

**“NATIVE
ADVERTISING -
IS IT REALLY JUST A FAD?”**



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PERSPECTIVES**

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Introduction

Coverage of native advertising has filled the trade and mainstream press recently, thanks largely to the New York Times, an old media stalwart and a brand which trades on its moral reputation, adopting it as part of its new digital strategy. But is this a sign that native is here to stay, or the peak moment of a short lived fad?

Through the following Q+A, we probe and prod this trend's soft spots, and investigate its relevance and usefulness as part of communications strategy in the now economy.

What is Native Advertising?

Native advertising is an online marketing strategy which plans and distributes ads to ensure they are seamlessly integrated into their channels of distribution. In layman's terms, a native ad looks more less like all the non-ad content that surrounds it. This distinguishes it from, for example, a banner ad, which is clearly separate and demarcated, and could not normally be mistaken for non-advertising content.

A common form of native advertising is similar to old-school 'advertorial' content in the press. A news or entertainment website might publish a "sponsored post", paid for by a brand, which looks similar to the site's other content but was created with the intention of marketing that brand's product. However, it is a misconception to say that native advertising is simply the modern equivalent of advertorial: native advertising on Facebook or other social media (for example through promoted posts) is a whole new art.

That said, not everybody would agree with every word of that definition. The IAB's Internet Advertising Revenue Report last year did not have a separate category for native because it is too hard to define precisely.

Isn't it just deception, though?

Someone's on their high horse! Most native advertising is relatively innocuous, but it is true that native advertising in newspapers and other trusted outlets can feel a bit sleazy.

Most of the epic native advertising fails we could identify involve real or perceived betrayal of readers' trust. Perhaps the most notable was US newsmagazine The Atlantic's 'sponsor content' from the church of scientology (<http://poynter.org/extra/AtlanticScientology.pdf>), which consisted of an upbeat profile of the church's controversial leader David Miscavige. The Atlantic is known as a thoughtful, rigorous and intellectually brave publication. Just putting a warning at the top of the post to label it as an ad didn't stop it looking like journalism, and good journalism is very different from good advertising, in that its purpose is to probe, to deconstruct myths. Accordingly, the post was taken down after a social media storm of frightening proportions. Presumably, the church bought the ad as a way to soften their reputation in the eyes of America's intellectual elite. In the event, their decision, and The Atlantic's implementation, had precisely the opposite effect.

So why are publishers starting to use it?

At the moment, there is no conclusive evidence in favour of native advertising, though one major piece of positive news for the sector was business bible Forbes's announcement in October that BrandVoice, its pioneering native advertising platform, accounted for about 20% of 2013 ad revenue and is likely to account for 30% in 2014. This has contributed to digital revenue overtaking print, at 53% of the total.

Data released in November by Marketing Charts found that 58% of publishers, brands and agencies say that blog posts, as opposed to videos, facebook posts, tweets and others, are the most effective form of native advertising. The New York Times has already begun its adventure into native in this vein: the first unit unveiled under their contract with Dell was a blog post, entitled 'will millennials ever completely shun the office?'. It's a good example of why this format might be more attractive to consumers than posts or videos: it's a million miles away from anything they would think of as advertising. Any selling that goes on is very soft. You would need to be a keen follower of the corporate tech world, for example, to pick up on the fact that quoting a Dropbox engineer as an interviewee was probably a decision partly driven by the fact that Dell and Dropbox recently announced a partnership.

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Where a blog stands out from traditional advertorial, too, is its shareability. Even people hostile to the idea of paid content, people who would never dream of taking a print advertorial into the office to pass around at lunch, might be driven to share a blog with some pertinent and interesting stats in the first par, as is the case here. True, they'll probably share it with a caveat, but it's still shared and Dell still gets a brand awareness boost.

Evidence aside, as an idea native advertising makes sense. As we all know, display advertising effectiveness is frighteningly low. Some research suggests that a US citizen is more likely to complete Navy SEAL training, get into MIT or get a full house while playing poker than click on certain banner ads. Publishers have woken up to the fact that they desperately need an alternative.

Native advertising feels like a good replacement. At Borkowski, we've long preached about the importance of storytelling in communications, and native advertisers have a lot of scope to follow this mantra. It's worked very well for social native advertising, particularly in video, where a 'native' ad more or less means one which is engineered to be a watchable product in itself, something that sits seamlessly on a user's timeline or newsfeed and doesn't scream product placement. Foster's collaboration with Steve Coogan to produce the Alan Partridge spinoff 'Mid Morning Matters' is a good example. The campaign could be described as 'native' in that it worked brand references into content that looked like an ordinary TV show, and was therefore shared for reasons other than the sales pitch in it. It could also be described as a success: the videos got over 5 million views via Foster's branded channels, and won the "Best Digital Campaign" award at the 2011 Marketing Society Awards.

