GOOD NATIVE ADVERTISING ISN’T A SECRET

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ABSTRACT

We develop understanding of native advertising, a growing new form of online advertising. We define native advertising as desired marketing communications that appear in-stream. Current forms of native advertising can be considered in terms of their secrecy, or how aware a consumer is of a native advertisement’s source and intent. Based on existing research, we argue that less-secretive native advertising will be more successful and illustrate this using several cases. Finally, we detail important considerations for those marketers looking to capitalize on native advertising.

Keywords: Native advertising, secrecy, online advertising, sponsored content, content marketing, advertorial
GOING NATIVE: ADS AREN’T ACTING LIKE ADS ANYMORE

Although not well understood, an important new form of online advertising attracting significant attention amongst practitioners is native advertising. The Interactive Advertising Bureau, an advertising industry body, commissioned an exploratory report on native advertising (IAB, 2013) and leading media news sites such as Mashable.com (2014) and Adweek.com (2014a) feature dedicated pages on the topic. The New York Times, The Wall Street Journal, Forbes, and The Huffington Post all have established in-house studios devoted to developing native advertising content (Moses, 2014). Spending on native advertising in the U.S. is estimated to be $4.3 billion in 2015 and is projected to hit $8.8 billion in 2018 (Sebastian, 2014). In response to this growth, practitioner conferences devoted entirely to native advertising are taking place (Sharethrough, 2014). While the advertising industry is embracing native advertising, this new ad form is also attracting its share of attention from critics, many of whom view it as masking source attribution and deceiving consumers (Joel, 2013; Vega, 2013; Wasserman, 2013) by making the source of the message ambiguous or secret. This includes late-night talk show host John Oliver (Wemple, 2014), who devoted a monolog to the topic. In response to this source ambiguity, Google engineer Ian Webster wrote a software program that automatically identifies and labels what he believes are examples of native advertising (Perlberg, 2014). Growth in native advertising has aroused the interest of the Federal Trade Commission (2013a, b), which has responded by revising online disclosure guidelines as well as by conducting a workshop devoted to this new advertising format. In sum, there is growing tension between proponents of native advertisers and those that represent the interests of consumers, who view keeping the true nature of an ad secret as a failure and not a feature, as can sometimes be the case in marketing (Hannah, Parent, Pitt, and Berthon, 2014).
Given the growth and the opportunities this new format represents for brand-consumer communications, one would expect a clear understanding of native advertising to have emerged. This is not the case. While the term “native advertising” is being used to describe various types of online marketing communications, there is little agreement on the term’s definition or meaning. Repeated calls have been made for a clearer understanding of native advertising in order to facilitate reporting, formulate strategies, conduct research, and address growing ethical concerns (Borst, 2013; Federal Trade Commission, 2013b; Joel, 2013; Rothenberg, 2013; Vega, 2013; IAB, 2013). The lack of a clear definition slows research by inhibiting theory development and testing (MacKenzie, Podsakoff, & Podsakoff, 2011; Gilliam & Voss, 2013) and “has caused confusion in the marketplace leading the industry to exert considerable time and energy debating whether or not various ad units are native rather than focusing on higher level discussions such as effectiveness and disclosure” (IAB, 2013, p. 2). In addition, without clear understanding of native advertising, providing managerially-relevant advice and insight is difficult.

The purpose of this study is to clarify understanding of native advertising and its associated best practices. We define native advertising as desired marketing communications that appear in-stream. More specifically, this is a unique form of online advertising in which (a) the consumer gives permission to the advertiser to communicate with them (the communication is desired), and (b) the ad format minimizes disruption to the user experience in which it is placed (it is in-stream). We note that this definition excludes ads in which the marketer attempts to keep the source a secret.

WHAT IS NATIVE ADVERTISING?

At a general level, native advertising is a recently coined term used to describe a spectrum of new online advertising forms that share a focus on minimizing disruption to a consumer’s online...
experience by appearing in-stream. One way disruption can be reduced is by optimizing placement to increase relevance for viewers. Another means of reducing viewer disruption is by crafting native advertisements that blend in with the surrounding content. This second approach is most similar to an advertising type commonly referred to as an advertorial. Advertorials are advertisements that are created to mirror surrounding content, such that consumers view the advertorial not necessarily as an ad, but instead as they would the content the advertorial hopes to emulate (Kim, Posadoes, and Barban, 2001).

