

COLUMNS

3 ways mobile ad strategies can go native

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We tend to think of native advertising as it most often appears: in-stream social ad content or sponsored content in media publications. However, the emergence of native ads for any mobile application or Web site has made native a far-reaching and incredibly effective tool for advertisers.

Native ads in apps and on mobile sites typically see two- to five-times greater engagement than traditional banner ads, presenting a huge opportunity for mobile advertisers. However, agencies have not yet migrated to native on mobile as they have with desktop.

Form and substance

Content marketers and advertisers seem to have a greater appreciation for the value of native on traditional Web sites, to the point that online newspapers eat up a disproportionate amount of native inventory.

There is an underserved native market in mobile, yet this is where it works seamlessly, where ads can be as beautiful as the space they inhabit and even enhance the user experience within the app.

Mobile app users can be fiercely loyal, too, with lengthy and frequent sessions.

U.S. iPhone and Android users spend more than 30 hours a month in their 26 apps, on average, per Nielsen. Even so, app users and gamers, in particular, are perceived as low-value customers.

This could not be farther from the truth. U.S. mobile app users are expected to spend \$3.04 billion this year in downloads and in-app purchases, with freemium models driving growth in mobile gaming revenue, according to eMarketer.

Users actually prefer ad-supported and freemium apps to paid apps, a trend expected to continue, as eMarketer predicts just 33.3 percent of users will pay for an app this year. But where are the brand dollars?

Developers are frustrated. Those monetizing through mobile banners are seeing declines or lack of revenue growth, thanks to banner blindness. They are trying to balance video integration and interstitials to avoid alienating their user base.

If native is going to stay, we must collectively appreciate it as more than another newspaper ad format.

Advertisers that are able to create attractive, compelling native ad units to fit the form, function and purpose of their mobile strategy open the door to improved user experience and greater revenue potential.

Here are three tactics that marketers can employ in your advertising strategy to capitalize on the mobile native opportunity:

Rethink standardization

The Interactive Advertising Bureau has identified the six core types of ad units most often deployed for native advertising as in-feed units, paid search units, recommendations widgets, promoted listings, in-ad with native element units and "custom."

However, we need to go further and break it down to the creative assets level for effective native mobile ads.

Native is simple to standardize across newspaper and other desktop Web sites because the layout is largely the same.

On Facebook and in games or apps, we most often see square icon ads or larger images, each with a title, short or long description, and CTA.

If you are trying to buy programmatically and at scale, it becomes very difficult to add more elements and so marketers attempt to standardize with these same creative elements in each ad.

However, where a native ad on the Web need only look like the real estate around it, a mobile app native ad can actually function like the content around it.

A photo-sharing app, for example, may have a large, beautiful picture co-branded with the app.

A native ad message within a messaging app will appear as a notification, just as a regular message would.

It could also be a game within a game, as seen above.

Breaking it down to the creative assets level offers a more holistic way of buying at scale.

Focus on placement optimization

Two ad units currently dominate mobile: in-feed ads such as those found on Facebook or square icons reminiscent of Web ads.

Marketers need more: larger, richer advertisements exist within that "custom" format category and actually serve about 50 percent of the mobile audience.

Creative placement could mean an ad within an app wall, with a small button for more information. It could mean a small icon with a larger display of the ad unit itself.

It is the industry's prerogative to educate the advertiser about these different formats and what works. Marketers can still test these different creative placements today to see what works best for their business.

Scale and delivery optimization

This is the single most pressing issue for most advertisers. How do you scale native ads in mobile apps?

Native is such a buzzword because at the end of the day, engagement and conversion are so much greater than with banner ads.

Working with the larger demand-side platforms is scalable, but it leaves mobile advertisers with that inventory leftover once big media has taken their first dibs.

Instead, look for exchanges that are hyper-focused on mobile native and that can scale native inventory. You probably do not need hundreds of billions of impressions daily, but you do need fair reach and fresh inventory.

APP PUBLISHERS are starting to think about their experiences from a user perspective, creating more opportunities for advertisers to offer welcoming, engaging native experiences on mobile.

Mobile users, for their part, are here to stay and they are willing to pay.

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