Strong narrative video pushed via publishers is less common thus far, but has had decent enough results. Vanity Fair, another would-be passenger on the native advertising gravy train, has run a campaign for Hennessy Cognac by ad agency Droga5 centring round a video about Sir Malcolm Campbell, a man who set numerous land speed records in the early 1900s. The video has almost 400,000 hits on YouTube and the accompanying piece is erudite and feels natural enough to share. It should be noted, though, that at the time of writing the article has attracted no comments, a very rough litmus test for the amount of buzz a piece of online journalism is attracting. The page also measures only three tweets and no Facebook shares.

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“So it’s another mildly interesting string to a commercial director’s bow? Frankly I don’t understand why you’re so excited about it...”

Not quite: although the media coverage of native advertising has been rather hysterical, there's definitely something more significant going on here than just another way of selling sugared water, to borrow Steve Jobs's phrase.

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ative advertising offers publishers the chance to stop their advertising feeling like a dirty necessity, potentially shifting an age-old media paradigm. Historically, media culture has been split: there is editorial, there is commercial, and never the two shall meet. As a commercial director once said to this writer on a visit to a magazine's offices: "there's the newsroom, where they keep the macs, and here's us, where we've got the PCs." With native advertising, that could change. One trend in the implementation of native advertising by publishers is to allow advertisers to create and post content themselves on dedicated platforms (rather than, for example, including a post in the main section of the site). Both viral cat video distributor BuzzFeed and Forbes use variations on this model. Even those publishers who don't have such clearly demarcated brand platforms tend to exercise a level of creative control over the content that they wouldn't with a traditional ad. It's unclear how much time and effort is currently expended on this stuff by editorial teams, as opposed to commercial content managers, but there's no reason that editorial shouldn't become quite heavily involved in commissioning and editing content.

While critics deride such innovations as selling out and allowing advertisers to dictate your editorial choices, this strategy, it could be argued, actually gives publishers more control over their advertisers. On an informal level, money has always invaded editorial. Papers and magazines have softened up coverage of big advertisers or changed around the order of an issue on occasions too numerous to list, and they will continue to make similar small concessions for as long as they are commercially funded. However, by inviting brands to create content on a platform you control, you can guide the tone and nature of that content to be more attuned to the style your readers like. The New York Times's first native ad article, according to Ad Age, was written by a freelancer and pitched to Dell by the paper's own 'content studio', meaning they presumably took a certain amount of control over the shape of the article away from the advertiser.

“At the end of the day, though, readers of quality publications will still feel cheated. Right?”

This is a tricky one to call. The kneejerk response is to say that in an age where popular trust in the media is appallingly low, the last thing publishers should be doing is allowing big money anywhere near the newsroom.

The latest Ofcom statistics for the UK say 35% of users trust what they read in newspapers. The figures for news websites, while still poor, are much better: 54% trust what they read online. Publishers might want to think twice about allowing big money to fiddle with their most trusted content.

That said, Vice, the multi-channel publisher lauded across the media for its ability to attract millennials, arguably goes furthest in its openness to working with advertisers. It offers an end-to-end package for brands which includes a contribution from the publisher's own ad agency. This level of collusion with business doesn't appear to have diminished the loyalty of a wildly engaged audience who are otherwise sceptical of journalism.

So it's risk free? We should all pile in and join the party?

I didn't say that. It's true that airy-fairy moral concerns are unlikely to stop publishers trying their luck with native. However, there are other problems on the horizon. It's questionable whether true native advertising, which relies on its bespoke feel and excellent creative work, can ever be scaled. While new technologies like Sharethrough and MediaVoice, which break down ads to make them fit the look and feel of a page, are helping here, this problem can look serious when viewed in the context of digital advertising's other major current trend: programmatic buying. Programmatic buying involves data-driven, automated buying and selling of advertising. Its CTRs aren't as impressive, but for brands it is attractive because, done right, it is cheap and cheerful and doesn't require the kind of detailed strategic head scratching that good native advertising does.

There are teething problems, too. In the US, nobody has any idea how native advertising is going to be regulated. The Federal Trade Commission recently organised an industry workshop on the topic which "raised more questions than it answered," according to Mary Engle, the FTC's associate director of the advertising practices division. If governments can't work out exactly how best to regulate the sector, they are likely to come down on the more draconian side rather than give the industry the benefit of the doubt. There have also been reports that agencies and publishers are struggling to find an efficient way of working together, and to get the relatively large number of brains required to create a native campaign in one room at one time.

“THE BIG QUESTION NATIVE ADVERTISING- FAD OR FUTURE?”

At Borkowski, we strongly believe that brands should be communicating from the heart as much as from the head, and any strategy that gets creative muscle in the room with digital-savvy geeks to create high-end content is, we believe, the sort of investment that's likely to pay off. We'll be watching the sector with interest.

That said, unless experiments across the pond like Vanity Fair and the New York Times prove that Forbes, BuzzFeed and Vice's extraordinary success can be emulated by stuffer brands, the UK's more risk-averse sector might not quite be pushed into taking the leap.

If you want to talk about which trends you should be getting involved with, get in touch with us at hello@borkowski.do.

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