MOBILE NATIVE ADVERTISING

IT'S FIT AND EFFECTIVE

MMA Mobile Native Advertising Committee

CONTENTS

About the MMA Mobile Native Advertising Committee

The mission of the MMA Mobile Native Advertising Committee is to educate marketers and publishers about the benefits and best practices of native advertising, and grow the global market for this emerging and increasingly effective digital display format.

The report on the effectiveness of mobile native advertising supports the MMA goals of furthering Mobile Measurement, Effectiveness and Innovation and is intended to help brand marketers learn more about why this emerging type of advertising is working so well, and what techniques hold the most promise. Many of these studies draw on the variety of ad unit formats that are available in native, some of which were featured in our first release, The Mobile Native Ad Formats. These recommendations are the second in a three-part series that the Committee has developed and which will also become part of the MMA's Mobile Marketing Playbook:

- Mobile Native Ad Formats
- Mobile Native Ad Effectiveness
- Mobile Native Ad Best Practices

The Case for Native Advertising

In a chaotic world, people strive to make things fit together. To illustrate the whimsy that one experiences with things that "fit", the Tumblr page "Things Fitting Perfectly Into Things" is dedicated to finding and displaying what Mashable called "the miraculous act of pairing objects with their oddly wonderful same-sized mate." There is an entire corner of the Internet that delights in these pairings, including Twitter and Reddit pages.

Laptop + Baking Dish = Apple Pie

So, it should come as no surprise that when ads fit with the environment where they are served, people notice. This is the inherent benefit of mobile native advertising, *which is a form of paid media where the ad experience follows the natural* **form and function** *of the user experience in which it is placed*. In a word, the ads "fit." Not only can native ads fit better, according to recent findings that MMA released as part of its **SMoX** series of cross marketing effectiveness studies, mobile native advertising performs significantly better than mobile display. And these results were seen across a variety of campaigns, for brands such as AT&T, MasterCard and Walmart, with objectives from increasing awareness, to improving image, to driving sales.[1]

When optimized for frequency of exposure, mobile native advertising performed as much as 10 times better compared to mobile display advertising at similar frequency, more than covering for the price premium of native and thus improving the ROI of the campaign overall. Furthermore, in contrast to display, native ads build impact at lower frequency because there is greater attentiveness to the content, suggesting that there are different rules and best practices to maximize the performance of mobile native advertising. Although a more complete set of best practices for mobile native advertising is forthcoming this Fall, SMoX has already

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[1] For more information on SMoX.ME click here.

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contributed two important ones: 1) manage the frequency of exposure to mobile native ads, as they make a more profound impact than display, and; 2) create multiple creative ad units for a campaign, to leverage the cumulative impact of the mobile native program.

Across all of the MMA mobile native ad formats, native ads just fit.   And, what this paper demonstrates is that great **Fit** drives results for advertisers by increasing **Awareness, Engagement** and delivering lift in **Brand Metrics**, **Attention KPIs**, **Purchase Intent** and **Consumer Action**.

To support and illustrate the case for native advertising, the MMA has conducted what is likely the most comprehensive industry survey of mobile native ad effectiveness. MMA members Ahalogy, Celtra, EA, PubNative, Sharethrough, Waze and Yahoo compared campaign results and research findings in an effort to demonstrate that when mobile native is done properly, it can become an extremely effective approach across formats and various advertiser goals and objectives.

