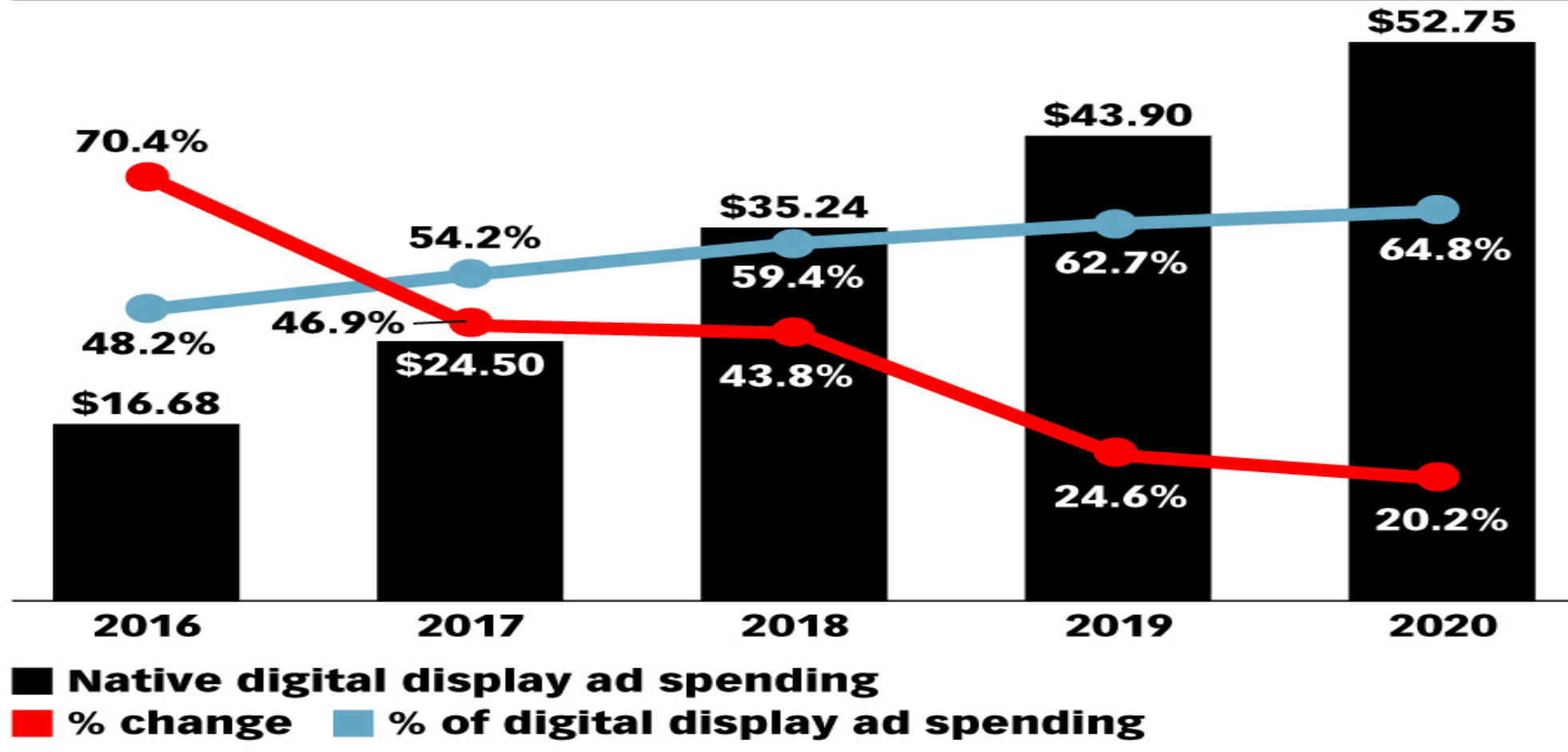# Global trends - Native is display's 'hero product'



**US Native Digital Display Ad Spending, 2016-2020**
*billions, % change and % of total display ad spending*

| Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|------|------|------|------|------|------|
| Native digital display ad spending | $16.68 | $24.50 | $35.24 | $43.90 | $52.75 |
| % change | 70.4% | 46.9% | 43.8% | 24.6% | 20.2% |
| % of digital display ad spending | 48.2% | 54.2% | 59.4% | 62.7% | 64.8% |

■ Native digital display ad spending
■ % change  ■ % of digital display ad spending

*Source; eMarketer*

# Native is now replacing standard display in AU



General display advertising — By type compared to prior year ($ million)

Growth: ↑ 20%    ↑ 3%    ↓ 21%    ↑ 55%

| | Video | Infeed/Native | Standard Display | Other |
|---|---|---|---|---|
| CY 2018 | $1,374.7 (43%) | $1,178.7 (34%) | $718.7 (22%) | $27.4 (1%) |
| CY 2019 | $1,648.4 (48%) | $1,211.8 (35%) | $563.9 (16%) | $42.5 (1%) |