The genesis for native advertising is unknown, but the term likely stems from the convergence of advertorial concepts and the social media environment. Particularly during the advent and growth of social media, social media environments provided brands with the potential to develop a vast audience of consumers to message, all at a minimal cost. The catch is that consumers could choose to follow (or subscribe to) brands on social media as easily as they could also choose to unfollow (or unsubscribe). As a result, it was quickly discovered that overt sales and promotional messages were generally not the types of messages consumers wanted to view. As Jason Hill, GE’s global head of media strategy states, “Traditional digital advertising has become wallpaper. It doesn’t improve anyone’s experience on a site and readers, myself included, pretty much look past it” (Sebastian, 2014). Brands learned to adopt a more subtle approach on social media, instead selecting more conversational and playful messaging that would not annoy consumers to the point of unfollowing or unsubscribing from a brand’s social media presence. The essence of this approach – non-disruptive and invited brand content – can be seen as the very first form of native advertising.

While it would appear the initial aim of native advertising – minimizing the annoyance of brand content on social media so as to maintain followers – is earnest, native advertising has
since evolved to include other realms where consumers have little to no recourse should they disapprove of it. These include news sites such as the New York Times, etc. as well as a host of other websites such as Buzzfeed, whose entire business model rests on paid content (Moses, 2014). On these sites, consumers are often unaware that the content they are viewing is either created by, or at the behest of, an advertiser (Machian, 2014). Taken together, these different examples can be used to form a better understanding of what is common as well as distinct amongst current forms of native advertising.

A feature common to all forms of native advertising is the format of the communication. Some online marketing communications attempt to gain attention by standing out from the environment or the editorial content and in essence disrupting the consumer’s online experience. Banner ads, for example, often attempt to get consumers’ attention by placement (e.g., top of the page) and animation in an attempt to disturb the users’ online experience. Such ads are interruptive, distracting, and largely unwanted. In contrast, native advertisements are created to be consistent with the online experience a consumer is enjoying. When in this format, marketing communications are virtually indistinguishable from other online material, and so are non-disruptive to the users’ online experience. Non-disruptive ads are concordant and consistent with a user’s experience and in some cases are actually desired.

The secrecy of a native advertisement can be considered in terms of both source disclosure and consumer invitation. Some native advertisements provide minimal or no source disclosure to consumers, possibly tricking consumers into viewing content that they believe is from a different source (e.g., from the publishers of the website) or such secrecy may simply mean that consumers are unaware what they are reading is a form of paid advertising. The lack of disclosure masks the advertiser’s true intent to persuade and signals a desire to take advantage
of consumers’ higher levels of trust in non-advertising or editorial content (see Figure 1). Clearly, native advertisements that provide clear source disclosure are less secretive than those that do not.

[Insert Figure 1 about here]

The secrecy of a native advertisement can also considered in terms of whether they are invited or uninvited on the part of consumers. Uninvited native advertisements appear outside of their typical location and without the consumer's permission to do so. Invited native advertisements instead place control of appearance within the hands of consumers and provide clear means to rescind the invitation. Inviting refers to a consumer consenting - either explicitly or implicitly - to receiving communications from a brand. Explicit inviting refers to instances where a consumer has actively chosen to receive brand communications. This might be by friending, following, liking, or becoming a fan of a brand’s social media presence or otherwise opting-in to receiving brand communications. Implicit inviting refers to situations where a consumer has not actively given a brand permission to appear in their feed, but a connection (e.g., a friend) of the consumer has. An implicit invitation is a function of the structure of social networks and occurs due to the implied trust consumers in these networks have with their connections. Most social networks, by default, expose consumers not only to content posted by their direct connections, but also content that their direct connections interact with. As a result, if a consumer’s friend likes or comments on a posting by the restaurant, that posting will then be carried through to the consumer. Such communication is a result of implicit invitation, which assumes possible interest in the content that connections have interacted, and has been found to be more effective than paid advertisements (Khang, Ki, & Ye, 2012). Regardless of whether consumers give implicit or explicit invitation to a native advertisement, the ad is not secretive.
To summarize, while native advertising seeks to be non-disruptive to the consumer experience, it can differ in its degree of secrecy, assessed in terms of both source disclosure and consumer invitation. Fully disclosed and open native advertising has both clear source disclosure and is invited by consumers. Moderately secretive native ads can have either clear source disclosure or are invited by consumers, but not both. Highly secretive native ads have minimal or no source disclosure and are also uninvited by consumers. Higher levels of secrecy are likely to cause consumer deception, tricking consumers into false beliefs about the content, as well as either confusion or anger if the true intent of the content is realized (Sebastian, 2014; Machian 2014). In the next section we provide further explanation for this effect before turning to illustrate these outcomes through several cases.