Ads That Fit In Receive More Focus And Attention

Native ads fit naturally into the environment where they are served. In multiple tests fit was found to drive beneficial effects for advertisers. When native ads appear in a mobile experience there is a halo effect that makes consumers perceive the ad better. When native ads were tested in Yahoo's premium content streams, they were found to have **23% higher ad quality scores and earn 3X more time and attention than mobile banner ads.**[2]
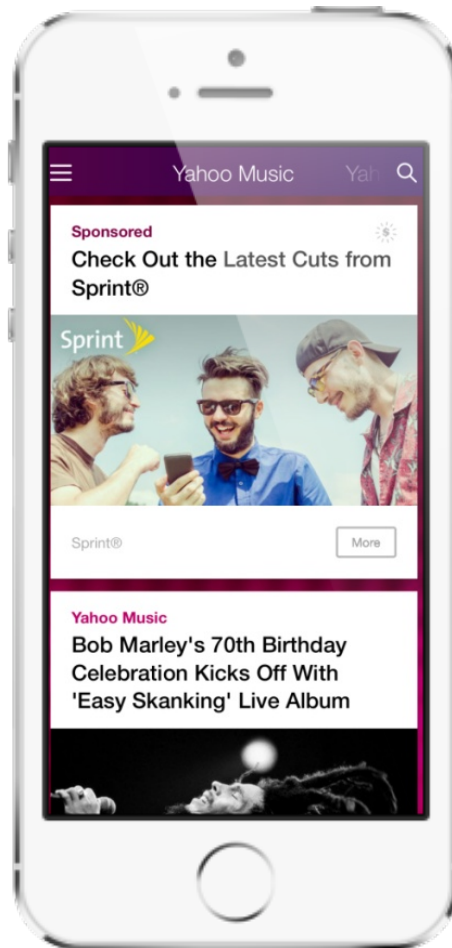
23%
Higher
Ad
Quality

3X
More
Time &
Attention

Source: Yahoo

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[2] Ad Environments: The Halo Effect (Full Deck), Advertiser Strategy & Trends, Thought Leadership, US, Americas, Sept. 2014

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A Neuroscience Perspective

In a similar study, titled *A Neuroscience Perspective*, designed to assess visual focus and message processing, Sharethrough and Nielsen found that native ads received 2X the visual focus of banner ads placed in the exact same place in the feed.[3] In addition the study found that traditional banner ads received little-to-no visual focus on the text. Banners were processed in the peripheral field of vision as is common for these ad types. This type of processing occurs much faster than textual processing and can hinder reading of taglines. In-feed native ads on the other hand are read. As a result, native ad headlines were found to strengthen positive associations with the brand.


Image: http://sharethrough.com/images/pages/neuroscience/eye-tracking-results.jpg

In-Game – Scrabble Case

In a customized execution for a major auto brand, EA developed an immersive brand experience in Scrabble, consisting of a sponsored luxury game board and letter tiles as well as a custom in-game challenge. The program fit naturally into game play with elements designed to convey key brand messaging while rewarding players with new and highly coveted in-game features. Fit again proved to be key to the success of this campaign: 93% of consumers surveyed thought the sponsorship was a good fit in the game, and 82% said the luxury kit even added to their enjoyment of the game.[4]

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[3] http://sharethrough.com/neuroscience/
[4] Native adverting on Mobile, Advertising Effectiveness Examples, EA Global Media Solutions, 2015
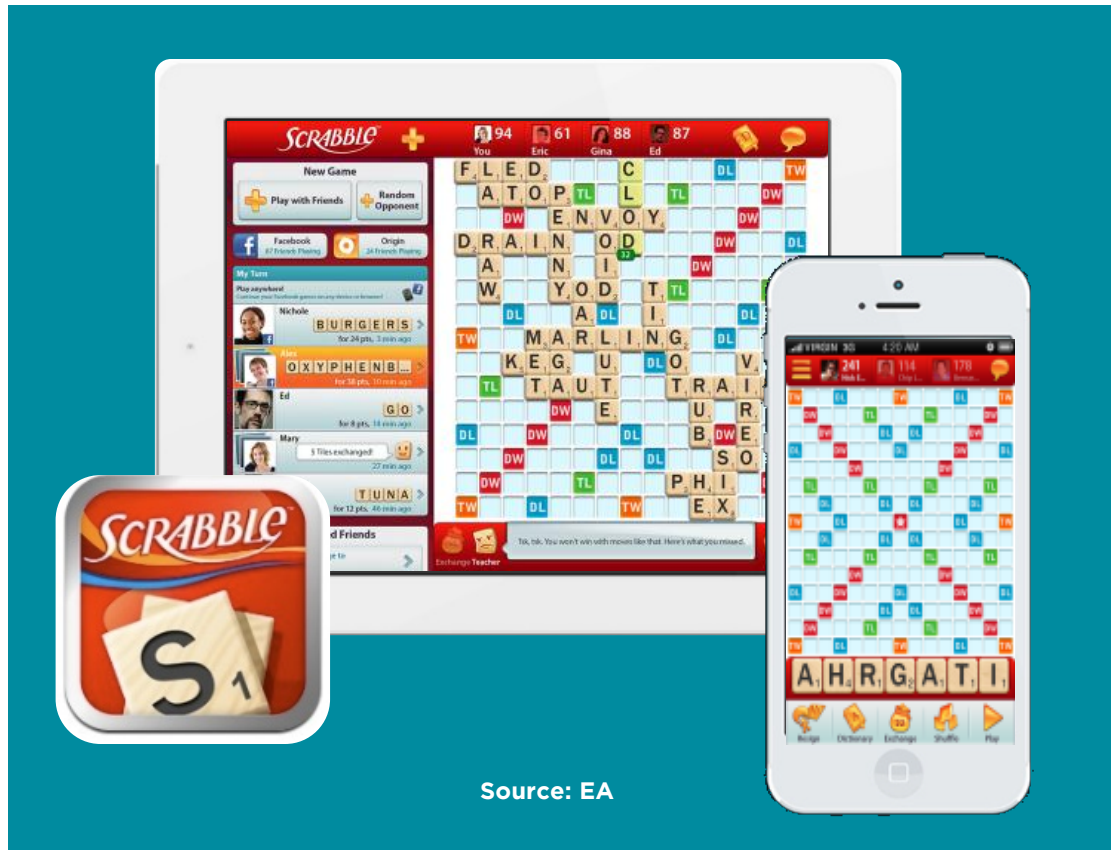
Source: EA

