



A Study of the Emerging Trend of Native Advertising with Reference to India

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ABSTRACT

In this digital era, with millions of people using social networks and messaging applications marketing communications has become very dynamic and marketers are trying to create the trigger point for their target audience and connect them with the brand. Native advertising is one such way which is seen as an important tool of integrated marketing communication. In the digital landscape the fruition of digital advertising represents an essential turning point. It is fast smudging the lines between advertisement and content. Native advertisement use promoted sponsored content on social media platforms, seamlessly integrate to the content that is being consumed and delicately communicate the brand's message. The present article focuses on the important aspects of native advertisement and its scope in the Indian context.

KEYWORDS

brand, content, engagement, online social media

Introduction

According to definition of AMA (American Marketing Association) an insertion of a brand message in any form of content within any medium, done in such a way so that it blends with or fits in the user experience is native advertising. It could be an online or printed article, a video on a website, or a simple tweet where the brand message seamlessly integrates into the existing context. Native advertising can be understood as a form of paid media where the advertisement experience follows the natural form and function of the user experience in which it is placed. It matches the visual design of the experience they live within & look and feel like natural content. Some of the social networking sites like Facebook, Twitter, Instagram, and LinkedIn are maximizing their profit with native advertising by using in-feed advertisements. Similarly news & entertainment companies such as India times, Forbes, Wall Street Journal, Hindustan Times, the business line et al are also following the same strategy by introducing new advertising integrations on desktop and mobile that match their editorial feeds. Native advertising is fairly a new approach to digital advertising, in which brands offer content based on what audience are passionate about, as opposed to sponsored content, where brands push their marketing message. These advertisements are called 'native' because they don't appear to be advertisements, rather they appear as a part of content. In fact it is extensive since it is about content and not about the form in which content is rendered. It could be images, text, video, info-graphics, apps or even a micro website. Some common examples are promoted videos, images, articles and music. Examples are sponsored stories on Facebook, promoted tweets on Twitter, paid search results, pre-roll ads on YouTube and so on. There is a variety of forms or layouts of native advertising on mobile such as content walls, app walls, chat list, news feed, content streams, which complement the design of different types of apps. Native advertising is expected to grow from a \$1.9 billion market in 2014 to \$4.6 billion by 2017, according to research firm BIA/Kelsey. The objective of native advertising is to create appealing content as per the interest areas of the target audience's and then seed their brands message. In a newspaper, it could be a pullout and so on while in a magazine, one can see 3-4 pages of sponsored content. It looks like an article but it's actually written completely by the advertisers. Native advertising is different from traditional advertising because it blends into the content stream but it's an advertisement with a clear advertiser and call to action.

How native advertisement is done

Native advertisement is rendered as content placed in the stream of the website or an app. So if a user is browsing through his news feed on Facebook, then a sponsored story appears like any other story or update that his friends or the

pages he likes would share. Even though it has clear signal that it is promoted content, its manifestation and interactive experience by no means vary from what a user would face on any other unrefined section of content on Facebook. Native advertising is basically customized content for the right person at the right time, with the right presentation. To fully explore the world of native ads and content marketing, brands operate across different media with large scale operations.

Reasons for considering native advertising

In the present scenario marketers have to seriously think about the media plan for digital medium. A marketer is continuously trying to create the right balance between the brand's short-term objectives of traffic, return on investment and the consequence of focus on the long term objectives and the impact it can have in differentiating the brand. Now native advertising has become an intrinsic part of the marketing mix. It is a modern promotion mix tool which a marketer uses for differentiating the brand.

For most brands today there is a need to have an engagement with the stakeholders and have a long-term association. Organizations with digital marketing budgets find value in native advertising. Various sectors like e-commerce, technology and consumer focused brands are more bullish on native advertising today.

