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A Market Definition Report

Defining and Mapping the Native Advertising Landscape

Altimeter Research Theme: Me-cosystem

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Includes input from 27 ecosystem contributors

Executive Summary

The term "native advertising" has so rapidly become endemic in digital marketing circles that there's been little effort (and even less agreement) to understand what it actually is. With brands, agencies, publishers, social media platforms, and technology vendors venturing into new and hitherto uncharted territory, clarity and definition are called for.

This report addresses the questions: What is native advertising and, by extension, what is it not? It also attempts to map and outline product offerings from the native advertising triumvirate: publishers, technology vendors, and social media platforms. What opportunities are inherent in this nascent form of digital marketing? And what are the inherent risks and pitfalls?

Altimeter Group believes native advertising promises very real benefits both to consumers, in terms of a more elegant and seamless user experience, and to the rest of the digital marketing and publishing ecosystem. Developed and deployed correctly, the result can be more effective and engaging messaging that provides welcome economic benefits — if sufficient strategy, learning, coordination, and transparency are invested upfront.

Methodology

Altimeter Group conducted qualitative analysis using a combination of interviews and briefings with 27 publishers, social networks, brands, agencies, and vendors on how they are seeing the native advertising landscape evolve. Interviews were conducted between February and July 2013.

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Everyone's Talking About "Native Advertising" — So What Is It?

Altimeter Group defines native advertising as follows:

> Native advertising is a form of converged media that combines paid and owned media into a form of commercial messaging that is fully integrated into, and often unique to, a specific delivery platform.

Native advertising is an intersection of paid and owned media and is therefore a form of converged media.[1] Altimeter Group defines "owned" media as content that the brand or advertiser controls, while "paid" media is advertising; very simply, this entails a media buy.

The integrated form native advertising takes depends on the media vehicle or platform. For example, on publisher sites, native advertising placements are congruent in look and feel to editorial (see Figure 1). On Facebook, this could take the form of sponsored stories or Page Post ads, or on Twitter, promoted tweets (see Figure 2).

While earned media, such as social sharing, is not an inherent element of native advertising, it is an essential adjacent component to many, if not most, native campaigns. Sharing, liking, and otherwise socially promoting native advertising campaigns promotes, amplifies, and extends reach and awareness.

The definition of native advertising clearly overlaps with existing definitions of sponsored/branded/custom content, as well as advertorial. Differentiation can border on splitting hairs.

Figure 1. Native advertising sample from *Mashable*.
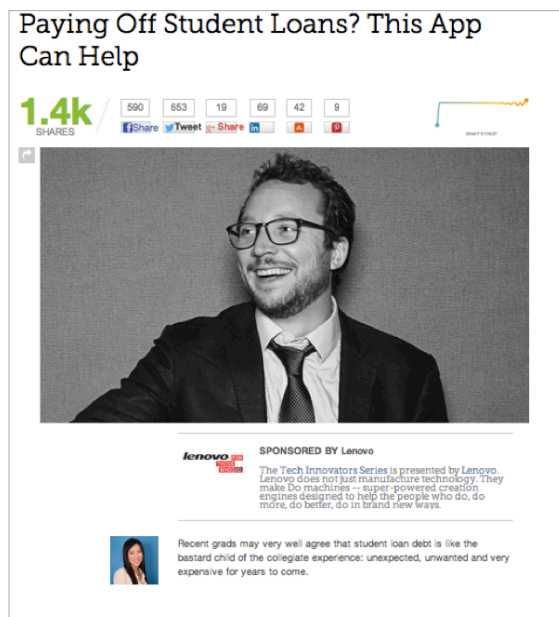
Note the article is clearly sponsored content by Lenovo, as noted under the image. Native advertising on a publisher site takes the form of the publisher's own content, e.g., long-form article, listicle, sideshow, etc., while echoing the look, feel, and user experience of that site.

