



# The Value of Native Advertising on the Open Web in Improving Enterprise Content Strategy

New research by CMI and Outbrain illustrates the power and value of native advertising for content distribution and how marketers can avoid missed opportunities by understanding what audiences are truly interested in.

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## A MESSAGE FROM OUR SPONSOR, OUTBRAIN

**T**oday, marketers have more ways than ever before to reach and engage their target audience. There have never been more screens or channels available than there are today. In fact, 24 billion internet-connected devices will be installed around the world by 2020.<sup>1</sup> That's more than four devices for every person on the planet.

This fragmentation has come at a cost. As there are more ways to reach audiences at scale, the advertising experience has become cluttered with interruptive experiences that result in consumers blocking or ignoring content on the screen (banner blindness). With our discovery feeds, we can create an organic and visually consistent experience for consumers.

As marketers, we are challenged with how to create content that is meaningful and relevant to the audiences we wish to engage with. The key is to understand that no consumer is one and the same and that their interests evolve over time. And that evolution should happen on the marketers' end as well, making personalization a priority, and establishing a true connection with the end consumer.

Native advertising welcomes that pull-marketing approach and gives consumers the opportunity to discover and engage with content they are genuinely interested in. At the helm of what we see as the future of marketing, Outbrain uncovers such information through proprietary interest data, allowing marketers to uncover learnings about their audience, that they can then use to create content that drives engagement and true connections.

# INTRODUCTION – THE MULTIPLE VALUES OF NATIVE DISTRIBUTION

Today, there is more pressure than ever for marketers to create, optimize, and distribute meaningful content. However, in order to accomplish that, marketers must acquire better and more accurate behavioral data to gain a fuller picture of what customers will actually find meaningful.

Before creating any piece of content, marketers must consider three important questions:

1. What persona are we targeting with this content?
2. What types of content or call-to-action does that persona best identify with?
3. What piques that persona's interests, resulting in increased engagement?

Understanding the answers to these questions ensure marketers have the best chance to create content that is meaningful and engaging.

In CMI's 2019 Content Management & Strategy Research, we found varying degrees of adoption of this method for meaningful content creation. In fact, 61% of businesses that manage content strategically are utilizing persona research today<sup>ii</sup>. However, fewer marketers have aligned their topics and ideas around their persona's needs or understand which content will be most effective.

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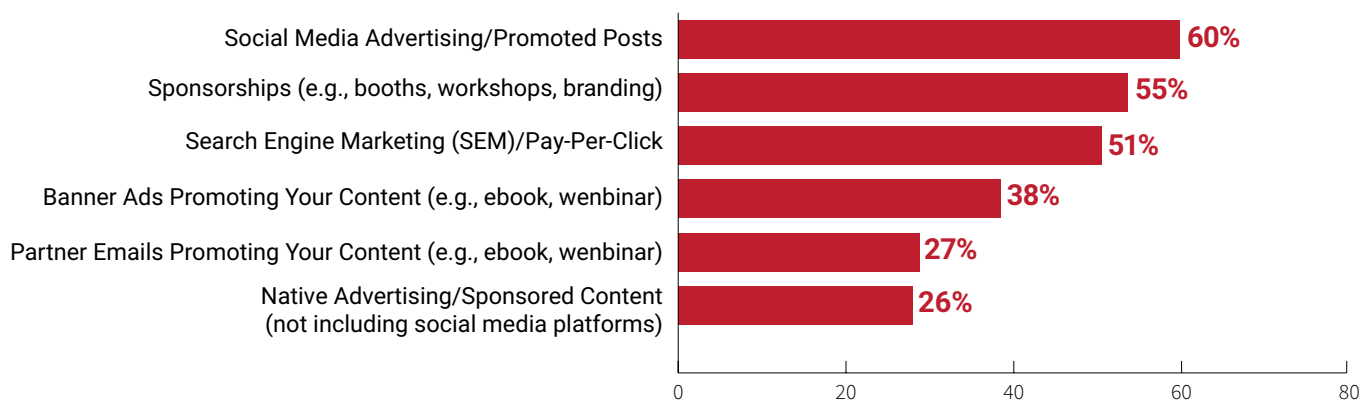
CMI's research found that 71% of marketers are most challenged with "understanding how to prioritize audience needs." And further, 61% of that same group said their top challenge is "knowing what is most important to the audience."<sup>iii</sup> Put simply, today's marketers are operating off of gut-instinct, when deciding which content their audiences may find most meaningful. And what may be missing is the next step to truly understanding what their audiences connect with and respond to.

