

# ANA

SURVEY RESEARCH

*2015 ANA Survey Report  
Executive Summary*

# ADVERTISING IS GOING NATIVE



*ANA surveys are based on topics identified by the ANA and its membership as critical issues and emerging trends that nearly all marketers face today.*

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[www.ana.net/surveys](http://www.ana.net/surveys)

# Background and Methodology

Native advertising has been one of the hottest and most controversial terms of the past year.

Native advertising is an advertising method in which the advertiser attempts to gain attention by providing messaging in the context of the user's experience. Native ad formats match both the form and function of the user experience in which they are placed. The advertiser's intent is to make the paid advertising feel less intrusive and increase the likelihood users will engage with it.

Native advertising is a subset of content marketing, which can consist of paid, owned, and earned media. Native advertising is paid media. Owned media could include a brand's website and email newsletters. Earned media includes online word of mouth via social media posts, reviews, recommendations, etc.

In the fourth quarter of 2014, the ANA surveyed members to understand how they use and budget for native advertising, manage its implementation internally and externally, and measure its success. The survey was also meant to reveal marketers' opinions on questions of disclosure and ethics.

In total, 127 client-side marketers are represented in this survey. Of those, 57 percent are "senior marketers" (director level and above) and 43 percent are "junior marketers" (manager level and below). On average, respondents to this survey have 14 years of experience in marketing.

ANA committee chairs provided the initial input on specific survey questions. The ANA would also like to acknowledge the Interactive Advertising Bureau and Digital Content Next for their contributions to the survey design.

*"Native advertising is not the savior of advertising or publishing, and it's not the devil, either. It's a tactic."*  
— Survey respondent

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# Key Findings

**1.** Among ANA members surveyed, almost three in five (58 percent) say their company has engaged in native advertising during the past year, with spending on native advertising increasing.

- ▶ Past year budgets for native advertising increased for 55 percent of respondents.
- ▶ In the next year, 63 percent of respondents expect to increase budgets allocated to native advertising.

However, native advertising currently accounts for a small percentage of overall advertising budgets — 5 percent or less for 68 percent of respondents.

**2.** Both B-to-C and B-to-B marketers use native advertising.

- ▶ Sixty-seven percent of B-to-C marketers and 54 percent of B-to-B marketers have engaged in native advertising over the past year.
- ▶ Forty-eight percent of B-to-C marketers and 75 percent of B-to-B marketers said their native advertising budgets increased in 2014.
- ▶ Sixty-eight percent of B-to-C marketers and 59 percent of B-to-B marketers expect their native advertising budgets to increase in 2015.

**3.** The main benefit of native advertising is the ability to create extremely relevant associations between the brand and consumer via content. Given today's media landscape, where consumers can avoid ads more than ever, advertisers are looking for new ways to get their messages noticed and acted upon.

**4.** Native advertising is most commonly associated with digital/online and social media, and usage is highest across both. Eighty-five percent of respondents who engage in native advertising do so via digital/online publishers, and 71 percent through social media. To a secondary extent, native is associated with print media, and has a modest level of usage there.

**5.** Eight in 10 marketers employ native advertising via articles, and roughly six in 10 use native video and photos.

**6.** Many external resources have roles in helping marketers manage native advertising: media agencies, media owners/publishers, creative agencies, specialized digital agencies, public relations agencies, and content marketing agencies. Media agencies have the highest incidence of usage and are identified as the "most valuable" resource.

**7.** Measuring the impact of native advertising is a challenge. Multiple metrics are employed, but no metric stands out as "most important."

**8.** Only 19 percent of respondents believe that native advertising warrants premium pricing.

**9.** Disclosure and ethics are key issues.

- ▶ Two-thirds of respondents agree that native advertising needs clear disclosure that it is indeed advertising. Only 13 percent feel that such disclosure is not needed.
- ▶ Both the publisher and the advertiser have a responsibility to ensure disclosure.
- ▶ Three-fourths of respondents feel that there is an ethical boundary for the advertising industry when it comes to native advertising.

**10.** Disclosure and transparency are major concerns about native advertising that keep respondents up at night.

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