

NATIVE ADVERTISING-THE FUTURE OF CONTENT MARKETING AND ONLINE ADVERTISING

A Theoretical Perspective

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Abstract : *Advertising online has assumed much significance in the present day, as increased usage of internet and smart phones has led the average customer spending more time online browsing, thereby loosing eyeballs for traditional and outdoor advertising. The content marketing is complemented with native advertising, which is aimed at adding value to the customer apart from promoting the brand and building its image through customer engagement. The in stream nature, and subtlety of the native advertising, has resulted in controversy regarding ethics in its usage, as many brands shy away from disclosing sponsored contents fearing backlash from the customers. However, many a brand has embraced this new world advertising to not only enhance traffic and their brand image, but also gently nudge customers without any disruptive activities, from the awareness level towards the evaluation of the brand generating positive feelings for the brand, and to induce trial finally. The paper aims to provide a theoretical understanding of native advertising, delving into its definition, advent, concept, rising significance and contextual usage, as there is little published information on the same, it being a fairly recent development.*

IndexTerms - *Content marketing, TOFU, in stream ads, online advertising, outbound marketing, inbound marketing, infomercials, advertorials*

I. INTRODUCTION

Native advertising has been around for sometime, but was represented in different ways by the media. Ever since the advent of print and creative media, native advertising was making its forays into the average individual's mind, by penetrating into the thin line of difference between paid and deliberate advertising and paid and unobtrusive promotion, which sometimes is also called as disguised promotion. However the advent of internet, and the expansion of business online has brought in new challenges for all the brands. Survival in the present day is based mostly on top of the mind recall, and association as well as engaging interactions with the customers. Native advertising has started assuming a very powerful although somewhat controversial role in bringing the brands to the forefront of a customer's mind share. It is estimated that a major part of more than 25% of the ad revenues would be from native advertising in 2018, as against just 11% in 2015 (New survey: 5 facts, 2016), and that it would constitute a major part of the ad budgets here after.

II. DEFINITION CONCEPT AND GROWING SIGNIFICANCE OF NATIVE ADVERTISING

Expansion of internet usage and business online, led to the beginning of many forms of online advertising, in addition to traditional advertising (De Haan et al., 2015). The earlier forms of native advertising were mostly in the form of video releases and comment for cash initiatives. These were mostly on radio in the 1950s. (Oliver, 2014). However from the 1980s native advertising assumed a distinct role in promoting business although the line of difference between itself and content marketing was blurred (Stout, P. A., Wilcox, G. B., & Greer, L. S. 1989). Internet advertising has been undergoing a sea change for the past two decades (Tutaj Van Reijmersdal, 2012). Increasingly, native advertising is taking the place of editorials and is grossing much higher impact and engagement when compared to banner and display ads online (Wojdyski, Bartosz W., and Nathaniel J. Evans, 2016).

There is a dearth of information on native advertising, as it is relatively a new phenomenon, and hence there is no single definition for native advertising (IAB, 2013; Moore, 2014). It is a form of internet advertising that is discussed as operating in two modes. (Campbell, Colin & Marks, Lawrence, 2015). They opine that the effective model of native advertising does not rely on secrecy, and it is based on consumer consent and is unobtrusive in nature. However the alternate mode according to them views native advertising to be ambiguous about sharing the source or sponsor, and has many ethical implications to it. Over all, native advertising is defined as a sponsored brand message that is placed on a digital screen, or within a content stream and is similar to an editorial. (Vorkin .D, 2013). Bærug & Halliki Harro-Loit (2012), differentiate native advertising as emphasizing on the fact of what the consumer desires to know, in contrast to what the consumer must know for the general well being of the society. Here they contest the forays that native advertising has made into the forte of journalism. Also, continuous exposure to commercial content makes the customer gain awareness of the persuasion by the brand, and might let them realize the various ways and instances through which a company might promote its brand (Attaran et al., 2015). Wright et al., (2015) explains that this might lead to the customer rejecting the promotion. It is imperative to understand the attitude of customer towards online advertising in general, and native advertising in particular, in order to deduce whether such new methods of advertising are acceptable to customers (Hadija et al., 2012). Further the 'in feed' nature of the native advertising makes it look more like a part of the content, inviting a negative reaction from the customer. It is found that in a study, about two thirds of customers felt dejected when they realized that the article they read was paid for (Lazauskas, 2014). The online advertising is often termed as ineffective, easily forgettable and most of the time intruding into customer privacy (McCoy et al., 2007). However Tutaj and van Reijmersdal (2012) consider native advertising to be the one, which is capable of overcoming the blocks which traditional advertising couldn't, by offering value to the customers other than just the pitch.