## Not Just Reach, But Unique Insights

Using data across native media spend is not a new concept. For years, marketers and advertisers have utilized data collected from native advertising efforts for retargeting, landing page personalization and other behavioral consumer targeting.

What isn't as common is utilizing paid distribution channels to better understand what topics and themes audiences truly care about and will respond to. In fact, in CMI's 2020 Content Marketing Study, we found that "Sponsored Content" was the lowest utilized of all paid distribution channels.

**Fig. 1: Types of Paid Distribution Channels Used By Their Organization For Content Marketing Purposes in the Last 12 Months (Aided)**



Source: 2020 Content Marketing Study, Content Marketing Institute

Per the study, only 26% of marketers were utilizing native advertising/sponsored content to reach their target audiences.<sup>iv</sup> This is a missed opportunity to improve content performance and effectively expand an editorial and creative content strategy.

With native advertising, marketers can better understand what audiences are interested in, and what types of content they best respond to.



## THE RESEARCH

In order to better understand how marketers should be using data for personalization efforts, TCA, CMI, and native advertising technology provider Outbrain conducted a research study. Looking at the financial services and technology industries, we examined dozens of companies, hundreds of campaigns, and thousands of transactions that are leveraging Outbrain as a significant channel in their media mix. We identified key insights of what is and isn't working to help marketers working across various industries improve their content strategy and overall native advertising efforts.

## LESSONS LEARNED IN FINANCIAL SERVICES – MARKETERS SHOULD PLAY THE LONG GAME

Given the global financial and economic disruptions of the past decade, it may come as no surprise that financial services firms remain amongst the least trusted industry sector.