Figure 2. Native advertising samples from Facebook and Twitter.
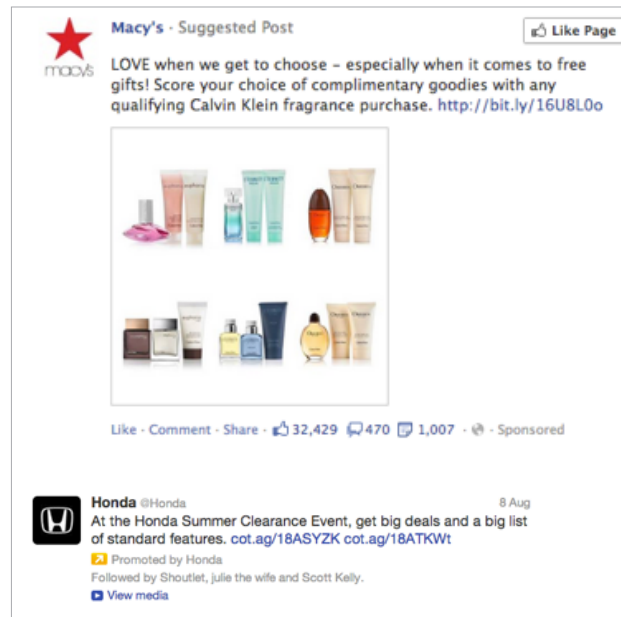
Note that Facebook's and Twitter's native products are marked "sponsored." They exist with full and conspicuous transparency and disclosure around the commercial intent of the message.[2]

Why Native Advertising?

Banner blindness[3], skipped pre-roll ads[4], eroding email engagement rates[5], fragmented consumer attention across a panoply of screens, channels, and devices[6]. The battle for consumer attention has never been fiercer, or more difficult.

At the same time, an ever-increasing level of automation in programmatic digital advertising has eroded effectiveness further. Ineffectiveness is placing continual downward price pressure on classic display advertising, posing a real threat to revenues for publishers and social media platforms that rely on display.

The creative component of native advertising is content marketing, i.e., messaging intended to attract rather than interrupt consumers. Paid placement for attractive content aims to buck the twin trends of banner blindness and shrinking ad revenues. Early results are highly preliminary, but promising. Facebook Page Post ads generate 49 times more clicks at 45 percent less cost[7]; and according to Nielsen, a Promoted Tweet impression drove a 22% average increase in message association compared to users not exposed to Promoted Tweets.[8] eMarketer predicts spending on native advertising will nearly double by 2017 in the U.S.[9]

Native advertising's growing popularity brings with it opportunities for the entire ecosystem:

- **For publishers**, new forms of premium inventory.
- **For social platforms**, new advertising products.
- **For brands**, new opportunities for attention, engagement, and message syndication.
- **For agencies**, benefits from creative and media opportunities.
- **For technology**, new solutions facilitate and scale both the creative and delivery aspects of native advertising.

It's hard to overstate how critically important a role native advertising serves as a growth component to the mobile ecosystem where real estate for display advertising is both highly limited and more disruptive to the user experience. Some social networks, like Twitter, are prepared for the advent of native advertising paired with mobile screens: "There's no such thing on Twitter as a mobile ad. Other platforms have had to adapt to the new world, while we haven't. Native is becoming part of that conversation more rapidly because of mobile," shared Jim Prosser, senior manager of communications for Twitter.

Native Advertising: The Pros and Cons

Like any marketing innovation, native advertising has both advantages and disadvantages. Some of the minuses will be addressed by time and technology innovations — others not. When weighing whether or not to pursue native advertising, one must consider these pluses (see Figure 3) and minuses (see Figure 4).

In summary, brands and agencies approaching native advertising have the most to gain — but also, the most to be wary of. Publishers, social networks, and brands/agencies all stand to benefit from new revenue streams created by native advertising, as well as increased value and relevance to their target audiences because of the opt-in nature of the medium.

At the same time, all players are vulnerable to the infancy of native advertising. This will require education and training, regulations around transparency and disclosure, and a greater emphasis on maintaining the authenticity that consumers expect from the publisher/platform.

