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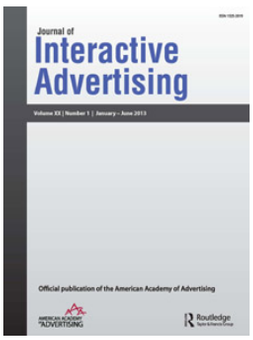

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Digital Native Advertising: Practitioner Perspectives and a Research Agenda

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ABSTRACT
Digital native advertising is a subtle form of digital advertising that is integrated closely with its context. Practitioners are increasingly assigning budgets to this advertising strategy. On the basis of 22 in-depth expert interviews with senior executives of advertising brands, publishing companies, and media agencies, this study provides new insights into the effectiveness of digital native advertising. We also shed light on factors in the field of content and context of digital native advertising that influence its performance. We present 10 key propositions that reflect practitioners' perspectives and form an agenda for further scientific research in the field of digital native advertising.

KEYWORDS
Native advertising; branded content; advertising effectiveness; Internet advertising; digital marketing

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Commercial collaborations between advertisers and publishers range from traditional product placements, with low contextual integration, to fully integrated native advertising. Native advertising "takes the form and appearance of editorial content from the publisher" (Wojdynski and Evans 2016, p. 157), and practitioners are increasingly devoting their budgets to digital native advertising because of its effectiveness compared to other types of digital advertising (Vranica 2016; Wang and Huang 2017). In Western Europe, for example, native advertising appears poised to expand by 156% between 2015 and 2020, such that it may come to represent up to 52% of all digital display advertising (Enders Analysis 2016).

A key reason for this growth is the new opportunity that digital native advertising creates for various stakeholders involved in advertising. For example, brands gain access to a new means to achieve their marketing communication goals across a wide span of media platforms that can circumvent advertising blocks. Publishers can generate alternative income streams by offering new services that compensate for declining incomes from traditional advertising (Probst, Grosswiele, and Pfleger 2013). Audiences might benefit from gaining access to content that expands on the regular editorial content and thus offers more value than plain advertising (Tutaj and van Reijmersdal 2012).

Together with these distinct advantages, digital advertising also requires unique approaches to content, context, and evaluation relative to traditional advertising (Truong, McColl, and Kitchen 2010). Although digital native advertising is widely used, the factors that determine its effectiveness have been poorly addressed by research thus far (Wojdynski and Evans 2016); studies of the circumstances in which digital native advertising is more or less effective are particularly lacking.

To contribute to this field, this study therefore seeks to delineate which content and context factors influence its effectiveness, as well as clarify digital native advertising effectiveness in terms of both intermediate and behavioral effects. To do so, we undertake an extensive literature review and interviews with industry experts. The dynamic developments in advertising, technology, and consumer behavior have moved industry practitioners to the forefront of digital advertising developments, making them the most appropriate information sources for this research project. From interviews with 22 expert respondents, we derive 10 key propositions that reflect practitioners' perspectives; these propositions, in turn, form an important research agenda for continuing studies of the effectiveness of digital native advertising.

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Literature Background

A key characteristic of native advertising content is its integration into the media context, such that the "marketer borrows from the credibility of a content publisher's original content" (Wojdynski and Golan 2016, p. 403). The embeddedness of native advertising, in turn, influences the decisions that advertisers make for their advertising strategies, including their choices about context and content, in an attempt to influence consumer behavior. Prior literature offers some insights into these content and context factors, as well as appropriate effectiveness measures for digital native advertising, which underlie our research framework.

Effective Digital Native Content

Integrated advertising can prompt positive consumer responses, more so than traditional forms of advertising (Nebenzahl and Secunda 1993; Russell 2002; Tutaj and van Reijmersdal 2012; van Reijmersdal, Neijens, and Smit 2005). Such positive evaluations often result from the higher value that consumers assign to advertising that appears informative and amusing and is not irritating (Tutaj and van Reijmersdal 2012). The similarity of native advertising content to editorial content suggests two important variables for investigation: brand prominence and message appeal.