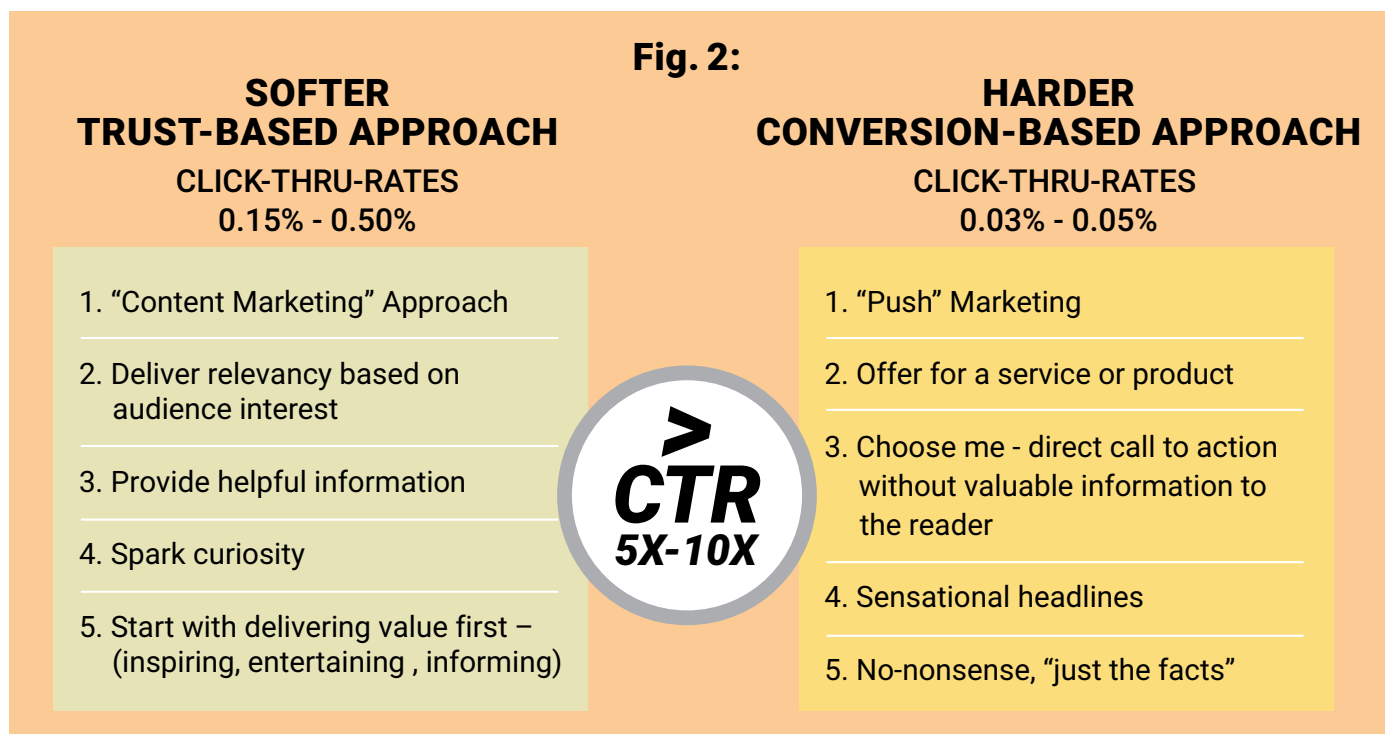
This may be why the sector continues to be one of the biggest in native ad spending. In 2017, Financial Services accounted for more than 12% of the total digital ad spend, behind only Automotive and Retail<sup>9</sup>.

### The Challenge – Push vs. Pull

Our research found that both B2B and B2C Financial Services companies tend to take a more sales-oriented content approach to attract visitors to their owned content platforms (web sites, landing pages, content hubs, etc.). In an industry that stifles product differentiation, these companies tend to leverage a more direct response approach with their content strategy without focusing on education or awareness. Sample headlines include:

- Cashback and rewards
- Pre-Qualified offers
- 24/7 customer service
- 50,000 bonus points
- Compare mortgages now
- 2x points on travel and dining
- \$0 introductory balance transfer fees
- No annual fees
- Consolidation or complete wipeout of debt

When looking at the data, we found click-thru-rates (CTR's) that were five to ten times higher for the educational content approach than we did with the direct response.




Below are a few sample titles in promoted content and their associated CTR's.

### Fig 3: A Comparison of Calls to Action

<b>SOFTER, TRUST BASED APPROACH</b>	<b>CTR</b>
99 Retirement Tips for People in Their 60s	<b>0.35%</b>
Here Are The 13 Richest Billionaires	<b>0.37%</b>
Pay Off Heavy Debt Without a Loan	<b>0.36%</b>
What happens to all 2018 unsold cars and SUVs?	<b>0.21%</b>
5 Questions to Ask Yourself Before Lending a Friend Money	<b>0.29%</b>
How the 80/20 Principle Can Help You Become a Better Parent	<b>0.28%</b>
How So Many Seniors Are Getting Large Tax Refunds	<b>0.34%</b>

<b>CONVERSION-BASED APPROACH</b>	<b>CTR</b>
Get 20x More With The Right Savings Account	<b>0.03%</b>
The Best Way To Wipe Out \$10,000 Of Debt	<b>0.03%</b>
How much can you save by refinancing student loans?	<b>0.03%</b>
Dreaming of a new home? You can save by comparing mortgages	<b>0.03%</b>
Thinking of buying a home? Compare mortgage lenders today	<b>0.02%</b>
The Only Bullet-Proof Trading Method	<b>0.04%</b>
5 Stocks for the Age of Miracles	<b>0.05%</b>
Five Stocks at the Forefront of the Age of Miracles	<b>0.05%</b>

It's clear from the analysis that inspiring curiosity, rather than hard offers, can attract more engagement. For example, the headline "Why You Should Stop Stashing Cash Around Your Home" received a .29% CTR, as opposed to a .03% conversion for a headline such as "Get 20x More With The Right Savings Account."



