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Native Advertising

David Chang, Fancy Pants Group

Evolving Creativity in Changing Times

As a company that built a name for ourselves doing rich media banners over the last decade, we've watched the industry change to what it is today.

We've witnessed it having a diverse mix of clients that include brands, creative agencies, media agencies, publishers and ad platforms. However, the times have changed and our clients had to shift their mindsets in an ever-changing display world.

Banners used to be focused on a range of rich media formats like expanding ads, homepage takeovers, synced roadblocks, etc. Creativity was about functionality and utilizing interactive capabilities that came along with Flash; however, this type of creative no longer exists. Ads have since evolved with the transition from Flash to HTML5.

We are now in a transitionary phase in advertising. With yesterday's ad formats gone, we are seeing a lot of over-simplicity within the display space. Too often, we are looking at static image ads with creative that offers nothing for the brand and their audience. Often ad formats, when done poorly, can make ads look like templates that lack imagination. With any change however, comes opportunity and we should embrace it. There is a smarter way to be creative in the new world, and those who better understand it are positioned for success.

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While some may think creativity is stifled with templated or component based ads, there's a way to think creatively and break out of the simple minded approach that we see with some of these ads. Consider, for example, what Squarespace did for the website. They mastered the idea of bringing good design sense and responsive web principles into a "template". It allowed for a consistent aesthetic, while allowing users to customize elements to make it their own. Most importantly, the user's content shines through.

Furthermore, the data inherent in digital provides more opportunities to be creative. We can understand user behavior, and provide them value or catch their attention based on external data signals and insights. This encourages us to take into consideration:

- What are they doing now?
- Where are they located?
- What time of day is it, and how does that affect their consumption patterns and behavior?
- What are their interests and search habits?

The lean startup methodology taught us to build, measure and learn as part of a new way to think about product development. Many of these same principles also apply in the display context. We should not simply launch and pat ourselves on the back for a job well done. Instead, we should see each campaign as having multiple iterations, learnings, and optimizations to create a continuous cycle – a cycle that helps us understand user behavior, and figure out new and interesting ways to capture their attention in a manner that is useful to them.

As the display space continues to evolve, brand advertising authenticity and value to the user must move in the same direction. We are getting closer to the day when data, insights, creativity, and content can come together seamlessly, and naturally result in useful and engaging advertising. Additionally, the growing capabilities of AI will further enhance targeting, messaging, and predictive analytics in advertising. Foursquare, as an example, has an amazing technical capability to know whether you are at a restaurant, at work, or at a retail store. With this insight, we get closer to being able to use that information to give the user valuable information and incentives during their path to purchase.

To make this a reality, it will take time, collaboration, education, and innovation by different forces within the industry. As experts in this space, we need to be the glue that fuses all of this together. We must continue to push, take chances, be creative, and innovate in new ways to bring advertising to the next level.

__About the Author:__ Since joining Fancy Pants Group in 2011, David has helped the company transform from a production shop into a full-service creative digital studio. He is constantly looking for ways to drive innovation and to improve the craftsmanship of Fancy Pants' digital executions. His attention to detail and his creative approach to technology are distinguishing characteristics of his work in the digital marketing arena. David has worked with a diverse range of clients, including Microsoft, Royal Caribbean and Stride Gum. He previously served as Director of Technology at JWT.

