

# Native Advertising

- the Holy Grail or Death for publishers?

Linda Holcman





The *Miami Herald* called this iconic building home in 1963 and today it is gone from the Miami skyline -  
how did the news industry get here?



# Digital Revolution!

- More choices
- Speedier delivery
- More platforms

- News & Advertising
- Revenue decreases
- Distribution models

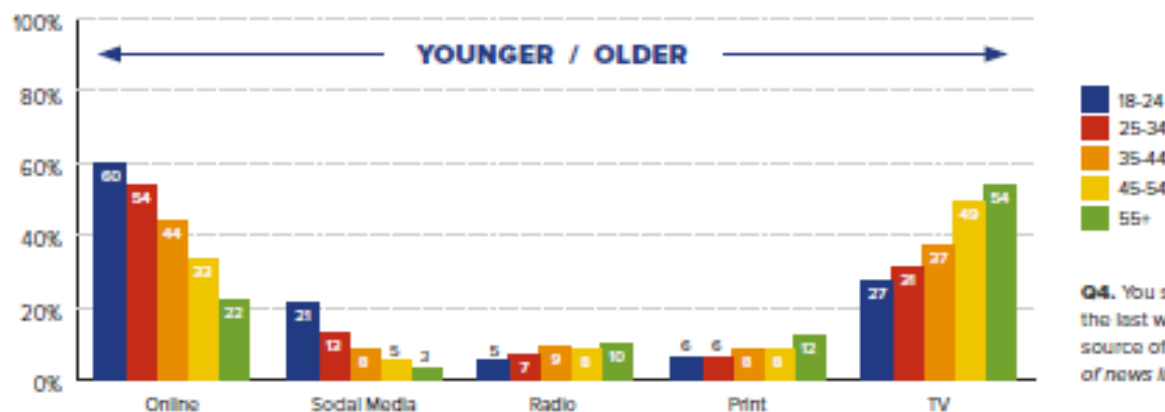


The News delivered  
**How, When, and Where**  
you want it



# The News delivered **how**, **when**, and **where** you want it

**MAIN SOURCE OF NEWS  
BY AGE**



**Q4.** You say you've used these sources of news in the last week, which would you say is your **MAIN** source of news? *Base: All who have used a source of news in the last week* All = 23155.

|                        | 18-24 | 25-34 | 35-44 | 45-54 | 55+ |
|------------------------|-------|-------|-------|-------|-----|
| Home                   | 84%   | 84%   | 88%   | 92%   | 96% |
| Travelling/Out & About | 34%   | 29%   | 29%   | 27%   | 19% |
| Work/place of study    | 39%   | 38%   | 34%   | 26%   | 11% |

Source: Reuters Institute for the Study of Journalism Digital News Report 2015



*“The basic assumption  
of **the news business model**  
– the subsidy that advertisers  
have long provided  
to news content – **is gone.**”*

Larry Kilman,  
Secretary General of WAN-IFRA



# Newspapers Reinvent Revenue Models

*Global print and digital  
**circulation revenue**  
totaled **\$92 billion** last year,  
while **advertising revenues**  
provided **\$86 billion**.*

Source: World Press Trends 2015 Survey





# REINVENT REVENUE MODELS





**Paywall:** Rupert Murdoch's The Times and The Sunday Times for the 1<sup>st</sup> time in 13 years showed a profit of USD\$2.7M in 2014.



**Content:** New York Times is getting smarter at working around the edges, figuring out how to add on the smaller things that readers will pay for in this age the consumer.





**Distribution:** The removal of barriers around distribution is now crucial towards increasing readers and revenue. Most newspapers are expanding access via multiple platforms in order to increase revenue and readership.



# PARTNERS

**Partners** – Washington Post has launched an aggressive Newspaper Partner Program that counts on over 100 regional partners in order to expand its reach and revenue.