Another example is a Fintech company looking to build traffic to owned media properties. They first promoted a calculator comparing mortgage lenders, attempting to entice consumers with the urgency approach. Second, they promoted a blog post with a more conversational title, posing an interesting question to gain the click.

The second promoted piece, with the enticing headline, experienced a CTR of 0.21% as opposed to .02% for the harder call-to-action with the mortgage calculator – a 10x difference.

### **Leverage Different Interests to Find New Audiences**

One of the unique data sets that native media channels can help marketers uncover are consumer interests. These interest-based data points create the opportunity to discover the types of content categories the desired audience is engaging with, better-informing distribution and targeting strategies.

We looked at a US-based investment firm aiming to generate new leads for their investment products. They created a retirement-focused e-book, promoting lifestyle tips for people in their 60s.

Assuming they knew the best place to promote this eBook, they focused on a native media strategy that targeted consumers interested in retirement and investing. This resulted in a successful click-thru-rate of 0.35%. But interestingly, there were many more categories with strong CTR's, including "Aging" (.19%), "Sports Cars" (.13%) and "Cruises" (.15%). The firm was able to take these insights and create additional content on these topics, like Best Car Investments for Retirees, to fuel increased engagement and leads.



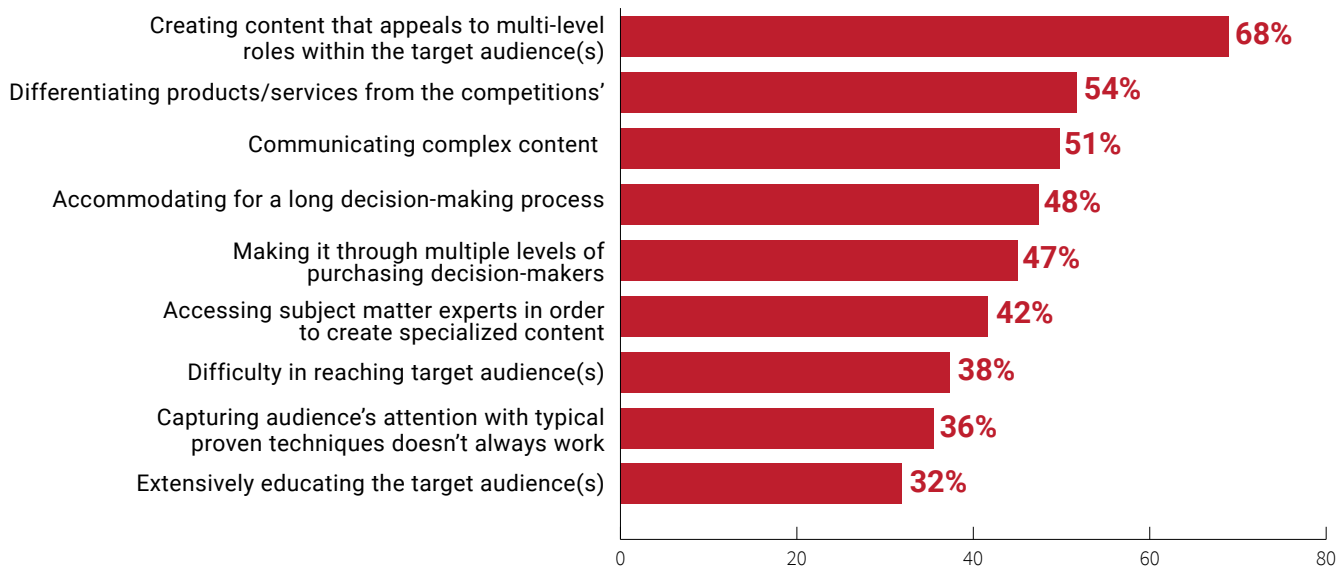


