.

However, it will also be positioned to incorporate something the others aren't doing – connect brands directly with bloggers and premium publications, at scale, for full-fledged sponsored content publishing. At present, Newslauncher is the only company doing this.

Content recommendation networks will get better at delivering relevant content this year. What's the biggest knock on content recommendation engines? The quality of

the content they're recommending people to consume is suspect in many situations. Some of it is pure and simple click-bait, and many of the accompanying images are racy, too.

Some networks have done a decent job of cleaning this up, however, this year we should see even more relevant, timely and quality content being delivered this way. Revcontent, for example, already admits to denying 98% of the sites that seek to distribute content via its network.

inPowered, a third party that uses multiple networks, does business on a cost-per-engagement basis and not the cost-per-click we're so used to seeing. It's this attention to quality and engagement that will infiltrate the industry next year.

Chad Pollitt
Cofounder of Relevance



We should see more branded storytelling

My number one prediction for native advertising is more of a wish. I would really like to see more brands have the courage to become storyteller, or at least give storytellers a chance to share their tales.

We are at a point in time where there are more stories than ever, yet at the same time there are in a way far fewer publishers to provide a space for telling them.

Shrinking newsrooms, the rapid decline of print media and competition from social media have made it more difficult for publishers to cover more than a fraction of all the potential stories.

If brands can learn to view native advertising as a possibility to tell and share interesting stories, rather than as a vehicle to sell products, we suddenly have some very interesting possibilities.

Media outlets would have an opportunity to publish more stories, their visitors would get to enjoy exciting storytelling and companies would be able to build their brands by adding something to that experience rather than disrupting it with ordinary ads.

Lets work together to turn this wish into a reality.



Pontus Staunstrup
Content marketing and
social media strategist



The emergence of 'smart native advertising'

2016 will be the year when «intelligence» married its long time lover «distribution» and created a beautiful offspring called «Smart Native Advertising».

The old proverb «the media is the message» became obsolete when you no longer needed media to tell your story. Understanding how to benefit from this fact, is realizing that the key is distribution. Smart Native Distribution is equal parts targeting (reaching relevant audiences with your storytelling) and tracking (harvesting data).

Distribution platforms represent the fusion of technology, data and social abili-

ties/interaction. In other words: a platform can be a website, social media or a retailer for that matter. There are literally hundreds of platforms out there to help you get the audience's attention.

Smart Native Advertising is about making cost effective leaps when it comes to choosing and using those platforms. Putting smartness and insight, effort and time in targeting and tracking will help you move away from click baiting and sensationalism, towards providing utility and value for you audience, and thus growing your business.

Magnus Hultman
CEO, Strossle



Native becomes respectable or dismissed

2016 will be a watershed year for Native Advertising, the coming of age year when Native becomes either respectable or is dismissed as thinly veiled advertising.

Delivered effectively, good content well executed and targeted and with full transparency will confirm native as a bona fide communications medium for commercial messaging, but masquerading as organic editorial content will have the opposite and negative effect, when consumers realise there is a commercial purpose.

Brands beware! If you have the credibility, authority and relevance consumers will accept and engage with your content, but they need to clearly recognise that it is your content, through signposting. Remember, we are all consumers and no-one likes to be misled!



Tim Cain
Owner at Digital First Media



Native will have its burden-of-proof moment

One trend—among many—we’ll see with native advertising in 2016 is a lot more creative direction. Native specifically, and content marketing generally, is exiting its honeymoon phase and moving into a burden-of-proof moment: it needs to answer the question, “What have you done for me lately?”

Native content, then, can’t just consist of words on a page. It needs to measure up to the standard of any great advertising creative—to be engaging, compelling, captivating, memorable, provocative. A poorly written, forgettable article that looks

like everything else on a site but is simply—how can I put this charitably?—worse won’t accomplish much more than frustrating the user. Traditional metrics of success, like “brand affinity” or “purchase intent,” are likely to suffer in the presence of mediocre content.