In India, native advertising is being adopted as a heightened pace. Recently Rediff, NDTV, Flipkart and many more companies have started using this mode of advertising to appeal to the customers and are successfully generating better responses than traditional banner ads. (Nathani. K, 2017). Nearly 120 million mobile handsets in India in 2018, with built in ad blockers make it imperative for advertisers to choose new modes of advertising like native advertising, as the outdoors are not being effective anymore, losing the customer eyeballs very quickly elaborates an article, 'Is native advertising gaining any traction in India' (2018). Thus the fusion of social media has led to a revolutionary change in Indian advertising scenario.

III. NATIVE ADVERTISING AND CONTENT MARKETING

The effectiveness of outbound marketing in churning huge revenues is slowly waning making in-bound and content marketing to take over traditional out-bound marketing. There is supposedly an increasing complexity in advertising online, for the customer as well as the advertiser (Rodgers and Thorson 2000). Native advertising has grown in strength in the recent years, and has been controversial for several reasons vis-a-vis content marketing. New means of generating income are being offered by digital native marketing, providing opportunities to publishers to offer new services there by compensating for the dwindling incomes through traditional content marketing (Probst, Grosswiele, and Pflieger, 2013).

Both content marketing and native advertising aim at building the credibility of the brand, which can be understood as the customers' willingness to believe and trust the advertisement and the brand there off (MacKenzie & Lutz, 1989). This would nurture customers and prospects by providing authentic information that aids in the customer's decision-making process. However, the major difference between the two is that content marketing is not necessarily paid, but native advertising is. Native advertising goes beyond engagement and focuses on conversions, and content marketing restricts itself to lead generation and engagement of the customers. It is observed that both of them concentrate on building the brand image and increasing its customer engagement quotient. Subsequently native advertising is more targeted and concentrates on pushing the average customer down the funnel from awareness at Top of the Funnel (TOFu), to middle of the Funnel (MOFu) for evaluation and ultimately to the Bottom of the Funnel (BOFu) for trial and purchase. Content marketing although spread generally through partnerships with different media is comparatively less costly than native advertising which is usually carried out through publisher owned drives or content-partnerships.

The key differences between content marketing and native advertising can be listed out as follows:

	Content Marketing	Native advertising
Objective/Goals	Information Education Engagement	Engagement Lead generation Conversion
Nature	Not labeled Non-sponsored	Labeled as 'ad' or 'sponsored' Paid
Focus	Satisfy 'pain points' of customer Brand awareness generation	Generate leads, brand awareness and subsequently conversions unobtrusively
KPIS	Increasing social shares Showcasing high quality links Generate awareness	Build traffic Increase views Drive campaign Build engagement Aid in conversions inexplicitly
Main Strategy	Content distribution	Targeted content distribution
Spread	General distribution (mostly) through multiple reach	Targeted by ownership of/ contractually bound publisher or vehicle
End result	Lead generation Brand awareness Engagement	Brand Awareness Customer engagement Ascension to evaluation and trial

Fig.1: Comparison between Content Marketing and Native Advertising

IV. TYPES OF NATIVE ADVERTISING

The popular view considers six types of native advertising (The Native Advertising Playbook, 2013). "Six types of Native advertising" (2015) lists them out as following:

1. Content recommendation engine widgets
These are usually the widgets that have tags like 'recommended for you' and 'you may also like' and help in driving traffic to the publishers.
2. Custom ads
Ads that are contextual and don't fit into any format are termed as custom ads.
3. Contextually relevant in-ads
An ad that suits the context but does much more by offering value through relevant and related content.
4. Paid search ads
Ads that are based on retargeting and concentrate on both search engine marketing and in-domain search and are similar to promoted listings are Paid search ads. They usually appear on top of the search engine results.
5. In feed units
Content that matches and blends with the publisher's theme. Marked as sponsored, the content is in addition to the publisher's content and is in sync with its tenor.
6. Promoted listings
The placement of merchandise before any of the other brands at a vantage. The items not only get noticed, but also stand out off clutter due to the special listing and showcasing.