# LESSONS LEARNED FROM TECHNOLOGY COMPANIES – LEARNING NEW PLAYS

Technology companies have been one of the early adopters of digital marketing and advertising. It should be no surprise that the first banner ad on the Internet was from the telecommunications company AT&T<sup>vi</sup>. It probably also isn't a surprise that US-based tech companies have among the highest digital skill levels in any industry (ironically tied for first with Financial Services)<sup>vi</sup>.

Tech companies are proficient when it comes to using thought leadership as part of their overall marketing mix. 82% of tech marketers are concerned with creating engaging audience-centric content, and 65% are utilizing personas as a means of targeting this content<sup>vii</sup>.

**Fig. 4: Unique Challenges Technology Content Marketers Face**



Source: Content Marketing 2019: Benchmarks, Budgets and Trends - North America

Tech marketers' number one challenge is "creating content that appeals to multi-level roles within the target audience."

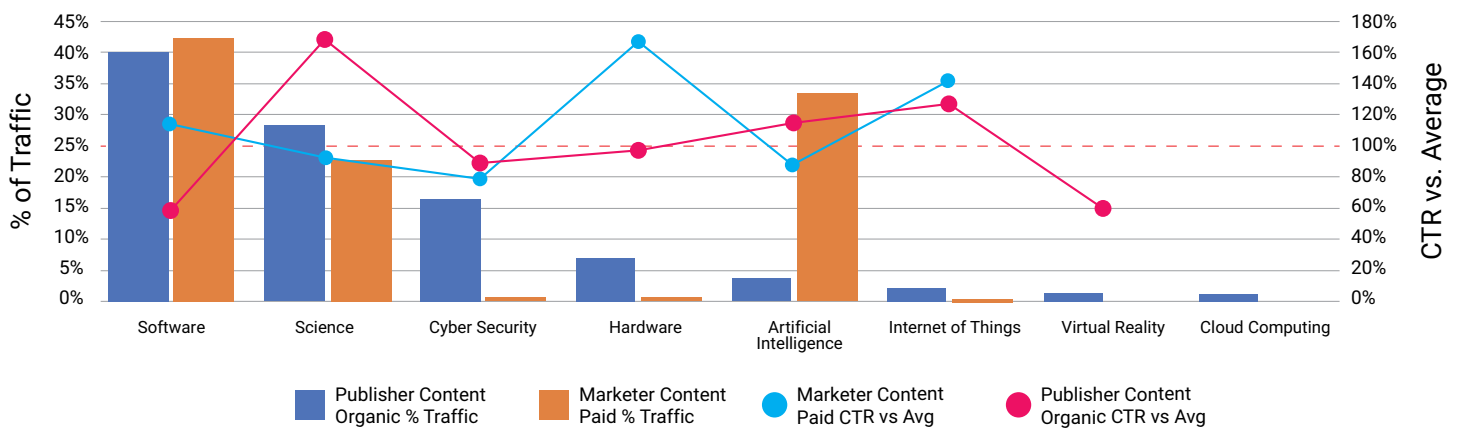
Interestingly, and to the point of our study, the second most-cited challenge among tech marketers who create content is "differentiating products/services from the competition."

## The Challenge – Finding Differentiation Among the Noise

The biggest challenge for this sector is the commoditization of content themes, as it has become increasingly more difficult to create differentiated insights.

Given the similarity of content themes, we looked at dozens of native advertising campaigns and news/publisher headlines to better understand how to create content that stands out and drives results.

