Power of Native

February 2022
Background & Methodology

In order to understand the value that Native recommendations bring to publishers and advertisers, Outbrain partnered with Savanta to conduct a quantitative online research study amongst consumers 18+.

**WHAT**
In order to understand the value that Native recommendations bring to publishers and advertisers, Outbrain partnered with Savanta to conduct a quantitative online research study amongst consumers 18+.

**WHEN**
Between December 2\textsuperscript{nd}, 2021 and January 4\textsuperscript{th}, 2022

**WHO**
N=9,159 Consumers in the following countries:
- US: n=1,017
- UK: n=1,007
- France: n=1,015
- Germany: n=1,004
- Italy: n=1,039
- Spain: n=1,050
- Israel: n=1,014
- Australia: n=1,003
- Japan: n=1,010

Data has been weighted on age and gender to represent census data
Executive Summary

• Consumers are shifting towards more intentional online behavior.
  • 21% are planning to spend less time on social media within the next six months. The most popular alternatives to passively browsing on social media include moving offline (39%); switching to editorial sites, such as news and lifestyle websites (36%); and working or studying (33%).

• Online content on editorial sites (e.g., news and lifestyle sites) is more positively perceived than social media sites.
  • 75% trust editorial sites compared to 54% for social media sites. This trust is particularly notable among household decision makers.
  • Consumers are also more likely to trust ads on editorial sites (68%) versus social media (55%). Ads on social media are least trusted across sites.
  • Ads on social feeds are considered the most intrusive ad format while native ads, mimicking the look, feel, and surrounding editorial content are seen as the least intrusive (also compared to display and paid search ads).

• Personalized recommendations and visual experiences are increasingly important to consumers.
  • 53% of those 18-24 consider a fully customized visual experience unique to their preferences to be their ideal experience.
Online Behavior & Content Trust / Preferences
While the majority expect to spend similar amounts of time on social media in the next 6 months, 1-in-5 plan to spend less time – going offline, focusing on work/study, and visiting news and lifestyle sites instead.

What to Do Instead of Social Media

Anticipated Time Spent on Social Media in Next 6 Months

- 58% Same amount of time
- 21% Less time
- 10% More time

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting offline</td>
<td>39%</td>
</tr>
<tr>
<td>News/Magazine and Lifestyle/Hobby Sites (Net)*</td>
<td>36%</td>
</tr>
<tr>
<td>Working or studying</td>
<td>33%</td>
</tr>
<tr>
<td>Streaming content for entertainment</td>
<td>18%</td>
</tr>
<tr>
<td>Online shopping</td>
<td>16%</td>
</tr>
</tbody>
</table>

*National news/magazine websites (19%), local news/magazine websites (17%), and lifestyle and hobby sites (15%)

Q22. Which of the following describes how you anticipate the time you spend on social media to change in the next 6 months? n= 9159

Q23. You mentioned that you plan to spend less time on social media in the next 6 months. How do you anticipate you will spend this time instead? n= 1899
Content and recommendations found on sites with editorial content like news, special interest/hobby, and lifestyle sites are significantly more trusted than recommendations on social media sites.

Content and Recommendations Trust

- Search engine results (A): 85%
- Retailers / shopping sites (B): 80%
- Special interest or hobby sites (C): 79%
- News sites (D): 77%
- Lifestyle and culture sites (E): 69%
- Financial and investing sites (F): 58%
- Social media sites (G): 54%
- Blogs, forums, and online communities (H): 53%

A/B/C/D/E/F/G/H denote significantly higher than other group at the 95% confidence level.

Average: 75%

Q2. How much do you trust the content and recommendations you find on each of the following? %s reflect T3B ( Completely + A lot + Somewhat)
N=9159
Household decision makers are more likely to trust the content and information they find on editorial environments than non decision makers; the reverse is true on social media.

**Content and Recommendation Trust by DM Authority**

- **Search engine results**: DM: 74%, NM: 87%
- **Retailers / shopping sites**: DM: 81%, NM: 68%
- **Special interest or hobby sites**: DM: 80%, NM: 73%
- **News sites**: DM: 78%, NM: 70%
- **Lifestyle and culture sites**: DM: 70%, NM: 65%
- **Financial and investing sites**: DM: 60%, NM: 52%
- **Social media sites**: DM: 54%, NM: 63%
- **Blogs, forums, and online communities**: DM: 54%, NM: 57%

A/B denote significantly higher than other group at the 95% confidence level.