Fig. 3

Native Advertising: Pros

	PUBLISHERS	SOCIAL NETWORKS	BRANDS & AGENCIES
Users opt-in to content/pull strategy	⊗	⊗	⊗
Combats downward pressure on price/effectiveness of banner ads	⊗		⊗
New revenue streams	⊗	⊗	⊗
Life/reach/efficacy of owned media	⊗		⊗
Better paid-owned-earned media integration			⊗
Higher engagement	⊗		⊗
Strong potential for mobile platforms	⊗	⊗	
Potential for deeper behavioral/contextual data	⊗	⊗	⊗
Reinforce or even improve UX	⊗	⊗	
Amplification beyond fans/followers		⊗	⊗

Source: "Defining and Mapping the Native Advertising Landscape." Altimeter Group (Sept. 10, 2013).

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Native Advertising: Cons

	PUBLISHERS	SOCIAL NETWORKS	BRANDS & AGENCIES
Scale/labor-intensive	✗		✗
Lack of landscape clarity, still evolving	✗	✗	✗
Roles are ill-defined	✗		✗
Metrics/KPIs not fully defined	✗		✗
Requires strong content ability			✗
No "search juice," per Google	✗		✗
Content lacks budget/dedicated staff, native included	✗		✗
Education/training required	✗	✗	✗
Sales team training/pushback (more complex sales cycle)	✗		
Consumers may view native advertising as misleading	✗		✗
Transparency/disclosure issues	✗	✗	✗
Voice, context, environment, authenticity	✗	✗	✗

Source: "Defining and Mapping the Native Advertising Landscape." Altimeter Group (Sept. 10, 2013).

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Native Advertising Landscape

As native advertising is unique to its online or in-app placement, there is no one magic bullet product offering. Options differ substantially between three key players — publishers, social media platforms, and technology vendors — that serve up solutions for online or in-app placement.

Below, Altimeter outlines a sampling of available solutions from all three constituents. **Note that the list is by no means comprehensive in scope, but rather representative of key offerings in a new landscape that is rapidly growing, changing, and evolving.**

Publishers

When it comes to native advertising, Altimeter found that publishers don't yet clearly distinguish it from the more commonly used terms "sponsored content" or "promoted content." In fact, many publishers remark that they've been offering "native advertising" solutions for brands for five or more years — they just weren't using the term. Hearst's VP of Digital, Grant Whitmore, says, "When you start to dig into [native advertising] and say what it means for Hearst, it's nothing new. It's just a new way of describing something we've been doing quite a long time."

While the overall concept of native advertising as sponsored content may not be new from the publisher perspective, the accompanying layers of digital complexities do make native advertising a breed apart from yesteryear's standard advertorial. Social platforms offer native advertising opportunities that stray far from what might be considered sponsored content; in fact, they dispense with the publisher altogether. Transparency, disclosure, interactivity, landing pages, social amplification, the sales process, and new wrinkles in maintaining the traditional church/state divide between editorial and publishing are all far from resolved in this new, emerging, lucrative, and as yet far-from-established form of advertising.