But a beautifully designed, ambitious, thoughtful feature that succeeds on its own merits, that despite the “sponsor content” label delights and enlightens and entertains its audience—that kind of experience is far likelier to leave a lasting impression and make a meaningful impact.

Sam Rosen
VP of Marketing at The Atlantic



We stop selling and start telling stories

2016 will bring about a ton of changes in Native Advertising. Brands will start to realize that even subtle amounts of promotion WITHIN the content turns readers off and forces us to tune out. Too many brands have seen their insidiously promotional native ads either ignored or, worse, caused negative backlash. 2016 is the year we stop selling and start telling great stories inside our native advertising. The native ad, clearly sponsored by the brand, is the platform. The native ad itself is your chance to share the information and expertise your customers want and need. As Ann Handley so famously advised: "make your customers the heroes of your story."



Michael Brenner
CEO, Marketing Insider Group
and author of *The Content Formula*



Advertisers will work with, not alienate audiences

Advertising is changing. Brand-message based, interruptive advertising, it's turning out, doesn't work the same way when the audience is in control. You could argue that TIVO proved that in the early-90s.

Content is why people go online. Brands are finally waking up to this truth and are beginning to figure out their role with a medium that's all about access. In 2016, we'll see advertisers working with, rather than alienating audiences.

There'll be investment in short films like Shell's Power of Sport by MediaCom ; more publisher / brand partnerships, that trade on audience trust producing socially effective content like the Guardian did for Unilever and the New York Times for Netflix.

We'll also see the reach issue better tackled through native in-feed, recommendation and other distribution units. What point in original and authentic content without engaged audiences? Programmatic distribution has a critical role to play in a world where audiences are more fragmented than any Madison Avenue Mad Man could have predicted 50 years ago. Outstanding creative needs technology to get it to the right place at the right time.

Actually, 2016 is going to be a watershed year for digital advertising. Getting good at content . Which is why measurement and ROI is going to be the hottest topic of the year.

Clare O'Brien
Senior Programmes Manager
at IAB UK



Advertising will become content driven

Native advertising is set to grow very dynamically over 2016.

It is, however, becoming less native (and more programmatic/target audience driven) and less advertising as it will become even more content driven.

We think that native advertising as a term is less and less appropriate and are coming to believe that we are seeing a tipping point. Marketing will become overall more content centric whilst at the same time applying all the techniques and methodologies that have been developing over the past years in digital marketing.

Content for campaigning is therefore what we see evolving more and more and or Content Campaigning.



Gregor Vogelsang
Director of Strategy
and Internationalization
at C3 - Creative Code
and Content GmbH



We will see a refined native ad practice

The last few years of native have been a time of great experimentation, but companies are finally starting to see and understand what's working and what's not.

Rather than continuously trying new formats, partners and approaches from an experimental mindset, native advertisers and publishers are starting to formulate action plans based on the insights and learnings of previous campaigns in a much more measurable and intentional way. As a result, I think we will see a refining of native ad practices that results in fewer and fewer

“one-off” content executions, and more deeply integrated long-term content programs and partnerships. This will hopefully transition content from single activation of a yearlong marketing plan, to the spine of an ongoing strategy.

Ideally, this will mean the advertisers and publishers will form deeper connections and mutual understandings over time to help increase the overall quality of content for readers, and also help increase the effectiveness of the content itself.

Melanie Deziel
Director of Creative Strategy at Time Inc.



At least one brand suffers a pr disaster from native

1. There will be an arms race between advertisers, ad tech developers and ad blockers throughout the whole of 2016 and beyond before the marketing and digital industries realise that there's requirement for us to educate consumers that SOME commercial activity is necessary in digital spaces to support the cool content that we want to consume. Ad funded models are probably the most simple way we can go about paying for the development of good content (people seriously reject subscription models so it's the only viable route), so the industry needs to make sure that it cleans its house up and polices its practices well. Further we'll help ourselves by working really hard to produce good work that

people WANT to consume and distributing it in a sophisticated and sympathetic way.