Brand prominence. Determining an appropriate degree of brand prominence is essential for digital native advertising. That is, prominent advertisements contain highly visible product or brand identifiers (Gupta and Lord 1998), but digital native advertising is a subtle advertising type, with low brand visibility. The level of brand visibility depends on the exhibition and position of the brand name, logo, or URL (Wojdynski 2016; Wojdynski and Evans 2016). Advertising that features low brand prominence, such as digital native advertising, still can be effective, especially in terms of the influence detailed in persuasion knowledge theory (Boerman, van Reijmersdal, and Neijens 2014; Wojdynski and Evans 2016). In this theory, consumers progressively acquire knowledge about how, why, and when a message is intended to influence them (Cowley and Barron 2008). This persuasion knowledge helps them respond to persuasive attempts (Friestad and Wright 1994) by activating their defense mechanisms (Boerman, van Reijmersdal, and Neijens 2014; Nebenzahl and Secunda 1993). The moment a consumer recognizes a persuasive attempt, a "change of meaning" occurs (Friestad and Wright 1994, p. 13). According to Bhatnagar, Aksoy, and Malkock (2004), because integrated advertising hides its persuasion motive, it can enhance brand performance; however, if the brand is not prominent enough, it cannot exert an effect, because the audience does not relate the content to the brand (van Reijmersdal 2009). A recent study of advertiser disclosures in digital native advertising indicates that only 8% of participants recognize such content as advertising (Wojdynski and Evans 2016).

Furthermore, the low degree of brand prominence in native advertising may lead to perceptions that it is a misleading tactic, which could prompt negative evaluations of the advertising, the brand, or the hosting platform, through spillover effects (Thota, Song, and Biswas 2012). In contrast, if the brand is too prominent, persuasion knowledge is activated, which also could lead to negative consumer evaluations (van Reijmersdal 2009; Wojdynski and Evans 2016) and lower engagement with the content. In a blogging context, van Reijmersdal et al. (2016) find that advertiser disclosure leads to cognitive and affective resistance. Negative affect in turn leads to negative attitudes toward the advertised brand; positive attitudes produce higher purchase intentions (van Reijmersdal et al. 2016). Considering these conflicting potential effects, it is important to glean practitioners' perceptions and experience to determine what they consider the appropriate degree of brand prominence in digital native advertising.

Message appeal. The type of message appeal (informational or emotional; Holbrook and Batra 1987) also likely influences the effectiveness of digital native advertising. Advertising that is informational predominantly provides facts; emotional advertising content contains information that highlights psychological characteristics related to the consumer experience (Holbrook and Batra 1987). The appeal type should match the type of product being advertised (Johar and Sirgy 1991). Golan and Zaidner (2008) argue that most digital messages contain emotional appeals, which invoke greater consumer engagement (Berger and Milkman 2012); but Ashley and Tuten (2015) show that most brands use informational content in their digital advertising. These contradictory findings justify further explorations of the appeal types used most commonly in digital native advertising.

Effective Context

The choice of the advertising context refers to where to place content to guarantee the most effective exposures with an available budget. For native advertising, a key feature is the attempt to leverage the anticipated spillover of credibility from a publisher's editorial content (Wojdynski and Golan 2016). Therefore, this study focuses on the media context in which digital native

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advertising may be most effective. Because digital native advertisements are mostly unique and developed for specific platforms, advertising frequency is less germane.