**Fig. 5: Publishers Vs. Marketers – The Opportunity In Niches**



Source: Outbrain

In Figure 5, we can see important ways to fuel content strategies. For example, while there is not a lot of traffic shown for hardware, what is being written generates the highest CTR's on this chart, averaging 160% more engagement than the other topics examined. Additionally, the Internet of Things (IOT) and Virtual Reality, once big buzz words in content and news headlines, have dropped in prominence, but are still showing respectable CTRs.

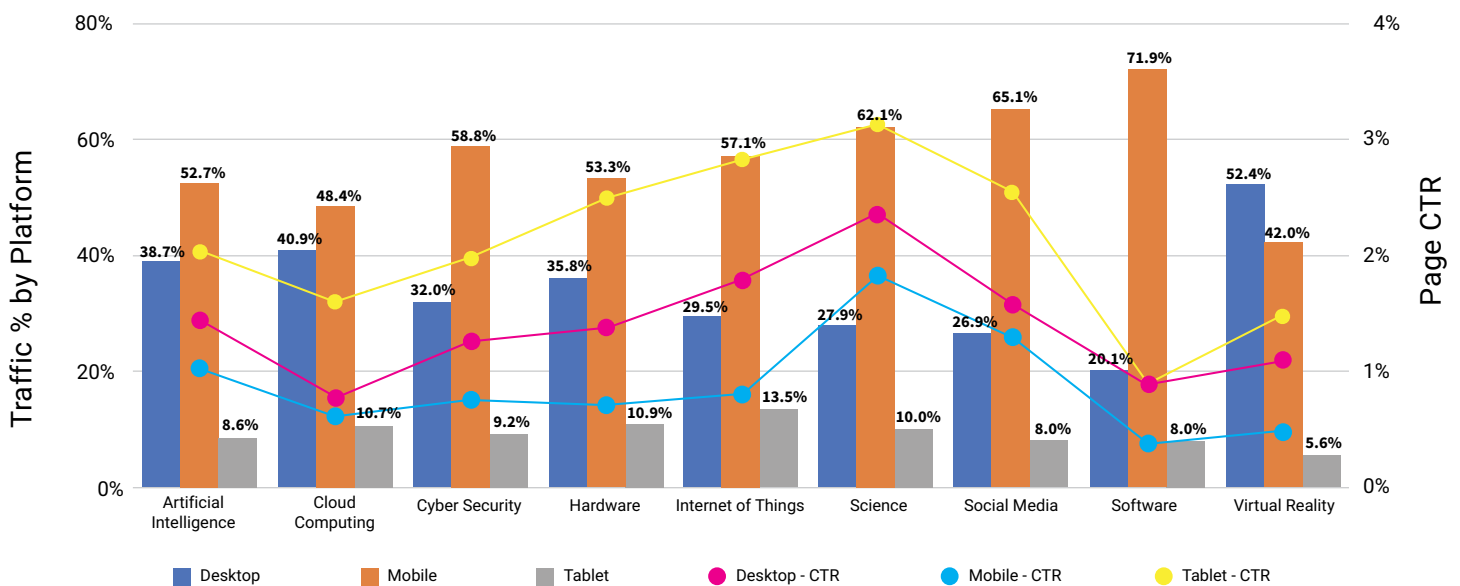
In contrast, software-themed content reports much lower-than-average traffic CTR numbers, presumably as there is too much available content on the topic being created. We possess the knowledge of supply and demand on the open web and can identify the tipping point for topic appeal and saturation.

## Targeting Mobile and Tablet Content

Another distinct difference found is between the promoted content strategies of publishers and product brands for mobile, tablet and desktop interfaces.

The native media models for brands tend to be very platform-specific by categories. 95% of companies that focused on promoting “software” content were only targeting desktop. In contrast, publishers are more balanced, promoting content across all categories and topics. Product marketers, take note.