**NO SECRETS: GOOD NATIVE ADVERTISING HAS NOTHING TO HIDE**

Native advertising exists along a spectrum, with more secretive forms lacking source attribution and/or consumer invitation. The best forms of native advertising are both invited by consumers and transparent about its source. While research on native advertising is still in infancy, findings from the limited number of industry studies suggest concerns with native advertising’s more secretive forms (Sebastian, 2014).

Industry research by the Interactive Advertising Bureau, an online advertising industry organization, (Mane & Rubel, 2014) has explored consumer perceptions of in-feed sponsored content, a type of native advertising. Their research finds that many consumers are receptive to sponsored content when it fits with surrounding content, is relevant, and is trustworthy. Their findings suggest that for non-news sites consumers may actually favor sites featuring well-executed native advertising. Unfortunately their research also suggests that current source
disclosures are lacking. 59% of participants in their study did not consider native advertising on a general news site to be clearly paid for by a brand. This indicates consumers are not always able to readily discern native advertising content from traditional news content. Additionally only 38% of respondents felt native advertising added value to their experience of browsing a website, bringing into question the impact native advertising may have on host sites.

A study by Contently (Machian, 2014), an advertising agency specializing in sponsored content, also suggests consumers have reservations about this form of native advertising. In a survey of 542 US consumers, they found that 54% of respondents do not trust sponsored content and are 66% less likely to click on an article labeled as such. Additionally, only 48% of respondents understood the meaning of the term ‘sponsored content’. Taken together, these findings imply considerable apprehension and ambiguity on the part of consumers. Echoing research by the IAB, Contently’s (Machian, 2014) study also finds that 59% of respondents view news sites with sponsored content as less credible. Importantly, 67% of respondents have felt deceived after discovering an article was sponsored by a brand and, if given a choice, 57% of participants indicated they would prefer to see banner ads rather than sponsored content. These findings call into question the effectiveness of highly secretive native advertisements, given that consumers have negative attitudes toward being deceived by such ads.

Hexagram, a native advertising content distribution company, and Spada, a public relations consultancy, conducted a survey of advertising professionals that suggests marketers may view native advertising differently than consumers (Hexagram and Spada, 2013). According to their study 79% of publishers felt that they clearly labeled native advertising. 79% also claimed to have never received any backlash for their use of native advertising. Advertising professionals thus largely view native advertisings quite positively, in contrast to most consumers. This split
may signal that advertising professionals are overly optimistic about this new advertising format since it is a potential solution to challenges advertisers face when advertising online. The same study reports that 43% of brands and marketers employ native advertising in order to compensate for growing consumer indifference towards banner advertising. Since native advertising is designed to blend into its context, consumers may be less able to block it out. Eye tracking research by Sharethrough and IPG Media Labs (2013) supports this possibility. Their study finds that 25% more consumers notice in-feed native advertisements than display or banner ads and that they also look at the ads 53% more frequently. Compared with editorial content, their research indicates that consumers actually look at native advertisements at about the same rate (26% vs. 24%, respectively).