The growing variety of channels that distribute digital native advertising content across a wide range of consumer devices complicates advertisers' decision making with regard to media contexts, yet these contexts have significant influences on consumers' evaluations of embedded advertising (Jeong and King 2010; Krugman 1983). The advertising context typically refers to characteristics of the medium or surrounding content in which an advertisement gets inserted (De Pelsmacker, Geuens, and Anckaert 2002). For example, De Pelsmacker, Geuens, and Anckaert (2002) find that a positive evaluation of the context surrounding television and print advertisements results in more positive attitudes toward those advertisements. In the context of digital native advertising, this effect has not been studied. Furthermore, the embeddedness of digital native advertising content might require its greater congruence with other content on the platform. However, prior research offers contradictory findings regarding context–advertisement congruency: Some studies identify positive effects of a congruent advertising context on ad effectiveness (Jeong and King 2010; Kononova and Yuan 2015; Sharma 2000), whereas others support the placement of advertising in contrasting contexts (Perry, Jenzowsky, and King 1997).

In addition to content on a platform, the platform itself and the device that consumers use to access that platform likely determines the effectiveness of digital native advertising. For example, audience responses to branded content in magazines are influenced by the characteristics of that medium (van Reijmersdal, Neijens, and Smit 2005). For digital advertising, a relevant website can enhance evaluations of banner advertisements (Jeong and King 2010). The penetration of smartphones and other mobile devices into consumers' lives has led to an enormous increase in spending on mobile advertising (Grewal et al. 2016). Mobile advertising is consumed on a small screen, generally without any other visible advertisements (Grewal et al. 2016), so digital native advertising may be particularly effective on mobile devices, because consumers' attention focuses strongly on the available content.

Effectiveness

The digital advertising landscape provides many opportunities to influence consumers throughout their decision journey, that is, during the phases in which consumers interact with brands prior to, during, and after their buying decision (Edelman 2010). Advertisers aim to achieve various effects, such as changing consumers' beliefs, attitudes, and behaviors (Vakratsas and Ambler 1999). Accordingly, the notion of digital advertising effectiveness has been defined and applied in various ways. For example, digital branded content might create intermediate brand effects, such as attitude changes (Becker-Olsen 2003; Tutaj and van Reijmersdal 2012), but also could exert influence over behavioral effects, such as purchase intentions (Becker-Olsen 2003). Prior studies indicate that integrated advertising leads to more positive evaluations (Becker-Olsen 2003; Tutaj and van Reijmersdal 2012), though current debates note that the potentially deceptive character of native advertising could invoke more negative attitudes.

In digital settings, behavioral effects mostly involve conversions, which might imply a purchase or other action (e.g., active search, click, engagement; Moran, Muzellec, and Nolan 2014). Many studies of the effectiveness of digital advertising rely on achieved click-through rates (CTRs), but this metric ignores the indirect effects of ad exposure (Braun and Moe 2013). As CTRs continue to decline (Becker-Olsen 2003), other measures, such as engagement manifested in the form of sharing or commenting, may offer more valuable behavioral insights. Advertisers increasingly use new media communication strategies to create engagement in order to shape consumers' perceptions of brands or organizations (Grant, Botha, and Kietzman 2015). Such interactions create word-of-mouth effects with vast reach and impact, especially considering the speed of diffusion and disruption of geographical boundaries (Risselada, Verhoef, and Bijmolt 2014). Evaluations of the effectiveness of digital native advertising thus should include both attitudinal and conversion measures.

This literature review led us to select the components presented in Figure 1 to represent our research framework, which in turn serves as an agenda for our interviews.

Methodology

This study adopts a qualitative research approach, which is less common in academic marketing research despite its applicability for capturing contextual factors that underlie marketing phenomena (Hewege 2013).

In particular, this study adopts a realism paradigm, which considers the external reality of the marketplace and acknowledges the need to investigate complex marketplaces using in-depth, qualitative research methods (Sobh and Perry 2006). The digital advertising landscape is extremely dynamic, and practitioners often lead the latest developments, so this study uses in-depth

