Native advertising — the future of performance marketing
2019 is the year of performance brand marketing

62% of marketing budgets moving towards performance marketing

Why is performance marketing growing faster than traditional marketing?

- More flexible: 25%
- Increased marketing reach: 44%
- Pay for performance: 36%
- Transparency of spend & revenue: 43%
- Reduced marketing risk: 27%

Affiliate marketing is a part of performance approach. Performance has always been appreciated, yet its importance has started growing dramatically only in 2018-2019.

Why?

Based on a survey of 2274 performance marketers in the UK and US in April 2018.
Why brands choose performance?

- many brands are shifting to e-commerce
- online and offline points of sales creation — control over the budget
- possibility to transform brand metrics into performance KPIs
- crisis of classical ad tech chain — fraud increase, hard-to-measure results
- cost of targeting increases, as brands want to spend more on measurable campaigns
$237 \text{ bln} —
are spent on performance-based approaches

44% of the world’s marketing budget
Performance marketing mindset

- Chase high intent audience
- On low spill channels
- With customized messaging
- Measuring & optimizing metrics
- Chase high intent audience
- On low spill channels
- With customized messaging
- Measuring & optimizing metrics

All these and even more is covered by native advertising
Performance marketing is expected to deliver brand marketing KPIs, which is a tough task for classical ad formats
What is Native?

Native ads match the content and design of the web page they are located on.

Native Ads:

- help avoid banner blindness, serving ads that recommend the content most suitable to the users’ interests;
- do not irritate and are organically intertwined into the users’ interaction with the website;
- suggest a more subtle and indirect selling approach, rather than standing out as hard-sell advertising;
- on average, have a 60% higher CTR*.

* Across all platforms and formats
# Native vs. Search/Display

<table>
<thead>
<tr>
<th>Native Ads</th>
<th>Display Ads</th>
<th>Search</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has the look and feel of the page’s editorial content</td>
<td>Stand out as a paid ad</td>
<td>Stand out as a paid ad</td>
</tr>
<tr>
<td>Soft Sell</td>
<td>Hard sell</td>
<td>Hard sell</td>
</tr>
<tr>
<td>High CTR (average 0.5%)</td>
<td>Low CTR (average 0.05%)</td>
<td>Big bounce rate</td>
</tr>
<tr>
<td>Ideal for driving traffic to your website</td>
<td>Ideal for retargeting campaigns</td>
<td>Ideal for big CTR</td>
</tr>
<tr>
<td>Cheaper cost per click</td>
<td>Higher cost per click</td>
<td>Higher cost per click</td>
</tr>
<tr>
<td>More effective on cross platform traffic</td>
<td>More effective on desktop</td>
<td>More effective on desktop</td>
</tr>
<tr>
<td>Cost per click</td>
<td>$0.25</td>
<td>$0.4</td>
</tr>
</tbody>
</table>
Banner Blindness

**Viewability**
Banners that are never actually viewed by anyone

**Click fraud**
Websites that fake clicks on banners

**Viewer fatigue**
We have learned to ignore banners

**Ad Blockers**
How more and more of us try to avoid unwanted banners
Consumers looked at native ads 52% more frequently than banner ads.

Average number of times the ad was viewed in a session
Source: IPG & Sharethrough

25% more consumers were measured to look at in-feed native ad placements rather than standard banners

Native ads 25%
Banner ads 15%

Percentage of users who saw native ads vs. banner ads
Source: IPG & Sharethrough
Native advertisements registered 9% higher lift for brand affinity and 18% higher lift for purchase intent responses than traditional banner ads.

<table>
<thead>
<tr>
<th>Percentage of lift in brand favorability</th>
<th>Percentage of lift in purchase intent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Native ads 32%</td>
<td>Banner ads 23%</td>
</tr>
<tr>
<td>Native ads 52%</td>
<td>Banner ads 34%</td>
</tr>
</tbody>
</table>

Source: IPG & Sharethrough
Publishers invest money into growing loyal audiences, but lose 60% of their revenue on the middlemen fee

$0.40
Publisher (media)

$0.25
Value-added services

$0.15  Agency Trading Desk
$0.10  Demand-side platform (DSP)
$0.05  Exchange
$0.05  Agency of record
Who we are

MGID is a global award-winning innovative pioneer in native advertising that drives revenue growth for all participants of the ecosystem. Our platform helps publishers retain audiences and monetize traffic, and drives performance and awareness for brands by connecting them to unique audiences, at the right time, with the right content.

MGID offers clients a 360° solution, from planning and strategy to delivery and reporting, and works across more than 60 different languages. Founded in 2008, the company has offices in the U.S., Ukraine, Vietnam, Indonesia, Italy, Russia and India.

Sharing our expertise:

[Image of logos for Publishing Executive, Adweek 40, WARC by Ascential, MarTech Series, Performance, Exchange 4 media, Branding in Asia, The Drum, and campaign]
Our platform

Being Open RTB compliant and supported by 350+ in house tech team members, MGID is ready to support any type of integration.

We can guarantee all demand being filled with local propositions from Brands and Agencies in vernacular languages, unlike any of our competitors.