2. This year somebody will sequence a full multi-variant format campaign through email, digital display, native distribution and addressable TV. Sky taking a \$5million position in Sharethrough as far back as 2014 was one of the great missed stories and in theory (given those partners are working on some kind of tech architecture integration) that will mean running campaigns across all five screens. The data matching and content serving might be a bit clunky, but somebody's going to buy into that experiment.



Jamie Toward
Managing Partner, Content at Karmarama



3. Viewability, brand safety and discrepancy will continue to be big bugbears for the advertiser/media owner relationship. This year at least one big brand will have a PR disaster because they've served content in poor context or in an entirely inappropriate environment. Hopefully that will lead all players; brands, agencies and media owners to work hard on technical solutions, processes and policing so that nobody else falls into that pit.

4. This is the year we totally crack measurement in native and content. The thing we'll realise is that we can determine the efficacy of a content asset (or a native placement, or a day part, or a context, or any variable really) by examining the impact of that asset in relation to all the other variable in the digital marketing mix. We

don't need to have a metric that measures content, we need to understand the nature of the inter-relation between the content and the other parts of the digital marketing system on the really important client outcomes – Revenue, Profit or Share price for example. The data platforms and skills are there to do this. From a native point of view that means distribution will continue to be bought on traditional models such as CPM, CPA, CPV or CPCV for example.

We can measure the effectiveness of the message, the format and the delivery on the overall outcome. And that's what agencies, media owners and brands will come to understand and trade on. In 2016 we'll get better about the naming protocols for the various parts of and outputs from our sector of the industry. The words "Native" and "Content" will get less airtime in brand/

agency/media owner conversations and all parties will start to use more traditional marketing terms as descriptors. This won't be the industry admitting defeat, it will be all of us showing that these non-traditional marketing, media and advertising techniques have matured to take their rightful place in the mix. We simply won't need the jargon anymore.

5. Finally this will be the year that everyone goes vertical video. This will actually really work well and will be a big step to showing that big brands have taken a massive step towards understanding that consumers are mobile first. So expect every ad tech and native distribution provider to launch a vertical video product (if they haven't done already!).

Brands will raise the budgets and the creativity

For the past few years the technology that has delivered native content, ads, and marketplaces that buy and sell native have excelled at a rapid rate, and developed far beyond that of the creative ad campaigns in market. As with many digital trends we often see a lag in the technology that provides a new channel for brands to market, and the actual ad campaigns themselves, for instance vertical video and custom Snapchat campaigns.

A few years ago brands were chasing to catch up to a great new short form social platform that was Snapchat, campaigns would require to be optimized for the platform itself. Fast-forward to 2016 we now see majority of campaigns will often be custom creative for the platform.

As the digital dollars shift towards the

new native landscape, I envisage a developing influx in great native content. With technology only growing so fast now, it offers a chance for brands and agencies to play 'catch up'.

Look no further than the Netflix 'House of Cards' campaign and their brilliant 'Cocainenomics' - two great examples of custom native content that were executed brilliantly. And rightly so, these campaigns walked away with numerous Native accolades in 2015. Setting the 2016 precedence that long form, well researched, custom content is still relevant in a world full of snack size, time poor, quick content. Brands in 2016 will try to emulate the great work of Netflix, and I imagine will open up creative agencies to larger budgets, longer briefs, and room to move creatively.

Mitchell Greenway
BD Manager - Commercial & Strategic
Partnerships at Yahoo7



A new emphasis on the placement of native

In 2016, it will be more important than ever for brand marketers and publishers to invest in the creation of native ads that users don't mind seeing - 'Advertising is only annoying until it becomes relevant'.

Relevancy will continue to top the list, but the importance of personalised native ads will be a key factor in enhancing user experience. Through personalisation, more relevant and therefore valuable native ads will help rebuild the trust lost between publishers and users. Advertisers will also continue to evaluate how and where they place native content.