PLAYER REACTIONS

93%
Thought the sponsorship was a good fit in the game

82%
Said the Luxury Kit added to their enjoyment of the game

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Effectiveness By Advertiser Goal

Engagement

For advertisers with engagement goals, mobile native ads outperform traditional banners. As the following examples illustrate click rates and other measures of engagement, trend higher when mobile campaigns use native ad executions.

For instance, **PubNative found that native ad integrations in both gaming and non-gaming apps fared much better than traditional ads in terms of engagement metrics for advertisers. On average, CTRs were increased 6x and CRs 3.5x.**[5]

Working with the Pandora jewelry chain, Celtra and Hearst Magazines UK combined storytelling with a mobile native experience. Pandora's campaign showed expansion rates that were 150% higher than benchmarks for standard expandable banners. In *Mobile Marketer*, Caitlin Steele, online marketing manager for Pandora Jewelers, said the format provided a satisfying native user experience by adapting to the look and feel of the entire page, boosting customer engagement.[6]
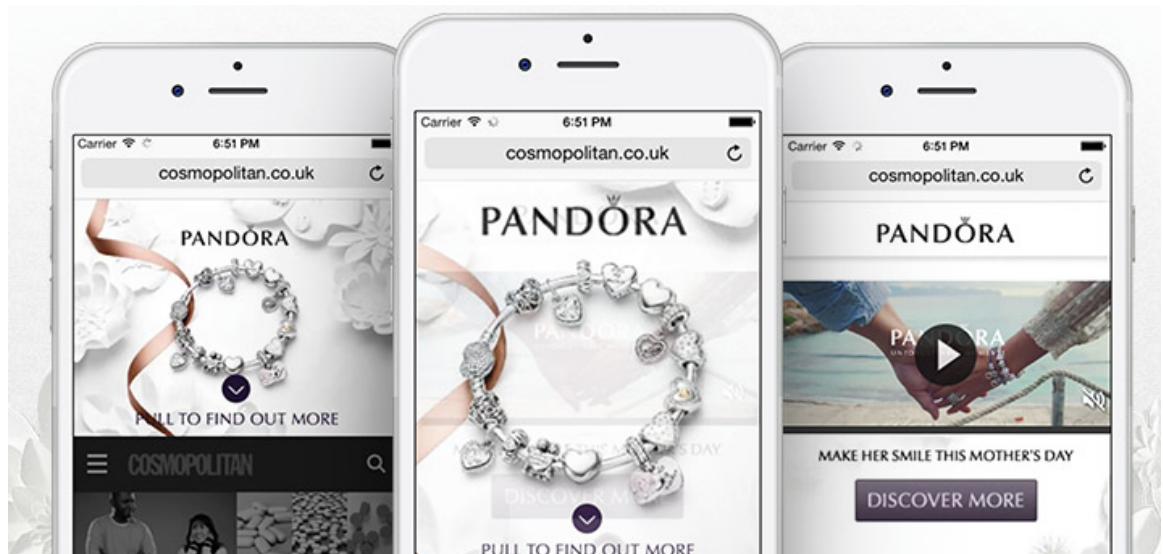
In a broader study on native ad formats Celtra measured a boost in engagement across several clients and publishers with native video and rich media ads. Native formats were by far the best performers when compared to traditional rich media ads. Both key performance metrics in the study, expansion rate at 1.84% and engagement rate at 18%, were more than 2 times higher than on standard ads. **In total, users were observed to spend 40% more time interacting with native ads than with standard ones.**[7]