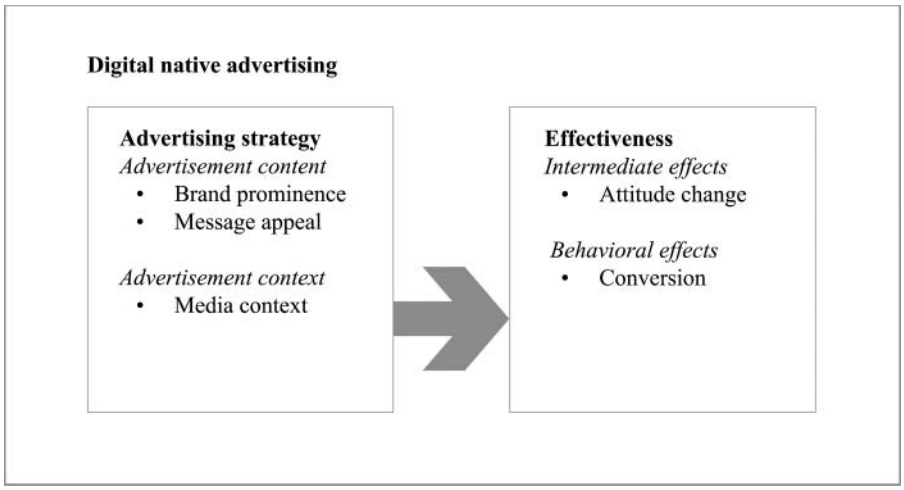

Figure 1. Research framework for digital native advertising.

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interviews with senior practitioners to reflect on the factors included in the native advertising research framework (Figure 1).

Participants

In line with a realism approach, we selected the participants using interactive sampling. That is, the first participants came from an expert content marketing group, identified on the basis of their experience in the digital landscape. These senior executives provided referrals to other "best practice" practitioners in a snowball approach. To capture the full scope of insights, we selected 22 participants who worked for a broad range of advertisers (12), media agencies (6), and publishing companies (4), as Table 1 details. Participants who work for advertisers also represent major brands from different product categories, company types, and firm sizes; this variety justifies the relatively greater number of participants from advertising brands. The agency representatives include experts from four digital marketing agencies, a content marketing agency, and a communication agency. Finally, the participants from publishing firms include experts from two multiplatform publishing companies, one large digital platform, and one traditional print publisher that operates a successful digital platform. All four publishers offer digital native advertising options on their platforms.

Interview Process and Analysis

Before each interview, the participants were briefly informed, via e-mail, about its general purpose. These interviews were conducted face-to-face in a setting chosen by the participant—mainly at their workplaces. After some introductory, general questions about digital native advertising, the interview questions asked participants to describe an advertising strategy decision in a recent campaign that included native advertising. The research framework provided the interview guide, which helped ensure all relevant issues were systematically covered and enhanced the consistency of the data collection (Ormston et al. 2013). The interviews took between 50 and 100 minutes each. After the interviews, participants received a small gift for their cooperation and time. To ensure accuracy, the interviews were digitally recorded and transcribed verbatim.

The data analysis involved three phases: data reduction, data display, and conclusion formulation and verification (Miles and Huberman 1994). To assign the data reduction codes to the transcripts, we used AtlasTi coding software, which facilitated a systematic comparison of the results and interpretations from the data. Furthermore, it supported the categorization of the coded data, according to the three respondent types. The findings thus are based on shared insights retrieved from these interviews. We use individual quotes in the following sections to exemplify the findings. The experience and insights of these industry experts also provide keystones for empirical research into digital native advertising, in line with the aim of realism research to generalize initial findings into theoretical propositions (Yin 1989; see also Sobh and Perry 2006).

Results

Consistent with the native advertising research framework in Table 1, the findings pertain to three topic areas: decisions about the implementation of specific content and context factors and views on the effectiveness of digital native advertising. Each subsection concludes with propositions to guide further research in that area.

Table 1. Overview of participants.