For too long marketers and publishers have focused their efforts on how native looks. The emphasis on style over substance has meant that advertisers have often overlooked the real function and potential of native, which has led to native campaigns that exist in a vacuum without consideration for the medium nor its readership. By thinking smartly and considering a comprehensive mix of content and execution channels alongside look and feel, native can continue to grow into an essential and sustainable medium.



Stephanie Himoff
Managing Director UK & Eire at Outbrain



An increased focus on the ethics of native

The number one thing content marketers aren't talking enough about is ethics. This past summer, Contently published a study that showed just how badly people are confused by native ads. 2016 will be the year where ethics of native ads are clearly defined, and those who don't adhere to these rules start getting in trouble. (We're already seeing it.) We need to work to increase public awareness of what is and is

not independent content, push to loudly label brand content and native advertising so that readers aren't deceived—and actually recognize which brand is behind an ad (which is good for the brand, btw).

Above all else, brands need to take an audience-first approach when creating content. If advertisers commit to maintaining credibility and ethics this could be a huge year for branded content.

Shane Snow
Cofounder of Contently



Native advertising will play a bigger role in pr

Native advertising is going to play an even bigger role in content marketing and especially in PR in 2016. Why PR, you'd ask when PR and advertising have always been enemies?

Because native advertising is already part of the so called PESO model that guides modern PR, or as I call it 'Inbound PR'. PESO stands for Paid, Earned, Shared and Owned Media. Facebook or LinkedIn sponsored posts, native search ads, sponsored tweets and all other social media or search ad native opportunities fit perfectly

into Paid Media and allow communications professionals to cut through the clutter. Paid has become an integral part of any marketing or PR activity when the story needs to spread because there's way too much noise out there. Information overload makes it impossible for brand messages to spread organically or virally; they need a push.

And native ads make that possible in a very targeted and seamlessly natural way in order to reach the right audience at the right time with the right message.



Iliyana Stareva
Senior Channel Consultant
at HubSpot, blogger & writer on
inbound PR, social media,
storytelling & sustainability

Publishers and ad blockers in technology arms race

The world of publishing changed radically in 2015 with the introduction of innovations like Facebook Instant articles; the world of advertising innovated with the introduction of RTB2.3 and rocked by the growth of ad blocking.

With all these changes and challenges in mind, here are Sharethrough's top 5 predictions for 2016:

1. The Media Embraces Its New Function As A Wire Service

Between the threat of adblocking and a surge of fancy new news apps like Facebook Instant Articles, Apple News and

Google's AMP project, publishers are finding new ways to get their content to where people are spending time, which is on their phones and in apps. In 2016, publishers should see their owned apps and sites as just one piece of a distributed publishing pie.

2. Native RTB, For Real

Now that the RTB 2.3 spec is fully completed and DSPs are working rapidly to build out this new functionality, native ads will be bought in unprecedented volume in 2016. For publishers, this means making native a permanent part of the ad stack in 2016.

Chris Quigley
Managing Director at Sharethrough



3. The Article Will Transform

We're skimming a lot more than we're reading these days. Publishers and advertisers will learn to bank on this trend, doubling down on shortform content a la The New York Times' particles project and Digiday's TL;DR button.

4. Adblockers Will Be Blocked

Publishers will become more aggressive in dealing with adblocking. In a bit of a technology arms race, publishers will use adblock blockers or "adblocker walls" to make sure ads are shown. Others will try to reason with visitors, asking them to turn off their adblockers or whitelist their site. The adblock kerfuffle will continue in 2016, but the end result will be a more respectful advertising experience.

8. Infinite Scroll Will Expand

As home page traffic continues to decline, publishers will find new ways to squeeze more time (and ad impressions) out of visitors, going beyond the old "split the article into multiple pages" trick. Some will kill the home page, like Quartz, and others will put articles below their articles, both organic and sponsored, to keep people reading. The tactic is a surefire improvement over content recommendation graveyards promoting belly fat ads and get rich quick schemes.



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