Altimeter discovered that, in most cases, native advertising offerings vary little from one publication to the next — for now. Publishers work directly with brands and their agencies to create content that fits into the following criteria:
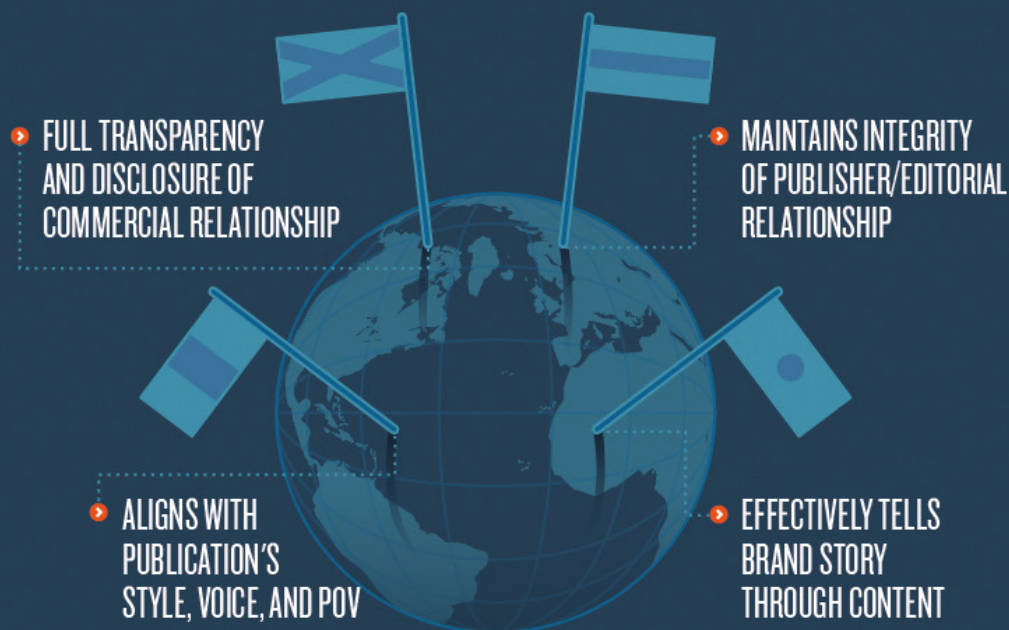
Source: "Defining and Mapping the Native Advertising Landscape." Altimeter Group (Sept. 10, 2013).

The native advertising relationship between publishers and brands can be cozy. Publishers offer not only writing services, but also in-house creative to complement articles with imagery, video, and accompanying on-page banner advertising to create a total campaign package. It's not uncommon for publishers to find themselves in limbo, playing the familiar roles of editor and journalist while also acting as creative director — often arm-in-arm with the brand's agency partners. According to *Mashable* CMO Stacy Martinet, "The best [native] campaigns are collaborative. Our job is to help brands tell their best story without making a sales pitch. We want to drive home their values or differentiators in a way that will really resonate with our audience and spark them to share and explore. The more collaborative we can be with brands and their partners, the better."

Some publishers, such as Time Inc., have found that native advertising provides opportunities to monetize their vast archives of editorial content. They can resurface, and republish, evergreen content that once appeared on editorial pages in the service of their advertisers.

In addition to requiring clear policies around disclosure and transparency, publishers face the additional burdens of ensuring traditional church/state divisions are not breached by, for example, external media buyers working directly with their editors. Additionally, burdens of training are emerging. Publishers must educate their ad sales teams around native advertising offerings. While highly lucrative, sales teams are trained to sell Internet Advertising Bureau (IAB) standard display units, not highly customized solutions. Publishers are only beginning to realize and address this gap.

A few publishers, including Federated Media and *Buzzfeed*, are establishing formal training programs for agencies. Purportedly, this is to help them to produce better creative for native formats. Tacitly, it's likely to get native advertising higher on their collective radar.

Publishers offering native solutions continue to grow, varying in publication focus and audience. A recent Online Publishers Association (OPA) survey found nearly three-quarters say they offer some form of native advertising. Ranging from a one-off sponsored story to a full-fledged article series, transparency is key, and publishers told Altimeter that maintaining trust with the reader is of utmost importance when deploying native advertising online.

Sponsorship of onsite content is clearly labeled in all cases, but Federated Media CEO John Battelle believes industry professionals will always push those boundaries, as he saw happen with search marketing. "It's important for the industry to watch themselves in blurring the line. My view has always been that if you disclose properly and create good content, readers are smart enough to decide if they want to engage with it," he remarked.