Taken together, current research on native advertising points to consumers not always being aware of native advertising, despite disclosures. It is likely lack awareness on the part of consumers is driving native advertising’s stronger performance as compared to display or banner advertising. For this reason marketers may be driven to keep native advertising disclosures to a minimum. Such a strategy only works for those consumers who do not discover the true source and nature of a native advertisement. Those consumers who become aware content is actually advertising are likely to feel deceived. Misleading consumers is unlikely to be a successful long-term strategy for marketers or publishers.

At its core, good native advertising seems to be a delicate balance between providing consumers with clear source disclosure and at the same time offering content that fits in with and provides value similar to the context it’s placed within. In the next section we briefly detail several cases of native advertising of differential success.
SECRETEIVE VS. NON-SECRETEIVE NATIVE ADVERTISING: FOUR CASES

Case 1: The Atlantic and Scientology – Strong Secrecy

On January 14, 2013 The Atlantic magazine published an article on the Church of Scientology paid for by the same organization (Wemple, 2013). The article spoke of the Church of Scientology in positive terms, praising its “unrelenting” leader who was leading “a renaissance for the religion” and detailing the Church’s many accomplishments in the year past. Despite looking like a typical Atlantic article, the piece did not appear to fit with the typical style of articles published in the magazine. The only indication the article was not editorial content was a small yellow banner labeling the article as ‘Sponsor Content’.

Backlash to the article grew almost immediately, leading to the article being taken down less than 12 hours after it had been posted (Wemple, 2013). The Atlantic also apologized for the article, stating they had “made a mistake, possibly several mistakes” but that the magazine was still “committed to and enthusiastic about innovation in digital advertising” (Raabe, as cited by Wemple, 2013). The controversy surrounding The Atlantic’s Scientology advertisement is notable since it was one of the first instances of a more traditional news organization being noticed for engaging in native advertising. It is notable, though, that the Scientology ad was not the magazine’s first time running a native advertisement, although it was the first that received complaints (Wemple, 2013).

This case illustrates an example of strong secrecy in a native advertisement. While a disclosure was present, it was clearly not strong enough. It is likely that much of the reaction to the article stemmed from confusion and disbelief that The Atlantic would publish such a one-sided article. Two reasons underpin this response. First, the article’s topic may not have resonated well with the magazine’s readers. Native advertising is meant to be desired by viewers
and consistent with its context. Since the article was not editorial in nature, its success relied entirely on viewer interest, which may have been absent. Second, such reactions would not have occurred had readers been fully aware that the article was in reality an advertisement. Secrecy surrounding the source of this article was therefore its downfall. It is likely that the resultant feelings of deceit and mistrust led consumers to react so strongly, forcing The Atlantic into an embarrassing apology for the misstep.

*Case 2: Reddit and Archer – Moderate Secrecy*

To promote the fifth season of the FX’s risqué animated television show Archer, the show used a similarly risqué venue – an online forum for sharing nude photos. For the campaign, animated ‘photos’ featuring the show’s characters in the buff were posted to r/GoneWild, a subforum of Reddit, a popular online discussion board. The ads featured captions such as “First time posting here, pretty nervous…” along with creative usernames such as “WamBamThankyaPam” (Adweek, 2014b). The posts elicited a positive response from forum users and show viewers alike, many which are young, active users of social media (Feloni, 2014).

An intriguing element in this case is how source disclosure is implied through the content itself; it is highly unlikely viewers would construe the posts as anything but ads. Nevertheless, the campaign was aggressive in that it posted in a space owned by consumers. The positive response it received was likely due to several factors. First, the approach was novel so likely benefited from viewer intrigue. Second, the posts were creative and revealed an underlying fragility to the show’s characters. Finally, whoever constructed the ads paid careful attention to the style and tone of the forum, creating posts that would fit in with the surrounding content and respect users’ digital space.
Case 3: Oreo on Facebook and Twitter – No Secrecy