*"Half the money I spend on advertising is wasted;  
the trouble is I don't know which half."*

*John Wannamaker*



# The History of Advertising in 60 Seconds

<https://youtu.be/7d3VAYGnXiY>

<https://youtu.be/7d3VAYGnXjY>

## Brand Identity

## Sponsored Publicity Events

### Ford

Higher Than Ever in Quality - Lower Than Ever in Price

FORD MODEL T - Ford's first motor car, it was designed by one of the greatest designers of the time after the service and design of the same great French car, the Peugeot.

The new car became available in every country except Japan - but has been sold in every other part of the world.

From and added factory facilities, FORD MODEL T has been, above all other cars, more extensively tested because more extensively used. More than 100,000 Ford cars are in operation today. Every fifth car in America is a Ford Model T. 75,000 must be made to supply the demand the coming year. Stronger evidence of value is not possible.

**\$590** FORD Model T Torpedo  
4 Cylinders, 2 passengers Two-Grand Car Lamp, Generator  
Completely equipped as follows: Three Oil Lamps  
Extension Top, Speedometer Horn and Lock, built into the motor  
This car thus fully equipped for \$590, F.O.B. Detroit

This car comes to you completely equipped. Mark this, completely equipped. We repeat the assurance that it will bring to you all the comfort and speed in riding that any motor car can give. It costs you less in purchase price and it is the cheapest car in the world to maintain in operation. Besides it is so simple, so easily understood that anyone can run it.

The Ford Motor Company devotes its entire efforts to the building of one model—one chassis—but different bodies; namely:

|  |       |
|--|-------|
| Ford Model T Touring Car, 3 passengers, Four-door      | \$590 |
| Ford Model T Commercial Machine, 2 passengers          | \$500 |
| Ford Model T Torpedo, 2 passengers                     | \$590 |
| Ford Model T Open Car, 3 passengers                    | \$650 |
| Ford Model T Delivery Van, Capacity 130 pounds nominal | 700   |

These prices include complete equipment, F.O.B. Detroit.  
*No Ford cars sold unequipped.*

Write for our catalog and other descriptive book: Send for the same

**Ford Motor Company**  
Branches in all Principal Cities Branches in all Principal Cities  
Detroit, Mich., U.S.A.

In answering this advertisement, say you saw it in "Ford Times".  
Address all correspondence direct to the Advertiser.

### Smooth... she's a Lux Girl!

"My Beauty Facials really make skin lovelier"

**IDA LUPINO**

In recent tests of Hollywood's beauty cream, actually found of course, given up on a short time—  
"Here's my daily facial Lux Toilet Soap," says Ida Lupino. "I don't see how I could have had the perfect skin without it! Lux Toilet Soap makes my skin so soft and smooth. With some soap, you get a little better, but with Lux, you get a lot better. It's so good for the skin, it's so good for the complexion, it's so good for the skin, it's so good for the complexion."

Use Lux Toilet Soap. The most beautiful skin in the world is yours. Write for the Lux Toilet Soap. The most beautiful skin in the world is yours. Write for the Lux Toilet Soap.