**Q2. How much do you trust the content and recommendations you find on each of the following? %s reflect T3B (Completely + A lot + Somewhat)**

- Average: DM: 76%, NM: 69%

N=9159 | Decision Maker: N=8157 | Not a DM: N=577
Advertising found on sites with user generated content like social media, blogs, and online communities is significantly less trusted than advertising found on search engine results, editorial sites, and retail sites.

### Ads Trust

<table>
<thead>
<tr>
<th>Category</th>
<th>Trust Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search engine results (B)</td>
<td>68% EFGH</td>
</tr>
<tr>
<td>Retailers / shopping sites (C)</td>
<td>68% EFGH</td>
</tr>
<tr>
<td>Special interest or hobby sites (A)</td>
<td>70% BCDEFGH</td>
</tr>
<tr>
<td>News sites (D)</td>
<td>67% FGH</td>
</tr>
<tr>
<td>Lifestyle and culture sites (E)</td>
<td>66% FGH</td>
</tr>
<tr>
<td>Financial and investing sites (F)</td>
<td>59% GH</td>
</tr>
<tr>
<td>Blogs, forums, and online communities (G)</td>
<td>56%</td>
</tr>
<tr>
<td>Social media sites (H)</td>
<td>55%</td>
</tr>
</tbody>
</table>

**Average:** 68%

Younger age groups (<34 years old) generally trust online ads more than those 34+.

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*Note: A/B/C/D/E/F/G/H denote significantly higher than other group at the 95% confidence level.*

**Q3.** How much do you trust the advertising you see online from each of the following? %s reflect T3B (Completely + A lot + Somewhat)
N=9159 | <34 years old: N=3,331 | >34 years old: N=5,828
Consumers prefer to see their recommendations personalized with headlines

Sentiment Towards Types of Recommendations

<table>
<thead>
<tr>
<th>Type of Recommendation</th>
<th>Don’t care</th>
<th>Hate it</th>
<th>Dislike it</th>
<th>Like it</th>
<th>Love it</th>
<th>T2B (Net)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personalized recommendations (A)</td>
<td>16%</td>
<td>8%</td>
<td>19%</td>
<td>44%</td>
<td>13%</td>
<td>57% CD</td>
</tr>
<tr>
<td>Headlines (B)</td>
<td>19%</td>
<td>6%</td>
<td>18%</td>
<td>46%</td>
<td>10%</td>
<td>57% CD</td>
</tr>
<tr>
<td>Static (still) images (C)</td>
<td>20%</td>
<td>7%</td>
<td>21%</td>
<td>44%</td>
<td>9%</td>
<td>53%</td>
</tr>
<tr>
<td>Animations or video (D)</td>
<td>16%</td>
<td>10%</td>
<td>21%</td>
<td>39%</td>
<td>14%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Household decision makers are significantly more likely to prefer personalized recommendations (59%) and headlines (58%) than non decision makers (54% and 52%)

A/B/C/D denote significantly higher than other group at the 95% confidence level

Q8. How much do you like it when a site you're currently on presents you with content recommendations using each of the following? T2B reflect “love it”+ “like it”. N= 9159 | Decision Makers: N=8,157 | Non-decision Makers: N=577
Consumers are also receptive to fully customized visual experiences for their recommendations, with younger age groups overwhelmingly preferring an evolving experience unique to their preferences.

### Ideal Recommendations Experience

<table>
<thead>
<tr>
<th>Option</th>
<th>18-24 years old (A)</th>
<th>25-34 years old (B)</th>
<th>35-44 years old (C)</th>
<th>45-54 years old (D)</th>
<th>55+ years old (E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A fully customized visual experience that evolves based on preferences (A)</td>
<td>53% BCDE</td>
<td>48% CDE</td>
<td>40% DE</td>
<td>36% E</td>
<td>23%</td>
</tr>
<tr>
<td>A standard visual experience that is consistent every time they visit the site (B)</td>
<td>31%</td>
<td>36% A</td>
<td>37% A</td>
<td>38% AE</td>
<td>34%</td>
</tr>
<tr>
<td>No preference (C)</td>
<td>15%</td>
<td>16%</td>
<td>23% AB</td>
<td>26% ABC</td>
<td>42% ABCD</td>
</tr>
</tbody>
</table>

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Q9. When you are visiting a site that provides personalized content recommendations, which of the following would you say is your ideal experience?