The benefit for advertisers is in many ways -

- Superior Return on investment - the impressive user experience, engagement and conversion rates for native ads are higher. It varies depending on the approach one takes. In a brand approach the content is hosted within the ecosystem of the publisher site and with complete clarity on placements. The buy happens on a cost per post model and it varies between Rs 30,000 and Rs 2.5 lakh for an article depending on the platform and the placement. Besides, during the IPL, Pepsi promoted its Tweet20 campaign video with many websites covering news on IPL matches.
- Improved reach - Application that has conventionally stayed away from advertisement are now learning from the success of other apps. These apps are opening up access to a larger user base making advertisers drive more money to marketing.
- Measurement metrics- Marketers faces challenges with CPMs (Cost per thousand) which has a really low benchmark and a huge focus on performance. Increasing the revenue has become an enormous task. Traffic has increased for most big publishers but revenue hasn't in reality followed the same path. Amidst all of this, native advertising comes as a breath of fresh air. It is really an alternative inventory, which doesn't cannibalize display. Moreover the

measurement metric is more engagement driven in terms of views, virality and time spent.

- Mobile Advertising- mobile advertising moves to a next level through native advertising. As it protects the user experience and also raises profit. It's also very flexible - it can take many forms. Moreover if you combine the ad format benefit with the power of big data platforms, for improved targeting and performance optimization, it increases the value multifold. Native advertising has become a key driver in mobile advertising. Native advertising on mobile is undergoing lots of customization, as marketers have started to leverage the uniqueness of the mobile environment, for instance, an app or a site wherein the content is featured. As these advertisement with the right content and context is designed to merge seamlessly with the app which do not disrupt the user experience. This ensures that users recognize mobile advertisement as a rich & appealing experience. For instance mobile advertising network InMobi has launched its native advertising platform.

Research findings

A study was conducted by IPG (Interpublic group) Media Lab on native advertisement effectiveness on 4,770 consumers by using eye-tracking technology & survey. The objective of the study was to measure visual attention and brand lift for native advertisements from top brands in comparison to traditional display advertisements. The results of this study came out with some discernible points:

- Consumers looked at native advertisements 53% more frequently than display ads.
- 25% more consumers were measured to look at in-feed native advertisement placements than display ad units.
- Native advertisement registered 18% higher lift in purchase intent and 9% lift for brand affinity responses than banner ads
- 32% of respondents said the native advertisement "is an advertisement I would share with a friend of family member" versus just 19% for display advertisement.

Scenario of native advertisement in India

There are more than 112 million face book users in India which is the largest after USA. Out of that 99 million are using it on the mobile platform. In the past advertisers have been investing in display and banner advertisements. But now days native advertisements are also becoming a part of marketers promotion mix. Many insurance companies are creating content around how insurance is vital and thus attracting the audience. Various other brands like Vodafone, Idea, Axe, Close up, Airtel et al are using native advertisement. Marketers evidently realize that native advertising is an alternative option to traditional advertising. They don't necessarily see value in creating customized content for one platform only. The prerequisite for these advertisements to be noticed is that the content should be very strong and original. In case of global market the challenge is just limited to distribution of the content, however in India the challenge is both creation and distribution.

Conclusion

The fundamental principle of native advertising is that it is deeply rooted in the content. Indian advertisers are very much acquainted with the concept of content marketing, but many of them have so far not utilized the prospective it offers. However, that will entail some time, resources and an excellent creative team. An option for them is to contact agencies or publishers for this purpose. But until & unless the conventional agencies have not improved their tools for generating native content the marketer must let loose to gain consumer trust. First, the marketer need to realize that the time of banner advertisement is over. The income from click-through-rates has to come to an end. In the era of Facebook, Twitter, Pinterest, Instagram, LinkedIn etc which are the pivot of social network, brands should understand how to utilize the potential of each one of them for targeting the audience. Once they know their audience, brands need to come up with exclusive content that has something interesting to tell instead of selling something. There is a huge gap between banner ads and publicity based press releases. So it is high time Indian brands understand how native advertising can fill that gap.

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