CY 2018    CY 2019    Market share

Australian Online Advertising Expenditure Report
Compiled by PwC

For the calendar year and quarter ended 31 December 2019
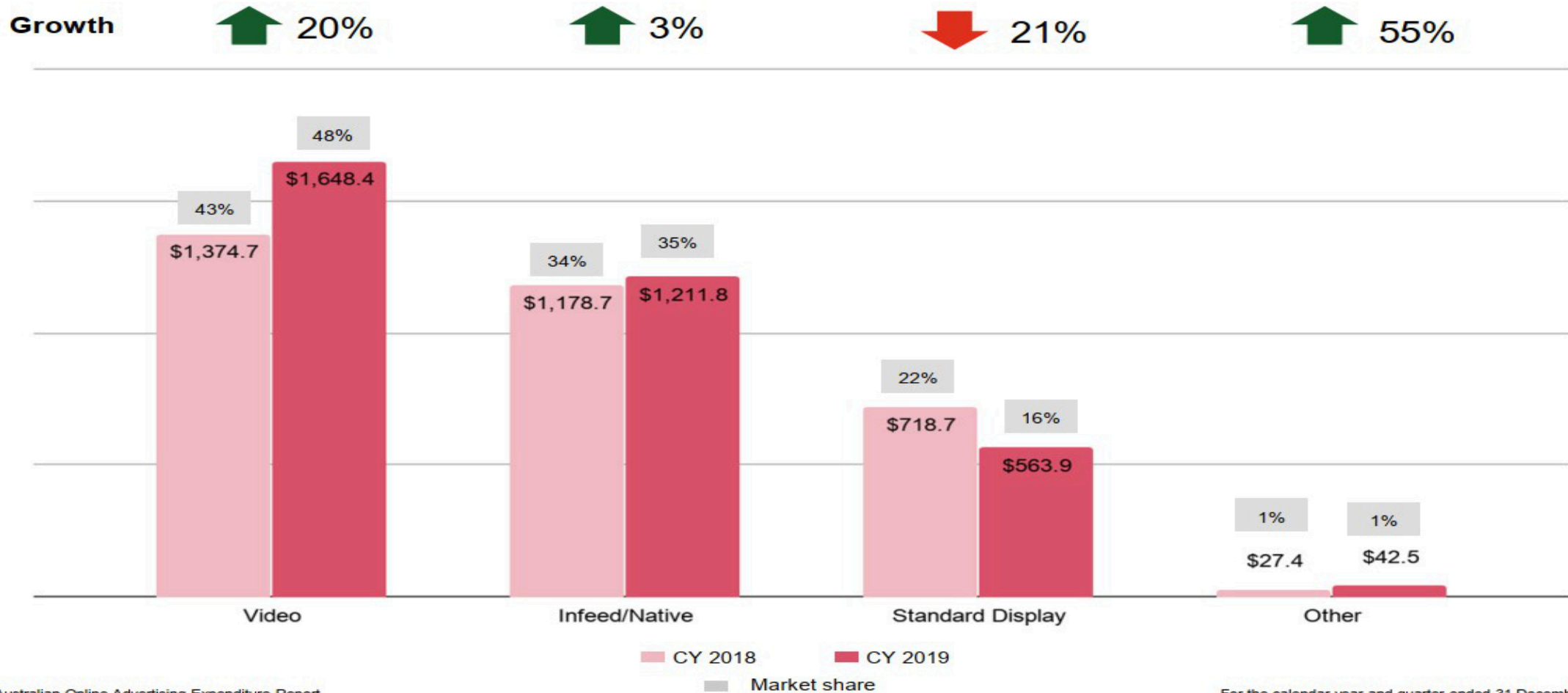
# NATIVE ADVERTISING HANDBOOK
## 2020 UPDATE

# A collaborative effort – thank you!

- Amy McCormack, A&A Digital (*co-chair of IAB Standards & Guidelines council*)
- **Chantelle Schmidt, Pedestrian Group**
- **Sebastian Graham, Verizon Media**
- Isabelle Dunn, Hearts & Science
- Lucy Pierce, Taboola
- Olivia Nati, News Corp
- Sharnee Rawson, The Guardian

# Key updates to the 2017 handbook

- A simpler, reduced set of product definitions and types (now only three)

- An introduction to programmatic native

- An updated set of recommendations and best practices from local experts

- *A creative showcase of local Australian product examples*

# Native – a definition

*Native Advertising should complement the natural design, location and behavior of the environment in which it exists - through content which provides a non-disruptive and relevant consumer experience to the context within which the ad resides.*

*Source; IAB Australia Native Advertising Handbook, update 2020*

# NATIVE ADVERTISING DEFINED

iab.
australia

## NATIVE ADVERTISING

Native advertising is a concept encompassing both an aspiration as well as a suite of ad products. It is clear that most advertisers and publishers aspire to deliver paid ads that are:

- so cohesive with the page content,
- assimilated into the design, and
- consistent with the platform behavior...