**"Soap Operas" Air**

1908

1910

1920

# What Is Driving The Fundamental Shift In Ad Dollars From Traditional To Online Media?



**MORE  
TIME ON  
DEVICES**



**SOCIAL  
MEDIA**



**ATTRACTIVE  
CONTENT**

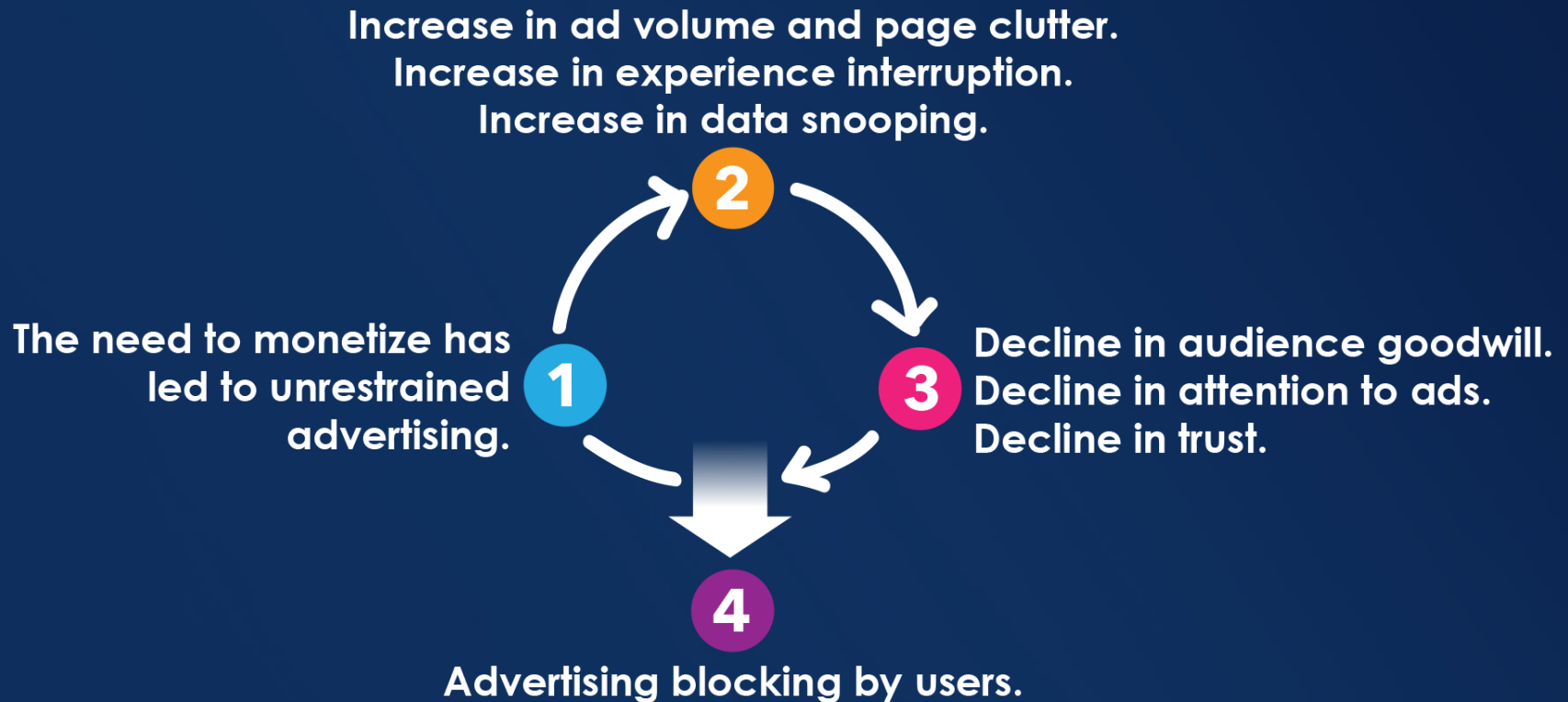


**BETTER  
ROI**



**CHEAPER  
ONLINE  
ADS**

Online Advertising fueled the growth of the Internet,  
but deteriorated the audience experience.



Source: Jason Kint Vincent Peyrègne





# 10 Shocking (*But True*) Stats About Display and Banner Ads

- 1. Viewability rates did not budge.**
- 2. Avg. click-through rate is 0.06%.**
- 3. Ad blocking grew by 41% globally.**
- 4. 198 million active ad block users world wide.**
- 5. 28% hide their activities from advertisers.**

Source: Hub Spot



# 10 Shocking (*But True*) Stats About Display and Banner Ads

6. **2.8% thought website ads were relevant.**
7. **18- to 34-year-olds more likely to ignore online ads than traditional ads.**
8. **50% of clicks on mobile ads are accidental.**
9. **54% of users don't trust banner ads.**
10. **33% of internet users find display ads completely intolerable.**

Source: Hub Spot





## Then

■ TV, Radio,  
Print & Outdoor



## Now

■ TV, Radio,  
Print & Outdoor

■ Online

Source: Zenith Optimedia



# Online Advertising



\$0.85

Source: Morgan Stanley





# Unreachable

- Don't sell me
- "Find Me"
- Reflect me and my interests

# The Age of the Consumer

Marketing priority is making the consumer's experience:

- Personalized and Relevant (25%)
- Valuable (25%)
- Easy to Understand (17%)
- Safe and Reliable (11%)

Source: E-consultancy and Adobe study



*“The **future of digital advertising**  
is being **built on content**;  
that’s what’s going to fund  
this medium in the future.”*

Clare O’Brien

Sr. Industry Program Manager  
U.K. Internet Advertising Bureau





Gawker Media pulls in a third of its revenue from native ads.