MGID will provide 100% transparency with full control over all placements and advertisements.
Advertiser's side — MGID's approach

MGID platform

More than 10 years of performance campaign

- Auto
- E-com
- BFSI
- Travel
- Beauty

Direct sales generation through native ads

- Content campaign
- Pre-land campaigns
- Native widgets
- Video

We know what is making sales

We know what affects the user

Data

User-to-product matching algorithm

Innovative Ad Network

Best Digital Ad Network

Native Advertising DAYS

MGID
MGID worldwide statistics

*Impressions monthly

850+ million unique visitors monthly

185+ million content recommendations monthly

North America 13+ billion

Europe 30+ billion

Eastern Europe and Middle East 60+ billion

India 16+ billion

Asia Pacific 44+ billion

Latin America 18+ billion
MGID network statistics

- **70%** Smartphones
- **23%** Desktops
- **7%** Tablets

**AGE**
- 57%: 2-12, 13-17, 18-24, 25-34, 35-44, 45-54
- 43%: 55-64, 65+

**HOUSEHOLD INCOME (US)**
- under 25K
- 25-40K
- 40-60K
- 60-75K
- 75-100K
- 100-150K
- 150-200K
- 200K +
MGID advertisers worldwide

Coverfox
Bloomberg
Pizza Hut
adidas
Coca-Cola
MedLife
ZAFUL
Indiabulls
RENAULT
Vilaap
Lexus
Qatar Airways
CITROËN
Domino’s
ICICI Bank

practo
tokopedia
airbnb

Shriram Properties
HDFC
policybazaar
Jockey
MGID publishers worldwide
MGID Content Recommendation Units: Formats

- Header Widget
- Sidebar Widget
- Smart Widget
- In-article Widget
- Under article Widget
- Mobile Site Widget
Performance metrics for brand campaigns

- CTR
- Conversion rate
- desired CPA in $
- effective CPA in $
- ROAS (Return on Ad Spend)
- CUSTOMER LIFETIME VALUE (CLV)
- Revenue
- EPC (earning per click)
- Profit

Average bounce rate – 55%
Average time on site – 1:43:00
Case Studies
BUSINESS MODEL OVERVIEW:

Bank of America is one of the world’s largest financial institutions, serving individuals, small- and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services.

CHALLENGE:

Bank of America was looking for an effective way to pursue the target audience to apply for a Cash Rewards credit card.
Solution

A set of ads with a similar call to action was created (The Highest Paying Cash Back Card Has Hit The Market). The ad directed a user to a pre-lander, where a credit card expert described the benefits of Cash Rewards credit card. The button APPLY NOW led to Bank of America landing page, where the user left contact details to get the card.
Results

Total spent: $13,909
Total clicks: 22,146
Av. CPC: $0.63
BUSINESS MODEL OVERVIEW:

Marketed in more than 70 countries and territories worldwide, Lexus is a luxury automotive brand and a part of the Toyota organization. In June 2019 MGID established a partnership with the Ukrainian Lexus division to promote their brand using a content marketing approach.

CHALLENGE:

Lexus was looking for an additional way to promote its new Lexus UX car model and increase the number of test-drive bookings.

TARGET AUDIENCE:

40+ year old men in upper management, who value comfort, style, and most importantly status.
Campaign strategy

After analyzing Lexus’ client base, we determined the company’s target audience, which is 40+ year old men in senior management. Their priorities when choosing a car are comfort, style, and status, of course. Taking this into account, our creative team wrote several content articles covering such topics as "6 Unusual Routes for a Car Trip in Europe", "5 Main Reasons, Why I’ve Chosen Lexus UX", etc. The articles emphasized car advantages according to the target audience needs. Call to action was to book a test drive and “experience amazing.”
Campaign strategy

Buying a car is not a routine for most families. Such important decisions are usually made during a family meeting or as a family unit. Thus, wives are an integral part of the decision making process. That’s why, in our second approach, we targeted women. We created an interactive prelander with a quiz, so they could discover what’s most important to them when choosing their next vehicle. The result showed one criterion, which is common for Lexus UX model. Call to action was to book a test drive and “experience amazing.”
Results

Monthly impressions: 23,452,460
Clicks: 41,730
CTR: 0.5%

CPC (desktop): $0.1
CPC (mobile): $0.08
dCPL: $26
eCPL: $18
QATAR AIRWAYS

BUSINESS MODEL OVERVIEW:
Qatar Airways is one of the youngest global airlines to serve six continents, and the world’s fastest-growing one. It connects more than 160 destinations on the map every day, with a fleet of the latest-generation aircraft, and an unrivaled level of service.

CHALLENGE:
Qatar Airways was looking for a non-intrusive yet effective way to engage its target audience to reach new destinations and try unique services.

TARGET AUDIENCE:
Men and women, who are interested in business and leisure travel
Solution

Product 1

**QSUITE – WORLD’S BEST BUSINESS CLASS**

The campaign was aimed to inform the target audience about the new business class suite and convince them to upgrade their trip to a new level.

Product 2

**VISIT NEW DESTINATIONS WITH QATAR AIRWAYS**

The main campaign goal was to show the wide range of possible destinations and pursue the target audience to arrange a trip.
Results

- Total spent: $3200
- Total clicks: 22,857
- Av. CTR: 0.05%
- Av. CPC: $0.14
**BUSINESS MODEL OVERVIEW:**

Tokopedia is the largest online marketplace in Indonesia, allowing individuals and businesses to open and easily manage their own online stores. The first marketplace to enter the Digital Goods category.

**TARGET AUDIENCE:**

men and women aged 25-35

**CHALLENGE:**

Tokopedia was looking for a non-intrusive yet effective way to reach and engage its target audience to buy products from their new category – Digital Goods.

**GEO:** Indonesia
Solution

Product 1  Discount fast food coupons
Results

Av.CTR: 0.22%
Av.CPC: $0.17
ROI: 250%
Solution

Product 2
Online electricity bill payment service
<table>
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<tr>
<th>Metric</th>
<th>Value</th>
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<tbody>
<tr>
<td>Av.CTR</td>
<td>0.16%</td>
</tr>
<tr>
<td>Av.CPC</td>
<td>$0.048</td>
</tr>
<tr>
<td>ROI</td>
<td>150%</td>
</tr>
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</table>
Native performance through innovation

mgid.com