From publishing moguls like Condé Nast and Hearst to digital-age newcomers like *Buzzfeed* and *Mashable*, native advertising has crept its way into nearly every arena — B2C and B2B publications alike (see Fig. 6). This has made brand congruence with publication choices more important than ever. If the partnership isn't the perfect fit, readers will let the publisher and brand know — in one way or another.

Social Media Platforms

Native advertising options vary greatly from one social platform to the next, as by their definition they must fit into each platform's unique content delivery specifications and community architecture. For example, looking to Facebook, users will find native ads taking the form of Sponsored Stories — stories within their News Feeds that have been sponsored by a brand. Look to Foursquare, and location check-ins may be married to brand messaging or offers. Hop over to Twitter and uncover droves of Sponsored Tweets within your stream that are tailored to your interests you've expressed on the platform.

Although the delivery format of native advertising differs from one social platform to the next (see Fig. 7), Altimeter found that by and large social platforms are embracing native advertising as a viable product to offer brands that wish to heighten their customers' experience in a way that is relevant and non-intrusive in comparison to traditional online banner ads. Community building, lead generation, and awareness were cited as the most common goals employed with native campaigns on social networks.

According to Tumblr's Global Head of Brand Partnerships, Lee Brown, "We always advise brands to act like creators. We're made up of unbelievable passion groups of super fans, so how do you turn someone into an advocate of your content? Have some fun with it, and engage with the community." Tumblr helped adidas do that in 2012, around the UEFA European Championship. Adidas, already active on Tumblr, created an engaging native campaign aimed at building its following of soccer fans on the platform. By offering regularly updated visuals (graphics and video), adidas was able to cultivate a community around both new and evergreen content.[9]

Altimeter's research primarily focused on social networks paving the way in native advertising programs: Facebook, Twitter, and Tumblr. We found that budgets for native advertising campaigns range from several thousand dollars to six-figure deals on these networks, with brands working directly with sales representatives to craft campaigns, write and design creative, execute appropriately, and monitor results. Larger campaigns often require a minimum investment, but once brands sign the dotted line, cost per thousand views (CPM) and Cost Per Engagement (CPE) pricing is the norm.

In addition to native advertising product offerings, large social networks are also investing in brand education through onsite workshop sessions, strategy advisement, and sharing real-time best practices during ongoing campaigns. Take Facebook's "Publishing Garage," for example — a platform that the social network has created to work with mega-agencies and brands to improve how they use Facebook's marketing services to generate results.[11] This type of education helps brands tell their stories in a way that is not only right for them, but also right for each social network's unique user base.

Technology Vendors

Altimeter Group conducted interviews and briefings with many technology vendors providing native advertising solutions, and the resounding chorus heard was increasing scale and relevance.

In the case of native advertising, brands must focus on achieving optimal scale and relevance as a pair, as one cannot survive without the other. Remove scale, and you're left with budgetary issues or short-lived campaigns. Remove

relevance, and it's no longer successful native advertising. David Fleck, GM of audience for Disqus, noted the importance of scale when considering native advertising programs: "We need to enable brands to achieve their goals. Savvy brands with social centers and staffing are proving that they get it, that they need to authentically and directly communicate with their consumer base at scale. With native, you can almost pull that off, but there can still be a scale issue."

By and large, we found that vendors marry the two by following the equation in Figure 8:

Fig. 8
Foundational Equation for Native Advertising Product Offerings

Use a proprietary algorithm to determine what branded content (owned or earned text, images, or video—vendors may work in one content type or all three) receives the most engagement across the web and social platforms.

+

Tag the content with identifiers that can be later used to match it with appropriate audiences, social platforms, and publishers. Disassemble the content package (i.e., body copy, photos, video) so it can be recombined in new ways in other channels.

=

Constantly optimize native advertising content (often in real or near-real time). The most engaging content can then be used in other digital channels/platforms in native ad units and on social platforms and owned media to create additional experience and amplify ongoing initiatives.

Source: "Defining and Mapping the Native Advertising Landscape." Altimeter Group (Sept. 10, 2013).