More than **70% of consumers**  
say they prefer to **learn**  
about a product or service  
**through content** rather than  
traditional advertising.



To break through the clutter,  
brands need to  
**tell remarkable stories**  
that are worth listening to...  
and  
**become the media**  
in the process.

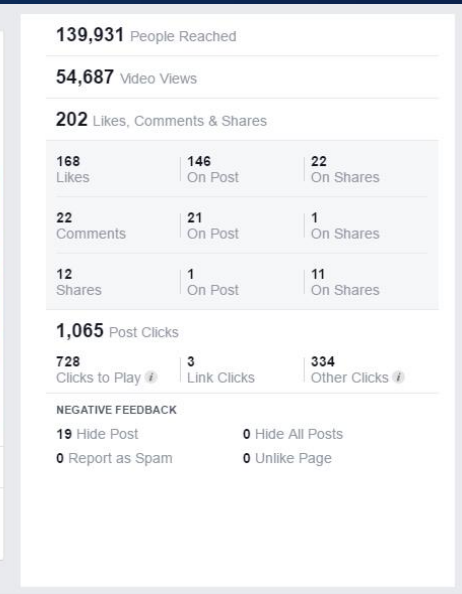
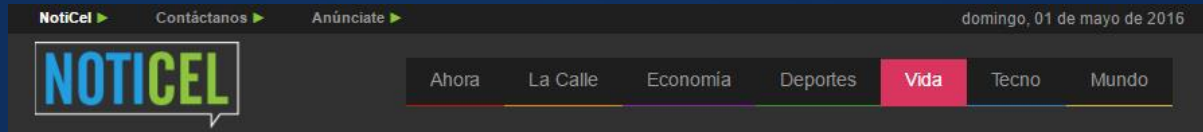
# Native Advertising

- the Holy Grail or Death for publishers?

**You decide...**



# Walmart





# Jet Blue Airlines

“We have always been a company about storytelling. We thrive on word of mouth, the sharing of stories.”

The screenshot shows a Facebook post from the page 'NotiCel'. The post is published by Angie Torres Franqui on March 3 at 4:03pm. The text of the post is in Spanish: 'Si planeas darte una escapada a la Gran Manzana, en el número 700 de la 8va Avenida, entre la calle 44 y 45, yace una joya hotelera Row NYC Hotel.' Below the text is a photo of a modern hotel lobby with a large screen displaying a woman's face. The caption below the photo reads 'Una joya hotelera en NYC dentro del presupuesto (galería)' and includes the website 'NOTICEL.COM'. The post has reached 7,799 people and has 33 likes, 2 comments, and 4 shares. To the right of the post, a detailed engagement breakdown is shown: 53 reactions (38 likes, 1 love, 1 haha, 5 comments, 8 shares), 32 on-post reactions, 6 on-share reactions, 295 post clicks (12 photo views, 187 link clicks, 96 other clicks), and 0 negative feedback (1 hidden post, 0 reports as spam, 0 hidden posts, 0 unlikes).

| 7,799 People Reached            |                  |                 |
|---------------------------------|------------------|-----------------|
| 53 Reactions, Comments & Shares |                  |                 |
| 38 Like                         | 32 On Post       | 6 On Shares     |
| 1 Love                          | 1 On Post        | 0 On Shares     |
| 1 Haha                          | 0 On Post        | 1 On Shares     |
| 5 Comments                      | 2 On Post        | 3 On Shares     |
| 8 Shares                        | 4 On Post        | 4 On Shares     |
| 295 Post Clicks                 |                  |                 |
| 12 Photo Views                  | 187 Link Clicks  | 96 Other Clicks |
| NEGATIVE FEEDBACK               |                  |                 |
| 1 Hide Post                     | 0 Hide All Posts |                 |
| 0 Report as Spam                | 0 Unlike Page    |                 |