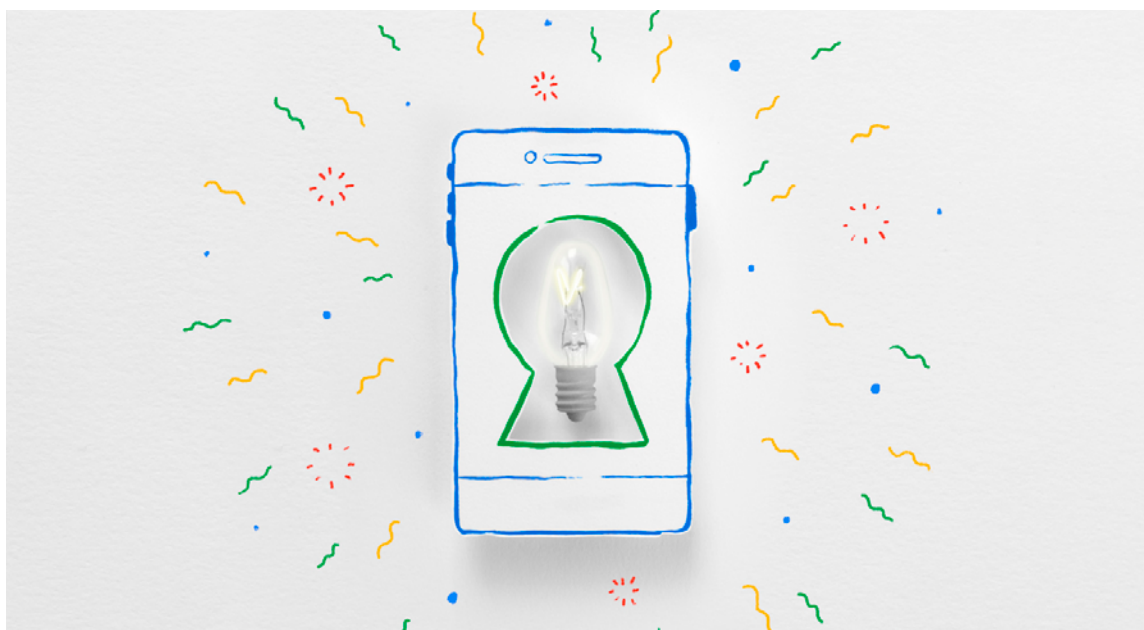**For the full SoDA Report On... Native Advertising, visit www.sodareporton.com.**

Becky Chappell, Google

How Native Helps Unlock the Mobile Opportunity

Native advertising isn't a new thing. Advertisers have always wanted to get their brands and messages in front of consumers in a way that matches the form and function of the content people like to listen to or read.

But as consumption patterns have changed to favor smaller screens, the ad experiences we've been using no longer fit.

We've spent the last couple years as an industry improving content experiences for smaller screens – adopting new standards and building mobile optimized websites. Mobile experiences now feature big buttons and fonts, and new interaction models such as vertical scrolling and horizontal swiping.

While our content experiences have evolved, our ads have not, at least not in a scalable way. This mismatch between the mobile content experience and mobile ad experience is preventing advertisers and publishers from maximizing the opportunities in a cross-screen world.

Native advertising presents a solution. A "Native Ad" is an advertisement that fits the form and function of a publisher's content. These are paid ads that are cohesive with the content, assimilated into the design, and consistent with the platform behavior, so that the viewer feels like the ad fits seamlessly with their content experience.

Native campaigns used to depend on endless arrays of custom templates tailored for each platform and publisher. These levels of customization required a sizeable effort from advertisers and publishers and put large strains on campaign timelines and budgets. This lack of scale led publishers and advertisers to assume running a native campaign meant trading off between building engaging creative assets and maintaining programmatic efficiency.

When we started planning to build a programmatic native solution in DoubleClick, we knew that we needed to create something scalable and flexible, in addition to enabling engaging and impactful ads. So we built a component-based solution, which allows a set of creative elements to be configured automatically to fit the form and function of any site or app.

This means that publishers can set the styles they want for their ads in a central library, advertisers simply submit their assets (image, logo, headline, etc.), and the system automatically compiles the assets into the native styles for every publisher's site or app. In this way, native ads can fit the form and function of any publisher's content, at scale, and publishers have access to the full gamut of advertiser demand for their native inventory.

Although we've made great strides in getting the industry to start adopting native ads, there are still some challenges that we need to overcome, before beautiful and engaging native ads can become the norm. These include:

1. The ability for advertisers to achieve third-party viewability measurement over RTB
2. Education, awareness and more design tools for publishers, to get them thinking carefully about designing native experiences for their specific content environments
3. Education and awareness for advertisers, to help them understand that storytelling and beautiful visuals need to come first for native ads, where the medium drives the messaging.

We hope to see the industry continue to move in this direction so that we can provide consumers with better brand experiences across screens.

About the Author: *Becky oversees product marketing for DoubleClick Creative Solutions, which encompasses DoubleClick Studio, Google Web Designer, dynamic creative, and creative formats and workflows across the stack. This involves developing go-to-market strategy for new product features, crafting and executing the narratives sent into market around programmatic and creative, and engaging existing customers with on-going events, communications and resources.*

Scott Hooten & Heather Mierzejewski, VOLTAGE

The Only Constant is Change

It's a crazy, cross-screen world out there. When mobile use skyrocketed and banished banner ads to the cobweb section of the attic for many of our clients, VOLTAGE adapted by shifting our design, development, and content strategy to help our clients finds success in a cross-channel world.