Participant (P)	Position	Sector	Scope
Advertising brands			
1	Brand manager	Charity	Netherlands
2	Online marketing manager	Electronics	Benelux
3	Brand manager	Skincare	Benelux
4	Online marketing manager	Food chain	Benelux
5	Online brand manager	Music industry	Benelux
6	Online marketing manager	Bike components	Europe
7	Online marketing manager	Cycling	Europe
8	Online marketing manager	Telecommunication	Netherlands
9	Online marketing manager	Insurances	Netherlands
10	Brand manager	Entertainment	World
11	Online marketing manager	E-commerce	Benelux
12	Online marketing manager	E-commerce	Benelux
Media agencies			
13	Strategy director	Communication agency	Netherlands
14	Strategy director	Content marketing agency	Netherlands
15	Online marketing manager	Digital marketing agency	World
16	Strategy director	Digital marketing agency	Netherlands
17	Communication director	Digital marketing agency	Benelux
18	Strategy director	Digital marketing agency	Netherlands
Publishing companies			
19	Digital manager	Publisher	Benelux
20	Director	Online publisher (multiplatform)	Benelux
21	Brand manager	Online publisher (single platform)	Benelux
22	Manager branded advertising	Online publisher (multiplatform)	Benelux

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Content Factors

Brand prominence. Practitioners consider digital native advertising a subtle form of advertising, highly integrated in its context, developed in close collaboration with the digital publisher, and designed to convey relevant brand stories to audiences. In some cases, particularly for large advertisers, top management still relies heavily on above-the-line advertising activities and is uncomfortable investing in advertising in which the brand is not prominent, based on the sense that advertising is primarily about communicating the brand. Some stated expectations indicate that it is only a matter of time before these top managers embrace digital branded content and native advertising. Brand prominence remains a complex question, and the appropriate level to achieve in native advertising is still difficult to determine. After experimenting with various levels of brand prominence in digital native advertising content, one communication manager of a food chain concluded: "We really pushed the limits of brand prominence and tested the levels of brand connection by the audience, and realized that we had to go back to communicate the brand more prominently" (Participant 4). Insufficient transparency about the sender, created by a low level of brand prominence in digital native advertising content, also may have unfavorable consequences for the digital content and the distributing platform or publisher. For example, if audiences feel tricked into believing they were reading editorial content instead of commercial content, they might develop negative attitudes toward both the content and the publisher. A representative of a large digital news platform thus noted:

> We are genuinely transparent; we feel it is important that it is evident that native advertising is clearly originated from advertisers. I think that when native advertising is fully integrated as if it was editorial content, you fool the audience; this is something you also read in the comments beneath content that in a later stage appears to be sponsored, and we want to avoid that negative engagement. (Participant 20)

Practitioners also believe that the audience appreciates digital native content that is well executed and offers quality similar to that of the regular editorial content. As the chief executive officer (CEO) of a digital multiplatform publisher emphasized, "Native content needs to have a natural fit with and similarity to the editorial content you supply as a platform" (Participant 20). In such cases, confronting such content does not evoke negative effects, because the audience experiences the content as added value, as the following quotes highlight:

> If the audience likes the content and it is designed properly, then it doesn't matter where it came from; however, transparency of the sender is important. (Participant 18)

> If the native advertising content is developed properly, it is only beneficial for the brand to be transparent about their role as sender of the content. (Participant 17)

To create recognition and recall, the brand must be linked, quickly and unquestionably, to the digital native advertising content in audiences' minds. Although clear brand prominence is essential to create marketing effects

and avoid negative evaluations, the most effective level of brand prominence is not certain. We thus propose three propositions with regard to the prominence of the brand in digital native advertising content:

P1: An intermediate level of brand prominence in digital native advertising content is optimal.

P2: Low brand prominence in digital native advertising content negatively affects evaluations of the advertised brand and the hosting publisher or platform.

P3: Evaluations of digital native advertising content that is highly congruent with editorial content are equivalent to evaluations of the editorial content.

