COLUMNS

Native advertising is underused in the mobile context

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By David Kashak

It is hard to believe that the concept of native advertising only entered into our collective consciousness a little more than two years ago. Before that, according to Google Trends, the term barely registered as a blip.

Fast forward to 2015, where discussion of the topic has reached a fever pitch, and it seems like no conversation about media is complete without either an ode to, or a lamentation of "native."

Build up to build it
It is no coincidence that as this discussion began to percolate, the marketplace responded with products and services that address the clearly swelling demand for this emerging ad format.

In 2014, 62 percent of publishers polled were using native advertising, according to a recent study by Adobe CMO. In response to this demand, publishers and advertisers seeking a solution for native in desktop have an increasing variety of options.

For all of these successes, native is still relatively underused in today's mobile context.

Advertisers have been cautious in their mobile native approach. In fact, Rubicon Project and InMobi recently found that 43 percent of digital ad buyers are not exploring mobile native advertising at all. The reason they cite? A lack of in-house resources and knowledge.

While this lack of in-house know-how is limiting on the buy-side, there are also structural barriers for mobile native adaption.

Despite the fact that cost-per-thousand (CPM) rates for mobile native near those for desktop, according to a recent iMedia Connection study, lack of available inventory limits advertisers from seeking these solutions at scale.

This does both advertisers and publishers a disservice, as native programmatic via mobile has turned out the highest engagement rates of any mobile format, including in-application ads and static and un-clickable banners.

This should serve as a wake-up call to publishers to make available more native units on their mobile sites and apps. If they build it, the advertisers will come. The logic of engagement and monetization will be irresistible. Sounds easy, right? But like anything, it is not so simple.

Scale of three
For publishers, creating native inventory at scale requires three things:

1. Placing responsive and well-labeled units in key slots within news feeds. The truth is that the best placement in the

feed is not always the first slot. By testing placement, performance publishers can determine where their native units generate the greatest user engagement.

2. Generating demand sources that can provide sufficient fill rate and content relevant to the sites/apps. For publishers, this means educating the sales force to sell native campaigns, as well as bringing on demand partners that can programmatically bid on their inventory.

3. Optimizing the performance of the ad units and campaigns running on site or within apps. To succeed, publishers need to be able to test different design elements and placements through A/B testing for campaign creative. This can be easily achieved by investing in technology that assists in the task.

So far the main impediment to achieving this has been applying sufficient resources to develop, sell, and optimize these units.

Lastly, publishers need to become savvier about how the manage the data derived from their readers. This means gathering meaningful business intelligence from the tools that they integrate with and understanding what variations in engagement across their varying ad units and formats really mean.

Here, publishers should be paying particularly close attention to device type (phone versus tablet), operating system (Android versus iOS), browser type, traffic sources and, most importantly, user behavior.

I DO NOT want it to sound like I am just beating up on publishers here, because it does take two to tango.

Advertisers need to come to terms with the fact that users today consume more of their content on tablets and mobile phone. To see the greatest returns, they need to focus their efforts to engage consumers on these platforms.

If publishers and advertisers are willing to take these steps together, native will be much more than a blip in advertising history.

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