In our final case, we illustrate how creativity and a brand personality led to a classic brand developing a significant online following. While Oreo’s social media presence gained attention for their famous tweet during the 2013 Superbowl blackout, Oreo had been quietly retooling its marketing approach during the preceding years (Sacks, 2014). This included the highly successful ‘Daily Twist’ series in which 100 different pieces of content were created over a span of 100 days in order to celebrate Oreo’s 100\textsuperscript{th} birthday. The campaign forced Oreo’s marketers to be agile, developing fresh content daily in an effort to stay relevant and resonate with their followers. The constantly changing content spurred curiosity amongst consumers eager to see their next creation, resulting in Oreo building the fourth largest fan base amongst brands on Facebook (Socialbakers, 2015). Oreo illustrates the least secret form of native advertising possible. The content itself is readily understood to be an advertisement and consumers are able to opt-in and out of Oreo’s fan base at will. Oreo has succeeded not by tricking consumers into viewing their content, but instead by creating posts that are desired and relevant.

WHAT DOES NATIVE ADVERTISING MEAN FOR MARKETERS?

The internet has democratized creation of brand meaning (Fournier & Avery, 2011) and opened doors to large-scale shifts in the power-balance between advertisers and consumers. Native advertising represents a crucial turning point for innovative online marketers. Native advertisers must choose between an advertising model based on potentially deceiving consumers into viewing their content, or one in which consumer freedom and autonomy are respected. Secrecy may work in the short-term, but is unlikely to be rewarded in the long-term by consumers who
feel taken. Consumers are creative and it is only a matter of time until native advertising blocking software becomes mainstream (Perlberg, 2014). Marketers are urged to recognize that the internet not only gives consumers the choice of what content they want to consume, but also the choice of what advertising they want to view and where they would like to see it.

At a broad level, the emergence of native advertising represents a paradigm shift in terms of how marketers communicate with consumers. Adept native advertisers will need to continually develop their own audiences rather than relying on third parties. At a very basic level, successful implementation of native advertising provides a firm with an interested group of online consumers, a group that may be expensive or otherwise difficult to reach. This is a different situation than in more traditional channels, such as television, where the marketer pays for a “known” audience (whose level of interest in the ad may be unknown) and therefore can focus on higher-level measures such as ROI. In social media marketing, it is first necessary to “create” the audience prior to examination of more elaborate measures of ROI. As a result of the need to maintain an audience, firms are now forced to produce content that goes beyond advertisements. Just as a magazine or television channel intersperses editorial content with advertisements to create an overall package worth consuming, native advertisers are similarly being forced to develop a mixture of content worth following. We next detail a series of considerations for marketers seeking to leverage native advertising.

*Craft Native Communications with the “Unlike” Button in Mind*

In the traditional advertising model, consumers have little say in what ads they receive; the decision resides entirely with advertisers and media platform managers. Nonsecretive native advertising alters the power balance by offering consumers greater control over which brands...
they communicate with and on which social network platform they want the communications to take place. Consumers can choose, at any point, to unlike a brand. This ability of consumers to disconnect changes the tone and nature of what brands natively communicate with a consumer. Native advertising success is limited by what consumers will tolerate seeing in their feeds. Providing communications that deceive or annoy will change consumers’ affective reaction to the ad. Pushing sales promotions too often? Unfriended. Posting material that is irrelevant to a consumer? Unfriended. Content that’s boring or repetitive? Unfriended. Simply posting too often? Unfriended.

Brands can no longer simply pay their way into commanding consumer attention. Rather, native advertisers need to constantly earn the right to consumers’ attention by continually offering interesting and relevant content. Avoiding hard sells and content that lands flat is not a luxury in the native model - it is a necessity. With native advertising, consumers are in control and need be served content they enjoy.

*Seek to Delight Rather Than Deceive*

Recognizing the importance of not interrupting the online experiences of consumers, marketers are increasingly creating native advertising content that mimics the style of its context and becomes virtually indistinguishable from the surrounding content. The terms blogvertorial and sponsored content are often used to refer to these practices. These efforts in blurring the boundary between advertising and non-advertising content are often viewed by the general public with suspicion: consumers and critics see these types of ads as no more than thinly veiled attempts at deception (Wasserman 2013; Machian, 2014). While such practices may boost impressions in the short term, when discovered by consumers they ultimately serve to erode trust.
in the brand and publisher alike. What successful relationship can be formed on a foundation of duplicity?