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[5] http://pubnative.net/wp-content/uploads/2014/09/HappyMallCaseStudy_A4.pdf;
http://pubnative.net/wp-content/uploads/2014/12/QuackCaseStudy_A4_web.pdf
[6] http://www.mobilemarketer.com/cms/lib/25193.jpg
[7] Rich Media Monitor insights report for Q4, 2013

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As reported in Forrester's "*Boost Contextual Reach With Content Marketing For Mobile*" report and furthering the point on engagement while differentiating across devices, Nativo found that **native CTR on mobile executions is 40% higher than that of desktop executions.**[8]

EA recorded strong click-through rates on another custom native campaign. A leading consumer electronics company wanted to engage a target audience for their line of oral care products. With a custom integration in The Sims FreePlay, the brand drove a 7.8% CTR to it's microsite after consumers viewed campaign media.[9]

Source: EA – The Sims FreePlay
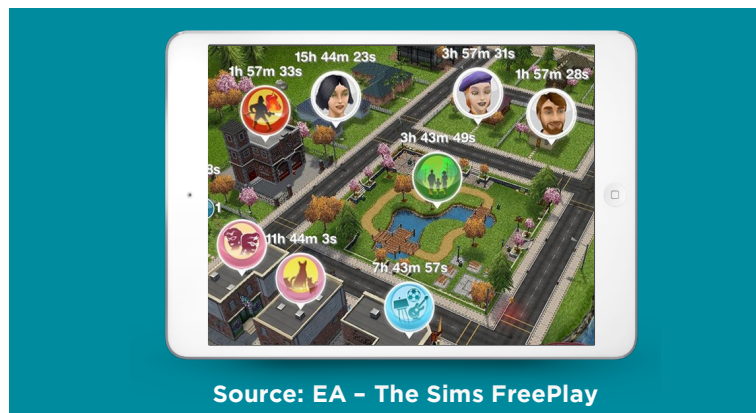
In addition to native outperforming traditional banners, native on mobile outperforms native on desktop. Sharethrough found mobile native ad campaigns result in a 375% engagement lift over desktop native ads.[10]

Brand Awareness

Not only do native ads deliver engagement; they have also helped drive results for brand advertisers who measure effectiveness with metrics like recall and awareness.

Yahoo! measured how mobile native ads deliver greater brand lift metrics. In a study of 1,000 in-market travel consumers Yahoo! saw native ads increase top of mind awareness 114% compared to a control group. This lift was even greater when two native formats were used together. **When in-stream native ads were combined with a paid mobile search campaign the lift jumped to 279%.**[11] Similarly, EA recorded an 87% brand lift in the Scrabble autos campaign mentioned previously; demonstrating how fit helps drive brand metrics.[12]

Waze has implemented a number of native in-map campaigns for brand advertisers. To date, they have executed 64 Ad Effectiveness studies for major brands in 9 countries. Participating brands represent a wide variety of industries including retail, restaurants, fuel, automotive, banking, telecom, grocery, entertainment and insurance. **The research placed branded pins on users Waze map, marking specific business locations throughout the course of a drive. Average brand recall was over double of the control group, a 104% lift.**[13] The Waze advertising research methodology

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[8] Boost Contextual Reach With Content Marketing For Mobile, Forrester Research, 2015
[9] Native adverting on Mobile, Advertising Effectiveness Examples, EA Global Media Solutions, 2015
[10] Sharethrough Platform Data Q1 2015
[11] Gemini Mobile Ad Effectiveness Study: Travel Brand (Mobile Ad Strategy/Advertiser Strategy & Trends, USA, Americas, June 2014)
[12] Native adverting on Mobile, Advertising Effectiveness Examples, EA Global Media Solutions, 2015
[13] Waze, Ad Effectiveness Research

compares the lift in ad recall and lift in navigation for users exposed to the ads vs. a control group. Two campaigns serve as examples of the effectiveness of the in-map format from Waze, that ran in the Waze app.

