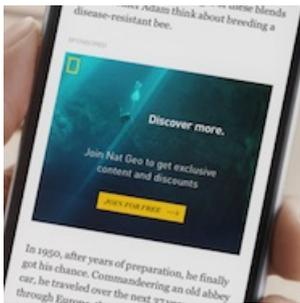


RESEARCH

Native ad click-throughs jump as Google AMP, Facebook Instant Articles expand: report

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Native ads and branded content gain on mobile

By CHANTAL TODE

The average click-through rate for premium native ads on mobile is now 137 percent higher than on desktop, with the spread expected to expand as Google AMP and Facebook Instant Articles reach more publishers, according to new research from Polar.

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The report, *The State of Premium Native: Benchmarks and Insights*, also found that the volume of branded content campaigns increased 365 percent in the first quarter of 2016 compared with the same period a year earlier. Branded content campaign volume is expected to continue to take off during 2016, with branded video expected to pick up steam as the year progresses.

"The average CTR on smartphones has now more than doubled when compared to desktop over 137 percent higher," said Greg Bella, director of product marketing at Polar. "We're likely anticipating the spread between the two to amplify even more over the course of this year, as the Google AMP and Facebook Instant Articles becomes more mainstream across publishers.

"We are absolutely anticipating the continued growth of branded content into the Q2 and the rest of 2016," he said.

"From a statistical perspective, the number of campaigns and creative native ad units has exploded in Q1-2016 when compared to Q1-2015."

Branded content

The report is based on a review of 6,165 branded content campaigns, 45,885 branded content posts or articles and 18 billion premium native promotional units on a publisher's Web site that match the look of surrounding content. The average click-through rate for these units is 0.31 percent, but on mobile the number jumps to 0.38 percent while on desktop it drops to 0.16 percent.

Google AMP and Facebook Instant Articles are programs focused on delivering content faster on mobile devices, helping to enhance the user experience.

In terms of branded content, in addition to the 365 percent jump in the number of campaigns, there was also a 142 increase in the number of branded content posts and articles in the first quarter.

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These numbers reflect how marketers are looking to deliver organic experiences for mobile users as opposed to more traditional digital ads that can be disruptive.

The publishers working with Polar include AOL, Conde Nast and Gannett.

Looking at the number of premium native impressions delivered per Web site, the number is relatively consistent year-over-year in aggregate as growth among higher volume publishers was offset by publishers new to branded content.

Branded content posts and articles received an average 240,000 ad impressions per premium native ad over the past 15 months.

However, the volume of impressions for branded content creative dropped significantly in the first quarter.

"Many of our large American publishers are actually now charging and being measured on a pageviews model, rather than more traditional metrics of CPM count," Mr. Bella said. "Therefore, native ad units within a larger campaign don't necessarily require huge impressions anymore before being taken down to serve a new native ad unit.

"This actually correlates with the rise of CTRs," he said. "In the past year, we've signed a lot of new customers that are network/group publishers. These publishers will obviously begin to skew down our overall CPM count as they operate many smaller, more regional sites that don't get massive CPMs."

Optimizing headlines

Polar also found that premium native ads perform better when headlines are optimized. The analysis shows a 50 percent increase in click-through rates in aggregate for creative - meaning posts or articles - that used Polar's headline optimization capability. However, only 22 percent of creative used headline optimization.

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More specifically, headlines with 40 to 50 characters had the higher performance while headlines with fewer than 30 characters and more than 70 characters had lower relative performance.

"We actually just finished a bunch of quarterly business reviews (QBRs) with all of our major customers," Mr. Bella said. "Anecdotally speaking, they all said branded/custom content is part of almost every RRP they receive and major part of their revenue growth plans this year branded video will likely pick up a lot more steam as the year progresses."