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Note: Altimeter finds that individual vendors do veer from this equation. It is meant to represent the foundations of vendor native advertising solutions as found in our research. Effectively, we see vendors using their unique version of this formula to help brands discover which OWNED media is producing the most EARNED media to populate new forms of PAID media. Native advertising units are simply a bucket or shell for scalable content that can be rotated in when the right context arises, and vendors have recognized that. As Gawker's Chief Revenue Officer Andrew Gorenstein put it, "Native is just a container, a wrapper for content that tells a brand's story in a way that makes sense for the publisher or platform's audience. Everyone experiences native in the way of their own platform with normal consumption experiences. It's merely the container we serve our branded content in. But even if it's served in the most strategic and native way possible, it'll fall flat if the content isn't strong."

Fig. 9
Technology Vendors Offering Native Advertising Products and Solutions

➲ WHILE NOT EXHAUSTIVE, A SAMPLING OF NATIVE ADVERTISING SOFTWARE VENDORS CURRENTLY INCLUDES:

AddThis	Mass Relevance	Say Media
AppSavvy	Media 6 Degrees (m6d)	Sharethrough
C.A.S.T.	Mediabrands	SnapApp
Celtra	MediaBrix	Solve Media
Clever Girls Collective	Nativo	Stipple
Disqus	Nativ.ly	StudioOne
Google	News360	Synqy
inPowered	Net Shelter	Taboola
IPG MediaLab	OneSpot	ThoughtLeadr
Jugglit	Outbrain	Tidal Labs
Kontera	Pitch Engine	TripleLift
LinMedia	Publish2	Yahoo!
Local Response	RebelMouse	Zumobi
	Respond	

Source: "Defining and Mapping the Native Advertising Landscape." Altimeter Group (Sept. 10, 2013).

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Recommendations:
Critical Elements for Successful Native Advertising Campaigns

For brands considering a native advertising approach, it can seem a daunting task. With native advertising still in its infancy, brand confusion around content strategy, internal roles, channel selection, and more are enough to make any digital strategist's head spin.

Altimeter recommends agencies begin the planning process for incorporating native advertising into their marketing arsenal by fulfilling the eight critical elements for success, as outlined in Figure 10:

Fig. 10
Native Advertising Campaigns: Critical Elements for Success

TRANSPARENCY AND TRUST	CONTENT STRATEGY	COLLABORATION	EARNED COMPONENT	CONTENT PORTABILITY	TRAINING	ABILITY TO SCALE	MEASUREMENT
Lessons learned from paid search advertising and word-of-mouth marketing apply equally to native advertising. The industry *must* self-regulate.	Owned media, or content marketing, is the creative foundation of native advertising. Without the strategic underpinning that define the why and how of that content, as well as how it will be measured and assessed, efforts will be scattershot and without real meaning or context.	Native advertising campaigns require the expertise of a wide range of skill sets, from strategy to content, media buying and measurement, and usually, a social component as well. These disparate groups must be orchestrated into a cohesive team for optimal efficiency and impact.	By definition, native advertising is converged media. Adding a social dimension amplifies and broadens campaigns.	Modular content in a variety of media that can be recombined for discrete channels, campaigns, and target audiences enhances flexibility, reach, and agility.	Education and training are required (some publishers are starting to do this). Altimeter found that employees from media buying, digital, social media, CRM, and SEO are most likely to require training as they will be directly involved in native advertising planning and decisions.	Native advertising campaigns with individual publishers can be effective but difficult to move elsewhere or expand upon. Careful considera- tion must be accorded scale vs. one-off in native advertising initiatives. The creative library should include elements in formats for all possible distribu- tion channels.	KPIs can be changed, but must be established upfront. Brands should be wary of adhering too closely to publisher metrics that do not adequately measure actual campaign objectives and goals. Because native advertising is closely aligned with other paid, owned, and earned channels, cross media and social measurement is a critical factor for virtually all campaigns.

Source: "Defining and Mapping the Native Advertising Landscape." Altimeter Group (Sept. 10, 2013).