# Netflix

## Women Inmates: Why the Male Model Doesn't Work

As the number of women inmates soars,  
so does the need for policies and programs that meet their needs

By Melanie Deziel



# Are the blurred lines worthwhile if it aids in driving revenue?

1. Native advertising has become a vital revenue stream for digital media companies that isn't tied to Facebook traffic.
2. Publishers control the content on the site with native advertising, not the advertiser.
3. Native advertising represents marketing's solution of getting seen by the target audience.
4. 74% of readers trust educational content from brands - as long as it doesn't push a sale.
5. Marketers are believing in native – with success of approximately 77% of B2C and 76% of B2B.



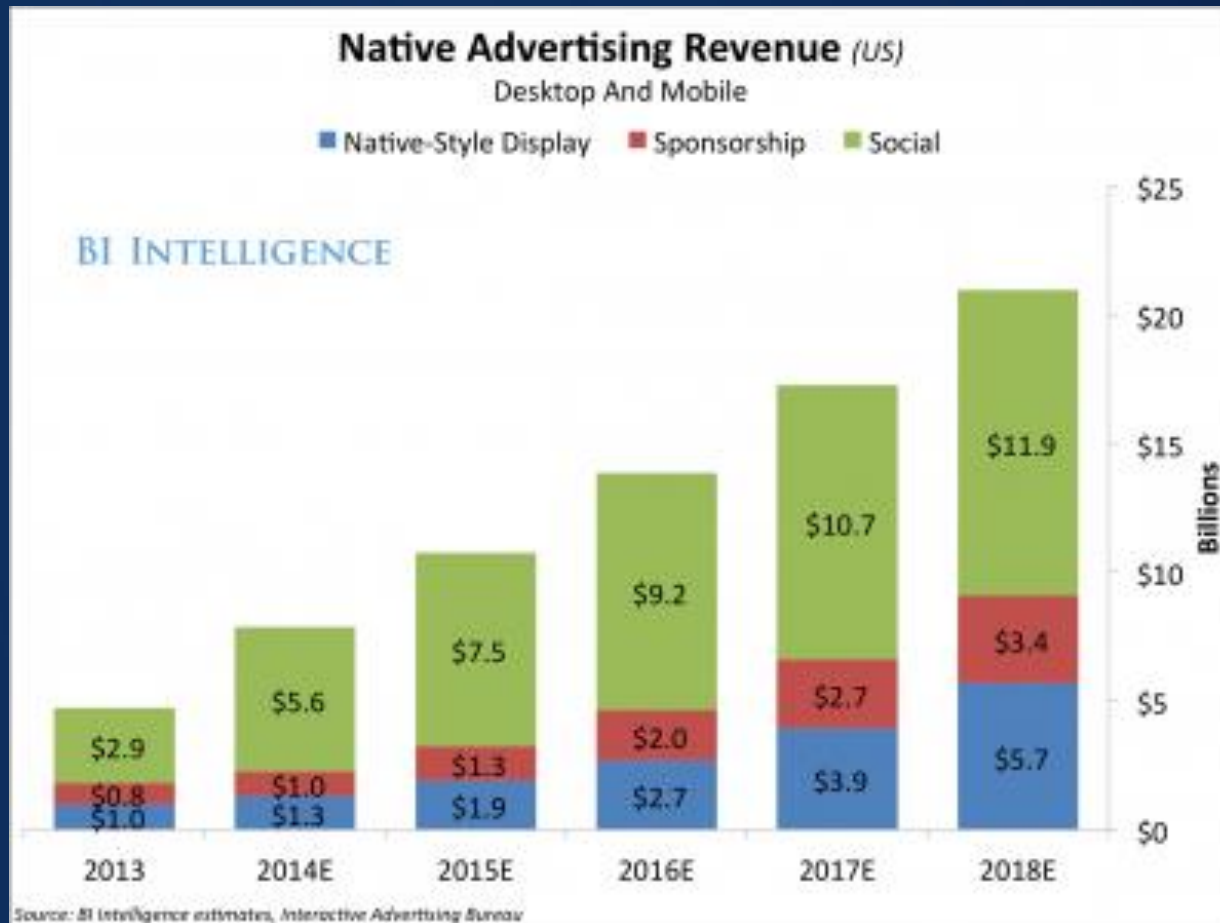
Are the blurred lines worthwhile  
if it aids in driving revenue?