**Fig.6: Publishers Target Promoted Content Across a Balance of Interfaces**



Source: Outbrain

## Publishers Target Promoted Content Across a Balance of Interfaces

As Figure 6 shows, 71.9% of traffic across publishers in the “software” category is actually mobile traffic. Additionally, desktop CTR’s in the “software” category are the lowest of the three platforms. By focusing solely on desktop, marketers who want to reach audiences in the “software” category are minimizing their chances of being seen and of generating a click.

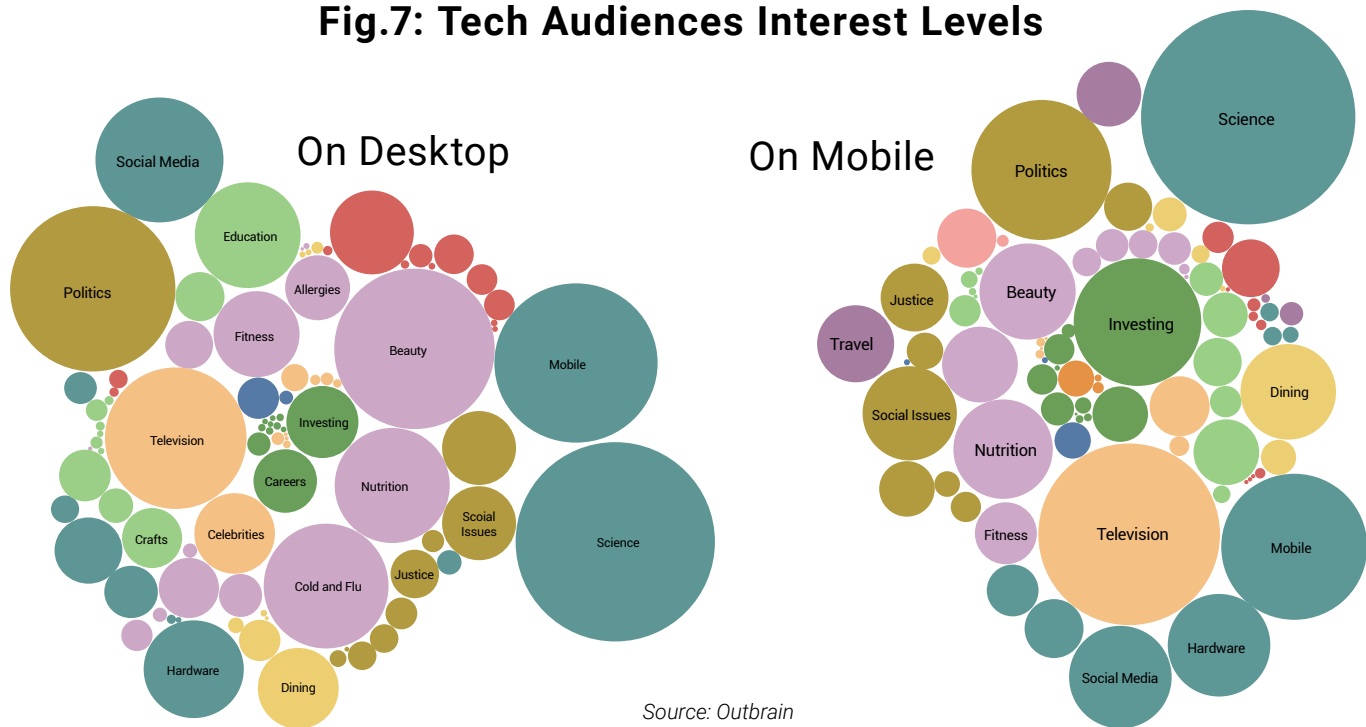
Interestingly, there is an enormous opportunity for tech companies to create more content in categories other than “artificial intelligence,” “software,” or “science.”

## Tech Audiences Also Have Other Interests

Going beyond creating more content, there's also a big opportunity to leverage interest-based targeting to find more of the audiences they are looking to connect with, similar to the financial industry. While having a healthy balance of topics is necessary, it's also key to focus on other interests users have.