Well-executed native advertising is antithetical to the idea of deception. By explicitly obtaining consumer permission to be advertised to, or by clearly identifying to consumers its source and nature, native advertising is respectful while also being playful. This clarity and openness gives consumers control over the interaction, speaks volumes about the intention of the advertised brand, and lays the foundation for a trusting relationship. This is especially important on social networks, where transparency and free exchange of information reign supreme.

*Keep In Mind the Friends a Brand Has Yet to Make*

Consumer permission comes in two forms. Explicit permission stems from those consumers who have opted in to native communications by directly liking the brand, explicitly giving permission for the brand’s content to be a part of their feed. It is a natural inclination to want to focus attention on this group. After all, they are the fans who have chosen to make the brand a part of their public identity. They are also the fans that see and engage with brand content first. And yet they are only one small set of the brand’s potential online audience.

Implicit permission lies in all of the friends of a brand’s current followers. This group is in many cases several hundred times larger than a brand’s fan base. Each person in this extended group has given implicit permission to receive brand messages when their friends engage with the brand’s content in some way. Any simple act of engagement by a brand’s follower - a like, a comment, a retweet - is enough to propagate content amongst that follower’s network. This puts the onus on brands to create content that consumers deem compelling enough to engage with.
Effective native advertising beckons consumers to engage with it so as to share it with their networks, thus amplifying the reach of a brand’s content.

*Be Nice, On Average*

Consumers evaluate the totality of costs and benefits that a brand’s content offers them. Brands remain a part of the consumer’s feed as long as consumers perceive the overall utility of a brand’s postings to be positive, such that the positive ads reinforce their positive affective states and outweigh any postings that are an annoyance. Just as not every joke a comedian tells has to land, not every piece of content that a brand posts need to resonate. From a purely utilitarian perspective, any extra effort spent creating and posting positive content beyond what is necessary to keep fans is wasted. For every couple of lighthearted positive mood inducing posts, one with a more direct sales effort can be inserted. The exact ratio will depend on many factors such as brand loyalty, product category, the consumer’s motivation for liking the brand, and the target segment. Loyal consumers of a brand are likely to transfer goodwill developed offline towards a brand’s online presences. Consumers are probably more tolerant of more frequent sales announcements from their favorite fast-moving consumer goods producer than from their favorite brand of kitchen appliances. Fine tuning this balance between consumer goodwill and driving sales will be one of the key challenges facing native advertisers.

*Since You’re Being Treated Like a Friend, Act Like One*

Native advertising represents the radical blending of brand and personal content in a single viewing experience. In many ways, native advertising represents the ultimate form of a consumer-brand relationship, with a consumer putting brand communications on equal footing as
those from their friends. Since brands are now sharing an experience with a consumer’s friends, to succeed in a native advertising environment they too must act like a friend. With some native advertising, consumers are actively choosing to connect with and follow a brand. They look forward to receiving updates from that brand. They want to be able to interact digitally with them. And they want to hear back from the brand. Brands that treat social media and social networks as simply an extension of their other advertising formats are not just missing out on a feature set of social media, they are instead completely missing the point of the entire platform. Social networks were purposely designed to enable not just content exchanges, but conversations. With native advertising, a brand individually connects with each consumer, not a mass audience. So why are so many brands communicating with each consumer as if they are a mass audience?

**Being Part of the Inner Circle Doesn’t Mean Receiving Undivided Attention**

The rich and varied content environment in which native advertising is embedded means that brands face strong competition - not only from content from rival brands, but from consumers’ friends who are each sharing a constant stream of photos and updates. Uninteresting and disengaging ads will be easily drowned out in this cacophony of entertaining and personal content. No longer able to rely on crass and disruptive tactics such as banner ads, native advertisers need to tactfully and creatively vie for consumer attention. Advertisers need to see themselves more than just marketers of a particular brand, but as content providers that compete in a crowded marketplace. To create interesting, relevant and engaging content, they first need to understand the different types of content people consume on various social network platforms, what value they derive from them, and their motivations for wanting to see branded content.
Your Brand’s Personality is its Invitation