Without advertising, brands fail.  
Without money, news outlets fail.





# Where are we now?



# Media's Success Story!?

# BuzzFeed

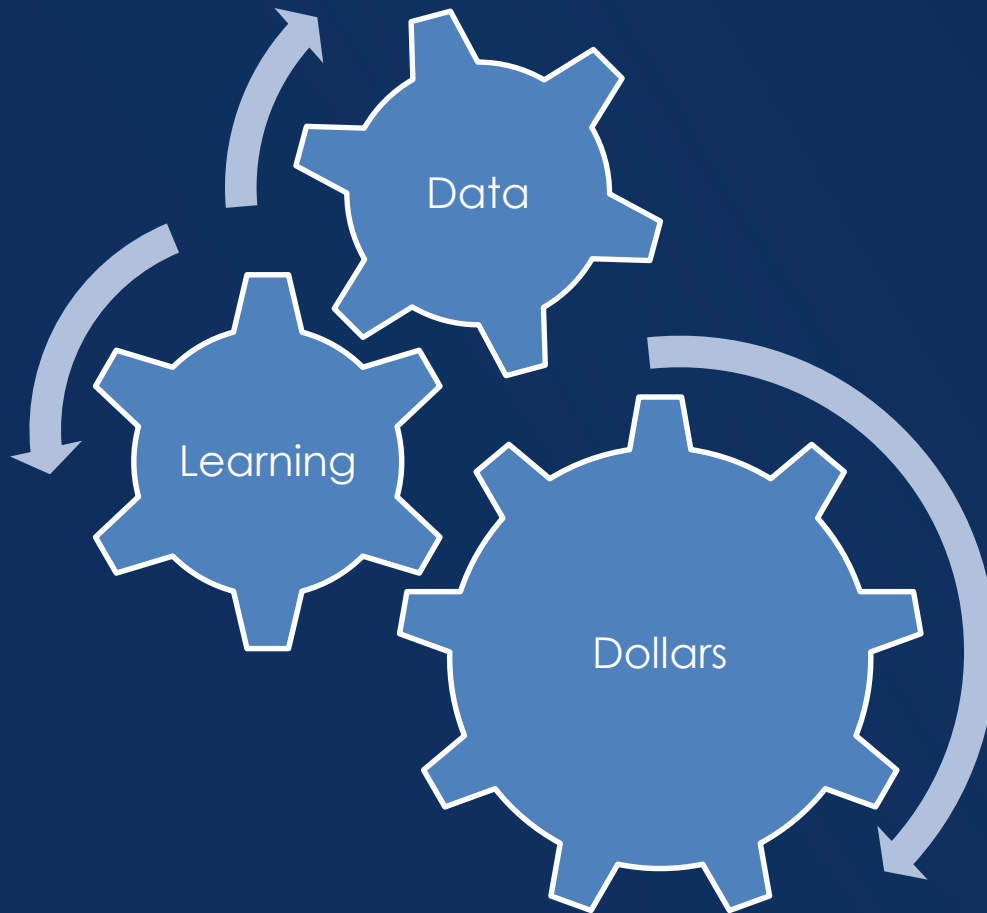


# BuzzFeed's Business Model

Writers try to "blow away the curiosity gap," to create a headline that describes promising content and delivers on that promise



# How it works?



*"Their ability to conceive, create, test, define, and then either abandon or rinse and repeat is phenomenal."*

Rob Norman,  
GroupM





Is it Scalable?



Is it a viable model?



BURSTING BUBBLES APRIL 12, 2016 3:04 PM

# BuzzFeed Slashes Revenue Forecast: Is This the Beginning of the End of the Millennial Media Bubble?



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 WHAT'S NEXT VENTURES