**that the viewer feels the ads belong there.**

# Three simpler product definitions

- In-Feed / In-Content Native

- Content Recommendation

- Branded / Native Content

~~Search~~

~~Promoted Listings~~

# In-Feed / In-Content Native



## In-Feed Native Ads

In-Feed Native Ads are placed in article and content feeds and mimic the surrounding site design and aesthetics. As consumers scroll the listing of article summaries, editorial is mixed with native ad units providing an uninterrupted flow.

# In-Feed / In-Content Native (cont.)
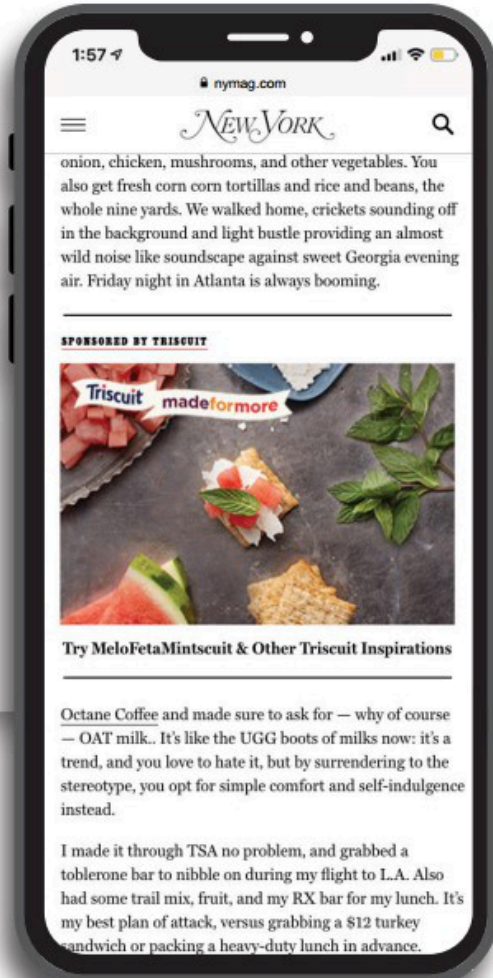


## In-Content Native Ads

In-Content Native Ads are ads placed primarily on article pages, in between paragraphs of content or below the article, and are designed in such a way that they mimic the design and aesthetics of the surrounding editorial content experience.

*Source; IAB Native Advertising Playbook 2.0*

# Content Recommendation

*This ad type usually sits below (and sometimes adjacent to) editorial content and whilst it's highly relevant to the context and environment is clearly external content and upon clicking users are taken to a different site.*

*The format can be articles, products or video.*



*Source; IAB Australia Native Advertising Handbook, update 2020*

# Branded / Native Content



This is brand-funded content which exactly matches the format, look and feel of the publisher's editorial and whilst relevant to the context, must clearly labelled for consumers as being sponsored content

*Source; IAB Australia Native Advertising Handbook, update 2020*

# Programmatic Native

Native Ads have been included in the programmatic protocols since 2015 via OpenRTB 2.3 and since then through the OpenRTB Dynamic Native Ads API Specifications – first released in 2017.

This standardisation has enabled a suite of automated Native Ad products to be made available to DSPs across both the open internet and the major social platforms.

Recommendations:

- Vary your creative assets
- Effectively utilise contextual targeting attributes
- Measure and review all your programmatic campaigns strategically

*Source; IAB Australia Native Advertising Handbook, update 2020*

# Best Practices & Recommendations

At its core, Native advertising needs to display a brand message which resonates and interests a reader, served on the right platform, at the right time.

*"Good native content shouldn't involve tricking the audience into thinking the advertising is editorial content. It should deliver enough value that the reader engages voluntarily, even though they're aware it is coming from a brand."* **Isabelle Dunn, Chief Digital Officer, Hearts & Science**

Best practices:

- Content strategy
- Design
- Location (i.e. within the content feed, or outside)
- Behaviour (i.e. post-click or interactions)
- Disclosure

# Disclosure

## With regards to disclosure we recommend to:

- Always use language that conveys the advertising has been paid for, thus making it an advertising unit, even if that unit does not contain traditional promotional advertising messages.
- Always ensure that the disclosure is large and visible enough for a consumer to notice it in the context of a given page and/or relative to the device that the ad is being viewed on.
- Always ensure that, regardless of context, a reasonable consumer should be able to distinguish between what is paid advertising and what is publisher editorial content.

*Source; IAB Australia Native Advertising Handbook, update 2020*

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