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Transparency, disclosure, and trust: We've been through this before collectively as an industry. As with the early days of search advertising, when paid search results required clear delineation from organic ones, or word-of-mouth marketing and pay-for-play blogging, industry standards will emerge around the disclosure of what's paid and what's editorial content on a variety of media platforms in addition to individual publisher policies. In addition to overt disclosure on publisher and social media platforms, a code of ethics is required to maintain editorial objectivity and the boundaries between publisher and editorial work. Until industry self-regulation emerges (the IAB already has a taskforce at work on the issue), it is absolutely imperative all parties err on the side of caution: too much, rather than too little, disclosure.

1. Disclose that the placement is commercial in nature.

2. Link to policies that govern such placement.

3. Provide a channel for inquiry.

Content Strategy: Without strategic directives and governance documents on voice, tone, brand, messaging, and positioning, native advertising can easily veer into alliances that strike all the wrong notes. *The Economist*'s Dare2GoDeep listicle on *Buzzfeed* was widely mocked from being "cringeworthy" rather than striking the brand's trademark authoritative tone.[12]

1. Put in place a foundational content strategy prior to native advertising (or content marketing) executions.

2. Document governance around voice, tone, brand, edit, and copy guidelines.

3. Subject native advertising creative to the approval of the content strategy governing body (executive or committee, see Altimeter's report, "Organizing for Content").

Additionally, ensure all content is modular and can be de-coupled for use in other contexts, channels, and platforms. Consider creating a content warehouse that identifies and classifies tagged content so it can be easily pulled for future needs.

Collaboration: Internal departments, agencies, and vendor partners must leverage resources and ensure the brand message or story isn't fragmented across social and other platforms. See Altimeter's report, "The Converged Media Imperative" for workflow recommendations.

1. Encourage internal collaboration. Begin fielding a list of departments and roles that need to be involved in the native advertising program workflow. Loop them in as soon as possible to increase cooperation and coordination.

2. Incentivize external collaboration — this is the brand's responsibility. Contemplate how the brand's current agency partners, sponsorship partners, and other vendors may be involved in the native advertising programming process. Agencies often take the lead in first-time native efforts, or at least serve as seasoned consultants.

3. Ensure teams are agile, able to learn quickly, and apply what they've learned to other campaigns and channels.

Earned component: Native advertising is an example of converged media. It's a combination of paid plus owned media. Factoring in ways to share or otherwise amplify the ad/message can contribute greatly to amplifying the message and/or extending the reach of the campaign.

Content portability: Related to, but distinct from, adding an earned component to native advertising campaigns is working to ensure the content/creative can, wholly or in part, travel to other platforms to amplify messaging and increase awareness.

1. Create native advertising executions that can be socially sharable.

2. Track the content that most resonates in social channels.

3. Maintain libraries of content (in partnership with agencies, if needed) that break down into discrete units of text (e.g., headlines, teaser copy, body copy), images, infographics, video of varying lengths, etc.) that can be deployed quickly in a variety of formats and channels.

Training: Native advertising is new, meaning ad sales teams, creatives, content creators, analytics teams, and others in the continuum are unschooled in the what's and how's. Already, companies such as *Buzzfeed* and Federated Media have implemented training programs to aid understanding of the tactics and strategies behind native campaigns.

1. Provide content strategy training at the brand level.

2. Train sales teams in native advertising offerings and advantages.

3. Train creative, account management teams, media buyers, and others in the ecosystem on native tactics and strategies.

Ability to scale: At present, scale is the most difficult aspect of native advertising, and the one technology companies are working to address. If "native" means endemic to the platform, pulling up stakes and moving a campaign from one media property to another is difficult to impossible on social platforms. Targeting and retargeting audience segments are still reserved for programmatic advertising buys. Solutions such as OneSpot's or imPowered's attempt to take discrete units of content and create display advertising solutions with them. More contenders and solutions will soon emerge in this rapidly evolving space, but at present native versus scale is an either/or preposition.