In Figure 7, we group audiences engaging by interests and analyzed their consumption by connected devices - mobile, tablet and desktop. What we found is that interest consumption varied depending on the device. Consumers were more likely to engage with personal health-oriented content while on desktop, while on mobile they looked at more entertainment and science topics.

**Fig.7: Tech Audiences Interest Levels**



Source: Outbrain

Given this information, marketers could consider creating more personal-health related content and target it to desktop devices, reducing media waste and having a better opportunity to drive return on ad spend.





## Marketing Takeaways From Our Research

There are a number of takeaways that marketers can take from our analysis of technology companies and their use of native media and content.

1. Utilize native advertising to develop insights into audiences and content. Native advertising is well-suited for discovery moments where people show interest and engage with a variety of topics and categories.
2. Broaden content creation to address niche topics that are less talked about. As the saying goes, “there are riches in the niches”. Marketers should consider learning from publishers that cross-pollinate content across multiple topic areas. Instead of only focusing on one particular topic, marketers should expand their content strategy to address adjacent categories that may be less discussed, but are sought after by their audiences.
3. Consider non-obvious categories, and platforms, with promotional spend. Learn more from your audiences’ discovery moments, and linking topics to show applicability for everyday life.

Additionally, marketers should consider platform-specific spends that can reflect more focused behaviors of their audience. For example, targeting more “lifestyle” content for mobile or tablet-based interfaces may be quite productive.



## CONCLUSION: NATIVE ADVERTISING OFFERS MULTIPLE BENEFITS TO MARKETERS

Today, many marketers only look to evolve their audience insights by looking at the content consumption across their “owned media” experiences. The challenge with relying completely on the company’s website or blog is that marketers only see what the customer does in response to what the company has said, instead of what the customer is interested in beyond those platforms.

Utilizing native advertising on the open web, marketers not only have the opportunity to reach new customers, but they also have the opportunity to look across platforms, topics, and even audiences to discover the new and, perhaps, more meaningful content they will respond to.

And the best way to do that may be to leverage the insights from consumer behavior across your open web native advertising approach.

Discover how Outbrain’s native ad experiences can help you create meaningful consumer connections and maximize ROAS on the open web.



## End Notes

- <sup>i</sup> <https://futurism.com/by-2020-there-will-be-4-devices-for-every-human-on-earth>
- <sup>i</sup> [https://contentmarketinginstitute.com/wp-content/uploads/2019/04/2019\\_ContentTECH\\_Research.pdf](https://contentmarketinginstitute.com/wp-content/uploads/2019/04/2019_ContentTECH_Research.pdf)
- <sup>ii</sup> *ibid*
- <sup>iii</sup> <https://www.prnewswire.com/news-releases/new-allstate-survey-shows-americans-think-they-are-great-drivers---habits-tell-a-different-story-126563103.html> More than 7 in 10 say that they've been distracted recently and have swerved and 56% have been involved in an accident.
- <sup>iv</sup> [https://www.edelman.com/sites/g/files/aatuss191/files/2019-02/2019\\_Edelman\\_Trust\\_Barometer\\_Global\\_Report.pdf](https://www.edelman.com/sites/g/files/aatuss191/files/2019-02/2019_Edelman_Trust_Barometer_Global_Report.pdf)
- <sup>iv</sup> <https://extremereach.com/blog/ad-spending-trends-in-the-financial-services-sector/>
- <sup>vi</sup> <http://thefirstbannerad.com/>
- <sup>vii</sup> <https://kingstonbusinessschool.wa.edu.au/wp-content/uploads/2018/07/Which-are-the-most-digital-industries-and-why.pdf>
- <sup>viii</sup> [https://contentmarketinginstitute.com/wp-content/uploads/2019/02/2019\\_Tech\\_Research\\_Final.pdf](https://contentmarketinginstitute.com/wp-content/uploads/2019/02/2019_Tech_Research_Final.pdf)
- <sup>ix</sup> *Ibid*