Dunkin' Donuts: The campaign goal was to drive restaurant traffic.
- Ad unit recall was well above our benchmarks, and for navigation lift we saw that users exposed to the ads were more than twice as likely to visit a Dunkin' Donuts location. We drove over 1,000 incremental store visits to their store during one of their Waze ad campaigns!

Wells Fargo: The campaign goal was to drive consumers into branches to receive a free credit score and complimentary credit report. Waze showed a huge lift in navigations to branches in the exposed group vs. a control, and ad recall studies showed that Waze users remembered seeing the Free Credit Report offer.
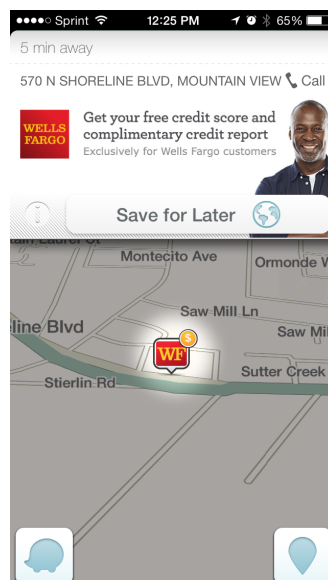
Purchase Intent and Action

With mobile native ads, engagement and fit drive more than brand metrics. Across our survey many mobile native ad providers reported increased purchase intent and consumer action to complement increased brand lift.

Ahalogy, working with Pinterest, found that **52% of active Pinners pull up Pins in-store to guide purchase decisions and that 53% of daily users have purchased online or at a brick & mortar because of a mobile native ad they saw on Pinterest.**[14]

Among four custom mobile native in-game experiences, EA measured purchase consideration lift between 30% and 200%.[15]

Waze was able to go even further recording Navigation Lift, measured by store visits, between a control audience and a group exposed to mobile native in-map ads. **Aggregating 15 Navigation Lift studies for major brands in 4 countries Waze saw a 53% lift in navigation to advertised stores.**[16]

Yahoo! took another approach: **in a study of 9 unique campaigns, using search lift as a proxy for purchase intent, they saw 3.6X higher branded search activity for in-stream native campaigns compared to mobile banner campaigns.**[17]
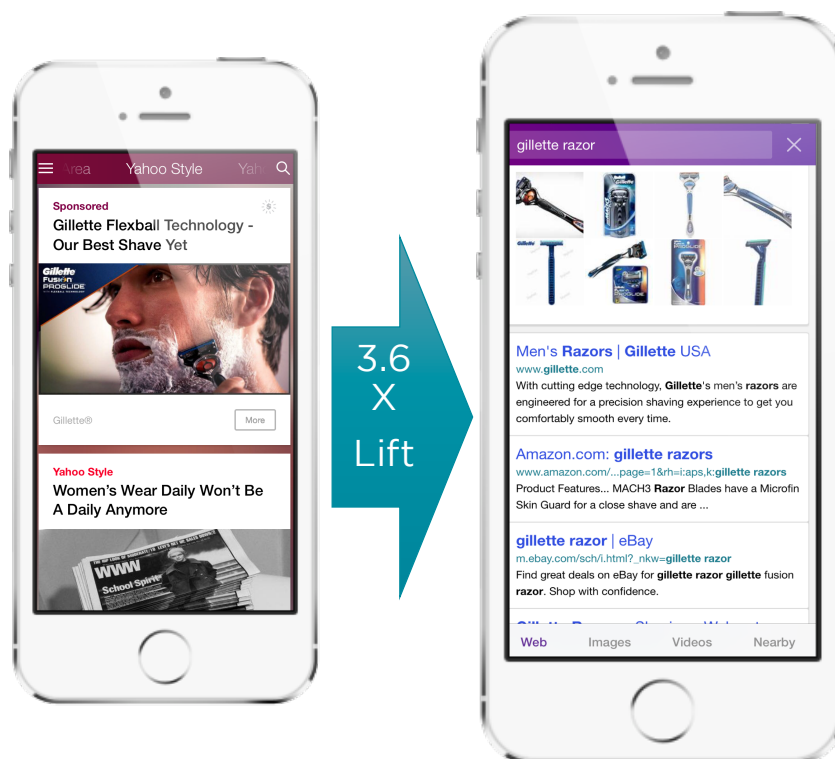
Source: Yahoo