Just as a person throws a party in the hopes of a good time for everyone involved, consumers follow brands that they believe will make a positive contribution to the atmosphere on their social media presence. As at real house parties, brands that have a positive personality and are not afraid to engage in appropriate ways will be invited and invited back. Have something to say. Ask questions. Respond. However, like any party guest, brands must remember to walk the fine line between being entertaining and being embarrassing. Brands should keep in mind the party isn’t all about them. No one likes a fake or a braggart either. Likewise, conversations can’t always be about one individual. They involve give and take coupled with genuine interest in the other party. By conducting themselves like good guests in consumers’ online lives, brands that can create and maintain positive moods for their “hosts” and guest can hope to be invited back again and again.

To craft a coherent brand personality in social media, DKNY opted to have their SVP of Global Communications run their @dkny Twitter handle, which is followed by nearly half a million people. As a result, the brand’s Twitter feed takes on a distinct personality and resembles the blog of a fashion enthusiast rather than that of a major brand’s PR operation. The tweets encompass wide-ranging set of topics from fashion news, celebrity gossip to career advice or resume reviews for the brand’s fans (Chang, 2012). The source is known and desired and the tone is personal and engaging. Because of the strong personal flavor of these communications, they have been a tremendous success.

You Can’t be Relevant to Everyone – So Segment
Consumers extend native advertising invitations based on their interest in the brand on the assumption of continuing appropriate, relevant content. Brands whose content doesn’t appeal fall by the wayside. The ability to serve relevant content depends on the group of consumers that are members of a brand’s social presence. The more similar members of a group are in some way, the easier it is for a brand to serve relevant and engaging content. If a group instead contains members who are interested in receiving vastly different types of content, the ability of that social media presence to hold their collective attention is weak.

An informed native advertising strategy involves a careful segmentation of online consumers in terms of the types of content they wish to receive from a brand. Separate online presences should then be established to serve each segment. This approach results in consumers receiving a more relevant stream of information from the brand, thus maximizing the likelihood they’ll choose to stay connected. If brands instead employ a single presence to serve content to a very diverse audience, they risk being relevant to no one. Nike understands this principle, offering dozens of online presences for consumers to connect with. These include everything from an umbrella presence for the entire Nike brand, to sports-specific presences such as Nike Basketball and Nike Skateboarding, to country- and product-specific presences such as Nike Running France and Nike+ FuelBand. These different pages allow Nike to precisely map brand content to each segment.

**NATIVE ADVERTISING IS HERE TO STAY**

In this article we build understanding of native advertising, a relatively new form of brand communication, by exploring existing research and illustrative case studies. Native advertising represents desired marketing communications that appear in-stream. It is a distinct form of online
advertising that is both permission- or disclosure-based and is non-disruptive to a consumer’s experience. Effective native advertising does not rely on secrecy or deception.

As consumers continue to shift their content consumption to online mediums, marketers have been largely unable to duplicate their previous success with offline advertising. An often-cited concern is that consumers generally ignore online ads. This presents significant challenges for advertisers, who depend on consumer attention for their business. The advent of native advertising provides brands with a means to serve relevant and desired information to a broad and receptive audience. Formulating a coherent native advertising strategy and nurturing native audiences is critical for the success of any brand competing for online attention.

Of course, native advertising represents just one facet of companies’ growing sophistication in operating in an increasingly social and connected online environment. American Express recently launched Sync with Twitter (American Express, 2014), an innovative program that allows consumers to purchase products and services right within their Twitter feed. This service keeps consumers in their social media experience by removing the need to jump to a web browser to complete purchase transactions. It will be interesting to see what other activities firms will “nativize” in the future. Ultimately, as consumer-brand interactions adopt permission-based and non-disruptive models we may witness a qualitative strengthening of the relationships that consumers have with brands. Those brands that are able to fulfill consumer needs in an unobtrusiveness manner will be rewarded with long-term loyalty.
REFERENCES


Figure 1 – Consumer Trust in Forms of Advertising