N=9159 | 18-24: n=1,344 | 25-34: 1,987 | 35-44: n=2,055 | 45-54: n=1,529 | 55+: n=2,244
Native Format Perceptions
Native ads are considered the least intrusive ad type while social feed ads are the most intrusive.

Consumers in APAC are particularly averse to display ads.

Most to Least Intrusive Ads

<table>
<thead>
<tr>
<th>Ad Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Feed Ad (A)</td>
<td>29% BCD</td>
</tr>
<tr>
<td>Display Ad (B)</td>
<td>26% D</td>
</tr>
<tr>
<td>Paid Search Ad (C)</td>
<td>25% D</td>
</tr>
<tr>
<td>Native Ad (D)</td>
<td>20%</td>
</tr>
</tbody>
</table>

A/B/C/D denote significantly higher than other group at the 95% confidence level.

Q17 Which type of content would you consider the most intrusive?

N=9,159
7-in-10 see Native Ads online with some frequency and the majority trust them.

**Q10.** When you are visiting a website, how often do you see content similar to this on the website? $N=9,159$

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All the time</td>
<td>7%</td>
</tr>
<tr>
<td>Most of the time</td>
<td>23%</td>
</tr>
<tr>
<td>Occasionally</td>
<td>40%</td>
</tr>
<tr>
<td>Seldom</td>
<td>17%</td>
</tr>
<tr>
<td>Never</td>
<td>13%</td>
</tr>
</tbody>
</table>

**Q13.** When you come across content like this, how much do you trust information you find when you click on it? $N=7,975$

<table>
<thead>
<tr>
<th>Trust</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completely</td>
<td>6%</td>
</tr>
<tr>
<td>A lot</td>
<td>14%</td>
</tr>
<tr>
<td>Somewhat</td>
<td>44%</td>
</tr>
<tr>
<td>Not much</td>
<td>30%</td>
</tr>
<tr>
<td>Not at all</td>
<td>6%</td>
</tr>
</tbody>
</table>
Q13. When you come across content like this, how much do you trust information you find when you click on it? %s reflect completely + a lot + somewhat
N=7,975

Who Trusts Native Ads?

Age
- 28% 55+
- 18% 45-54
- 20% 35-44
- 21% 25-34
- 14% 18-24

Gender
- Female 51%
- Male 49%

Household Composition
- Kids under 18: 39%
- No kids: 59%

Education
- Some high school or less: 9%
- Completed high school: 35%
- Some college: 13%
- Completed college: 22%
- Completed graduate school: 10%

Purchase Decision Authority
- Primary: 51%
- Shared: 41%
- Not a DM: 6%
Demographics
Global Demographics

**Age**
- 18-24: 12%
- 25-34: 18%
- 25-44: 18%
- 45-54: 18%
- 55+: 35%

**Education**
- Some high school: 9%
- Completed high school: 35%
- Some college: 13%
- Completed college: 22%
- Completed graduate school: 10%
- Post graduate school: 7%

**Employment**
- Employed full time: 44%
- Employed part time: 16%
- Student: 5%
- Not employed: 33%

**Gender**
- Male: 49%
- Female: 51%

**Family Composition**
- Children under 18: 33%

**Internet Usage**
- More than once a day: 90%
- Once a day: 6%
- Less than once a day: 3%
Savanta:

Full-service, global, market research agency

Branded in 2018, Savanta was built through acquisition of decades-old research firms but with the nimble passion of a modern start-up

450+ Staff

NEXT15

Publicly traded parent company

Savanta Hub

We provide clients with the ultimate international audience reach.

Savanta utilizes technology to provide instant access to hundreds of consumers across the globe via the Savanta Hub. All partners are measured against Savanta’s rigorous quality checks and only those who qualify are able to join the Savanta Hub.

100m consumers 600+ profile points 95+ countries