We hit the scene in 2008 at the height of banner ad and retargeting popularity. As a new agency founded in the digital age, banner advertising presented a reliable source of revenue that allowed us to use top creative talent for ad design with junior designers doing the cross-app resizing. This process was straightforward, repeatable, and profitable.

It seemed like a simpler time than today's digital landscape. In 2016 our clients face cross-channel advertising challenges, exploding mobile use, a social media evolution, identity-based PPC options, video streaming, and artificial intelligence. Banner ads are no longer effective on smaller screens, and the swift shift left many of our clients scrambling to catch up.

Mobile Storms the Scene
While banner ads plummeted, mobile experienced a hockey-stick-curve increase. US online ad revenue reached nearly $60 billion in 2015 – $10 billion more than in 2014, and mobile had a 100% CAGR over the same time period.*

At VOLTAGE, we used this trend as an opportunity to adjust our in-house content offerings and capabilities. Our clients looked to us for solutions to build trust and engagement with new customers in a mobile era where traditional display no longer converted eyeballs to sales. They also relied on us to design and deliver a seamless and brand-centric mobile experience without the intrusive impact of a banner ad.

We responded by modifying our creative offerings to generate new and compelling content options.

Changing the Team
In 2015, we hired a Content Director, who works directly with our top clients to deliver a wide variety of branded content through a variety of channels. Admittedly, this is a difficult process. Major brands are often wary of promoting their products in a way that feels inauthentic to their users. Our clients typically reject the "Sponsored Content" approach offered by major news and streaming sites. Instead, we work with our clients individually to examine a range of content options that target their users while elevating their brand.

The Clients

The Ouai - A first-time site
The Ouai produces a line of celebrity-endorsed hair care products and started as an online platform for hair-related content. The founder, Jen Atkins, garnered a massive social media following first, then developed her own line of hair care products.

The Ouai came to us for ecommerce development. Their site launched in February 2016, and we helped:
- Capitalize on Atkin's social media cachet to harness record-breaking sales.
- Capture visitor information to use in future targeted ad campaigns.
- Create seamless, cross-platform integration.

The Ouai continues to experience month-after-month growth by making sponsored content a key component of their marketing plan, while also providing a seamless mobile experience to their customers.

BlueStar - New direction for a 125-year-old company
BlueStar, founded as Prizer-Painter Stove works in 1880, designs and manufactures high-end, high performance ranges and kitchen appliances that meet the needs of professional chefs. BlueStar's sponsored content must be in line with its clientele.

Voltage helps create on-brand BlueStar content including:
- Email design and copy that functions in a cross-screen world.
- An easily customizable website for updated gourmet events, recipe sharing, celebrity cooking demos, etc.
- Leveraged use of their assets in their chef's social media link.

Reebok - Copy, design, and dev integration for the digital evolution
Reebok increasingly offers customer-specific content across multiple channels. We leveraged our lithe production time and came up with creative solutions that engage specific customers, such as:
- Branded product copy for each business unit -- Classics, CrossFit, training and Running, Combat-- within their eComm division.
- Wholesale copy that differentiates their sales offering from the competition.
- A multi-channel experience that starts in a retail store, moves to an iPad and ends with an internal app that sends a link to a user's mobile phone for easy access.

This digital evolution demanded we adapt. While banner ads were profitable, their decline spurred us toward deeper creativity, as we increased the depth and breadth of our content offerings and cross-team collaboration. Today, our content focus is not on native programmatic advertising, but on understanding the driving motivators for our clients and their customers, which makes us a better digital partner for all the changes ahead.

Source: IAB 2015 Internet Advertising Revenue report conducted by PricewaterhouseCoopers (PwC).

About the Authors:
Scott Hooten leads the design and user experience team as VOLTAGE's Creative Director. With over 20 years of design experience and a passion for the digital space, Scott is constantly challenging his clients and his team. Before joining VOLTAGE in 2014 Scott was Co-Founder and Creative Director of Imulus, a digital agency in Boulder where he worked with clients including SolidFire, Boba, Michael J. Fox Foundation, Rails to Trails, GE, and Stanford University.