1. Understand that native advertising campaigns executed with digital publishers and/or social media platforms are usually "exclusive" and cannot be reduplicated elsewhere. Results must match an increased workload.

2. Remember that publisher-created content for native executions is often contractually limited to that publisher's platform and cannot be used by the brand as creative elsewhere.

3. Note that highly portable vendor solutions do tend to scale and travel, but at the expense of being native in the strictest sense.

Measurement: Understand that each platform has its own unique user base, formal structure, native behaviors, and social actions. For example, Facebook emphasizes reach and engagement over metrics like "People Talking About This" and "Likes," with their goal being to speak in the same language that marketers use in other channels. A tweet is fleeting, while a Pinterest pin lasts until the owner of the account takes it down. In addition, tracking elements, calls to action, and other measurable elements can track the ROI of native advertising campaigns. While these techniques have been underutilized to date, they will become common in the near future. (For more details on the measurement considerations of social data, see Susan Etlinger's Social Data Intelligence.)

1. Develop Key Performance Indicators (KPIs) for each native advertising campaign to serve as a baseline. Understand that it's perfectly permissible for these basic goals to change, but without basic metrics, optimization and insights won't be possible.

2. Use caution with overly publisher-centric metrics — such as traffic, engagement, and time spent on page — that gauge campaign effectiveness. While publishers are currently using these benchmarks to measure native advertising effectiveness, they rarely correlate with real brand objectives.

3. Measure native advertising effectiveness against a converged media model taking paid, owned, and earned media into account. This method encompasses social listening and monitoring (often in real or near real time), as well as social measurement. More than other forms of advertising, native does not live in a vacuum, but must be measured against other channels of paid, owned, and earned media.

Conclusion

While forms of paid and sponsored content are nothing new, native advertising as it is emerging on social and digital publishing platforms breaks new ground for a large ecosystem of constituencies: brands, agencies, technology vendors, publishers, and social platforms. There will never be one kind of native advertising. Rather, the next three years will present a flurry of new native products and services. Some will endure, while others will fizzle, depending on their ability to help brands/agencies achieve the eight critical elements for native advertising success.

Brands will rush to experiment with native formats because they're where the eyeballs are: in the content, rather than the margins, of screens. Native ad formats will jump-start mobile ad revenues that have been stalled by user experience and real estate issues on smaller screens. Publishers and portals (as we've seen already with Yahoo) will embrace native not only for more profitable, customized campaigns, but also (as is the case with Time Inc.) as a way to monetize vast archives of evergreen content.

Lack of disclosure and transparency will result in erosions of trust, reputation, and brand equity — not to mention humiliating headlines, as with the Atlantic/Scientology debacle.[13] Brands will forget their core voice and go off-message, or forget that native advertising messaging is more about content (storytelling) than advertising (me, me, me!). It will take time for all parties to assign meaningful metrics and KPIs to native advertising campaigns, which will in the short term cast doubt on their real value.

Altimeter Group predicts that in three to five years, these problems will largely be overcome, the market and product offerings will mature, and workflow structures will emerge that more closely align storytelling and content with paid advertising placements. Ultimately, native advertising will emerge as effective and powerful for brands and be accepted by users who will understand both its intent and value.

Ecosystem Input

This report includes input from market influencers who were interviewed by Altimeter Group during the course of this research. Input into this document does not represent a complete endorsement of the report by the companies listed below.

Acknowledgements

End Notes

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About Us

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Rebecca Lieb (@lieblink) is an analyst at Altimeter Group covering digital advertising and media, encompassing brands, publishers, agencies and technology vendors. In addition to her background as a marketing executive, she was VP and editor-in-chief of the ClickZ Network for over seven years. For a portion of that time, she also ran Search Engine Watch. She's written two books on digital marketing: The Truth About Search Engine Optimization (2009) and Content Marketing (2011). Rebecca blogs at http://www.rebeccalieb.com/blog/.

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