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[14] Ahalogy, Winning via Mobile & Native on Pinterest
[15] Native adverting on Mobile, Advertising Effectiveness Examples, EA Global Media Solutions, 2015
[16] Waze, Ad Effectiveness Research
[17] Yahoo in-stream ads AdFx Study: Aggregate Report (June 2014, Native/Advertiser Strategy & Trends, USA/Americas)

Conclusion

Across the industry, we see key trends emerge in mobile native ad effectiveness, and it is clear that when the native ad fits, it is effective. Our survey demonstrates higher levels of mobile native ad engagement and interaction surpassing that of display rich media, while also highlighting that brand consideration and recall lifts signal significant traction for mobile native advertising to fulfill upper funnel brand objectives.

The feedback from consumer studies has emphasized that native ads fit their environment, and when executed to not only fit, but to also enhance the consumer experience, we see advertisers reap the benefits. While mobile banners may still help some marketers achieve lower cost scale and reach, the unrivaled quality, fit and effectiveness that mobile native formats can drive at less frequency is undeniable.

As these trends continue to deepen, the conversation shifts from the need to understand native as a novel advertiser solution to developing it as an integral part of the media mix where it is is a driver of omni-channel strategies. Marketers, when deciding on the goals of a campaign, will elevate their considerations to include the native format in order to deliver optimal results.

Whether it is paid search or in-feed brand content, native advertising has the promise of making cross-device tactics an inherent part of any marketing plan looking to drive real results. The MMA's SMoX research underscores the vitality and effectiveness of mobile native advertising, showing surprising strength at lower frequency (fewer placements and exposures) that contributes to better ROI.

While the story so far indicates that mobile native is a good fit and can be extremely effective, it is just the beginning. As this type of advertising grows in usage, advertisers, agencies and media partners will all have to strive for high integrity in how they build and execute mobile native ad programs to ensure that consumer trust is maintained at all times. To build on the effectiveness story, the MMA Native Advertising Committee will compile best practices that demonstrate how brands can make mobile native advertising a powerful aspect of successful mobile marketing efforts.

About the MMA

The MMA is the world's leading global non-profit trade mobile marketing association comprised of more than 800 member companies, from nearly fifty countries around the world. Our members hail from every faction of the mobile marketing ecosystem including brand marketers, agencies, mobile technology platforms, media companies, operators and others. The MMA's **mission** is to **accelerate the transformation and innovation of marketing through mobile, driving business growth with closer and stronger consumer engagement.**

Anchoring the MMA's mission are four core pillars; to cultivate inspiration by driving the innovation for the Chief Marketing Officer; to build the mobile marketing capabilities for the marketing organizations through fostering know- how and confidence; to champion the effectiveness and impact of mobile through research providing tangible ROI measurement; and advocacy. Additionally MMA industry-wide committees work collaboratively to develop and advocate global best practices and lead standards development.

Acknowledgements

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The Mobile Marketing Association welcomes any feedback, from members and non-members alike, so that we can continue to refine and improve the guidance we provide to the mobile marketing ecosystem. Please send feedback to comments@mmaglobal.com.

This MMA Mobile Native Advertising program was formed under the leadership of the Co-Chairs, Bob Bahramipour of InMobi and Steven Schuler of Yahoo. There are currently 25 member companies: 140 Proof, Aarki, AdNear Pte. Ltd., Ahalogy, Applift Inc., Central Garden & Pet, DataXu, Inc., Electronic Arts Inc., Facebook, Foursquare, Google (Waze), InMobi, Kargo, Nativo, OpenX, PadSquad, Pinterest, PubNative, Quixey, Sharethrough, Swrve, The Marketing Arm, The Weather Company, Time Inc. and Yahoo Inc. Any MMA member company is welcome to join this initiative, and if interested please contact us at committees@mmaglobal.com.