Heather McWilliams Mierzejewski joined VOLTAGE in 2015 after escaping journalism's tentacles. She crafts accurate, relevant copy and thrives in detail-oriented, deadline-driven situations. She's passionate about innovation, creativity, and people. When Heather isn't on a seek-and-destroy mission against bland or bloated copy, she hunts down breaks on the local cycling scene where she, admittedly, rides like a girl. Keep up if you can ;-)
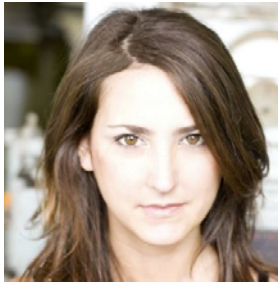
Chelsea Perino, Big Spaceship

Don't Create Advertisements, Create Experiences

The goal is to create an experience that is more organic and (in theory) optimized per channel. The challenge that brands face, however, is how to make that experience truly authentic.

Embedded marketing was the precursor to native advertising, but the development of digital media has forced brands to reexamine how they bring their ethos to life, and mere product placements are no longer sufficient. Consumers are more sensitive to "being advertised to" than ever before - the combination of these two things has led to what we call native advertising, where a brand message is designed to exist in coherence with the other media that appears on the platform. The goal is to create an experience that is more organic and (in theory) optimized per channel. The challenge that brands face, however, is how to make that experience truly authentic.

How can we utilize the technological formats at our disposal to develop creative that tells our brand story in a way that is authentic to our heritage, but also doesn't interrupt the user experience on the channel? It comes down to three key factors.

First, it is essential to understand the nuances of each channel. How does consumer behavior differ for each and what kind of experience is most valuable? Understanding how consumers' expectations differ per channel and what technology they are using

to engage with content (is it mobile first or TV, desktop or out of home) should be a key insight that informs the creative approach. But it's not just about delivering the right kind of content to the right group of people. It's about creating an organic experience that delivers a valuable content experience in a way that doesn't interrupt consumers' natural behavior.

Second, being flexible is essential in creating authentic-feeling content. Consumers expect brands to act like people and messaging that does not reflect the context of its environment creates an inauthentic experience. Being able to adapt your content to conversations taking place in real time will make your message more meaningful and less disruptive.

The last point is all about collaboration. The creative won't succeed if the medium is not correct, and the brand story won't be relevant if the targeting is misaligned. Maintaining open communications with cross-functional teams will ensure that the content is optimized per channel and target demo, and that as the digital environment changes, that the content form, messaging, and delivery method adapts accordingly.

When digital advertising first emerged, the ability to not only target different audiences, but actually deliver different kinds of content to each of those audiences based on their behaviors was a challenge. That has dramatically changed in recent years, and there are multiple ad units that help brands deliver their message in the most authentic and non-intrusive manner.

In a recent campaign for a global client, we were tasked with developing a holistic digital content strategy aimed at delivering a consistent brand message to multiple markets through both pre-created and real-time content in various formats. For our message to be relevant in the dynamic digital environment within which this campaign existed, we needed to react immediately, developing content that capitalized on real-time conversations and then placing that content within ad units where it would be most meaningful. The real-time collaboration between the content creation, paid media, and analytic teams allowed us to post hyper-relevant social content, funnel it into dynamic media units, monitor consumer responses, and optimize accordingly within a small-time window. As a result, even though paid media ensured the content reached the right audience on the right channels, that content actually improved consumers' natural experience as opposed to interfering, thus building brand credibility and adding authenticity to the campaign messaging.

Ultimately, consumers are always going to be sensitive to "advertising", regardless of the format. When advertising is most successful is when it feels authentic, both to the brand ethos and the manner though which it is experienced.

About the Author: With an undergraduate degree in Anthropology and Linguistics from NYU and after a four-year solo trip around the world, Chelsea Perino first discovered her love for advertising in Cape Town, South Africa. She spent two years as marketing and advertising lead for an experiential marketing start-up, only to return to NYC to pursue her MA in Public and Organizational Relations. Now she's the Head of Strategy at the Seoul office of an NYC-based advertising agency, focusing on the digital strategy for a global mobile communications brand.

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