Fig.2: Types of Native Advertising

V. THE 5 'E'S OF NATIVE ADVERTISING

The survey of literature brings forth the nature of native advertising and presents it as a controversial yet very popular strategy of building brands online. It can be deduced from the published recounting of native advertising that it is assuming significance and more and more brands are adopting it to stay more effective through low brand prominence and lesser visibility across the online customers (Boerman, van Reijmersdal, and Neijens 2014). The major tenets of native advertising can be summed up as Five 'E's and can be addressed as below:

1. **Educate**
Native advertising provides information and spreads awareness by adding value to the customer in various ways. It could be sharing of pertinent information, relevant arguments that affect his/her decision making or supportive content that reduces post purchase dissonance.
2. **Entertain**
Mostly, native advertisement aims to steal the customer's attention by providing entertaining tit-bits of news and information regarding a particular product category, brand or industry. This would ensure more traffic and engagement from the customers and stakeholders.
3. **Engage**
Several native advertisements focus on targeting the relevant segments of customers, and engaging them in various levels of interaction with the brands allowing them the familiarity, such that they slowly and very smoothly graduate from the top of the funnel (TOFu)-awareness, to the middle and lower levels of evaluation and trials. Call for action like sharing links, FB posts and voting in polls are aimed at engaging them at some level with the brand and create positive feelings towards the brands or sponsors.
4. **Enchant**
One of the prime concerns of advertisers world over is to grab the attention of the customer online, and enamour them with audio-visual cues, and content-based stimuli regarding the brand. The assumption is to enchant the customer so that he/she would continuously engage with the brand and slowly convert over a period of time.
5. **Empower**
Perhaps the most powerful aspect of native advertising that comes through the survey of literature is its bid to empower the customer while targeting them for a conversion. Most content in native ads endeavours to provide important and very pertinent information regarding relevant and related areas like consumer rights and options apart from talking about the brand and its qualities. This would be a win-win situation, provided native ads come clean and are displayed as sponsored posts.



Figure.3: The % 'E's of Native Advertising

All in all, native advertising is here to stay and its concerted effort has made it more effective when compared to banner and display ads all over the world.

VI. Conclusion

Native advertising has come a long way from being a 'cash for comment' gig to a major strategy. World over, native ads have started garnering more attention due to the nature of their content, design and presentation. Illustrious content, in stream design of the content, videos and podcasts and engagement intensive campaigns have made native ads grow in strength. Brands are partnering with publishers and digital platforms to promote their awareness by investing in native ads. The boost to native ads is also due to the emergence of smart phones and increased connectivity especially in India. However the fact remains that native ads walk a thin line between controversy and legalities as many sponsors shy away from acknowledging the paid nature of their content and journalists view native ads as crossing the line when advertorials are increasingly blurring the difference between a objective editorial and a subjective infomercial.

The ever-expanding digital world has seen the evolution of advertising from traditional to new world, with emphasis shifting on to the engagement of customer and building awareness rather than pushing the brands for a sale. In this context native ads are complementing content marketing strategies, by targeted distribution of content and building huge consumer bases through lead generation and engagement. Clean and well labeled and acknowledged native ads are slowly winning over the net savvy customer, who shies away from ad zones on websites, fearing retargeting and intrusive marketing. In conclusion, it is evident that native ads are increasingly replacing editorials, and are complementing content marketing in generating leads and building brand awareness. The subjectivity associated with them is being balanced with the invisible ethical line of presenting facts in their contextual significance.

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