Message appeal. Although both emotional and informational messages can be conveyed through digital native advertising, most practitioners consider emotional messages especially effective. They also note that, during the customer decision journey, informational content becomes more effective in closer proximity to the actual purchase decision. That is, consumers appear more receptive to emotional content in the brand awareness and preference phases, but then factual information helps them convert to a purchase. Yet our respondents also recognized clearly that the preferred message appeal depends on the target group and the product category. In some cases, different message types serve to appeal to various target audiences for the same product, as the following statement suggests: "It depends on your target group: techies value highly informational content, whereas other target groups value experiential content by seeing how the products fit their lifestyle" (Participant 2). Therefore, in terms of the effectiveness of the type of message:

P4: The effectiveness of the message appeal in digital native advertising depends on the (a) stage in the customer journey, (b) target audience, and (c) product category.

Context

The digital native advertising context consists of the device, the platform, and its content. First, consumers choose which device to use for specific digital tasks and content consumption, which depends on both the situation and the task. Second, consumers select their preferred digital platform, whether an external platform, such as publisher websites, or personalized platforms, such as their own pages on Facebook or Flipboard.

Device. The penetration of mobile devices and wearables affects brands' advertising strategies. The shift of customers toward mobile devices makes it challenging to convey advertising messages; for example, how can they design effective banners for the small advertising space available on a smartphone? According to our practitioner interviewees, native advertising, unlike other types of digital advertising, should work better on mobile devices, especially considering the minimal distraction associated with other commercial content on these smaller screens, as the following quote details: "Native advertising proved especially successful on tablets, such as the iPad, since you only have one screen and you can't go anywhere. The only way to leave the screen is to press the home button, for instance, to open a new app"? (Participant 15). Therefore, we propose:

P5: In the context of mobile devices, native advertising is more effective than other types of advertising.

Platform. Choosing the right digital platform is key to the effectiveness of native advertising. Practitioners accordingly emphasize the importance of contextual relevance and fit for the effectiveness of digital native advertising content. In the complex, modern digital native advertising landscape, a good fit between an advertised brand and the distribution platform requires that the content and platform reinforce each other and create synergetic effects. For advertisers, choosing the best platform for digital native advertising activities is increasingly complex.

First, the supply of platforms with native advertising options is rapidly increasing. Many companies that traditionally based their business models on trading products through their digital platforms are extending their activities into services that previously might have been offered exclusively by publishers, such as the distribution of branded content.

These e-commerce platforms increasingly provide editorial content together with branded content, including digital native advertising options.

Second, new services, such as live-streaming platforms (e.g., Live.ly) are likely to offer advertising options in the near future. Our practitioners anticipate that native advertising content will fit these new platforms better than other types of advertising, because audiences tend to feel connected to the streaming party and value its endorsements. They predict that the functions will follow the principles that inform vlogger platforms, on which vloggers advocate a brand purposively and in a well-integrated manner. More prominent advertising types instead might interrupt the audience's viewing experience.

Still, debate continues regarding whether digital native advertising is suitable for all types of platforms. Native advertising has the look and feel of editorial content, so news platforms might be less suitable, because audiences

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expect objective views from these platforms, whereas objectivity is less important for entertainment platforms. The interview participants from the agencies and online publisher emphasized in particular that digital native advertising options on news platforms can challenge the credibility of these platforms. As emphasized by the online publisher, who cautioned that news platforms must be careful to consider their societal responsibility, "It is something different if you say these pants are nice [versus when] you write a piece about the downfall of Greece from the sender Goldman Sachs" (Participant 17). Therefore, we propose:

> **P6**: Native advertising is more effective than other types of advertising for creating marketing communication effects on live-streaming platforms.
>
> **P7**: Native advertising content on news platforms affects the credibility of the platform more negatively than does native advertising on entertainment platforms.

Other platform content. The practitioners confirm that the media context results from the other content on a platform too. However, respondents from both advertisers and agencies assert that the contextual relevance of social platforms depends particularly on the selection of potential customer profiles, based on their personal interests, for advertising purposes. As a representative of a digital media agency explained:

> We know from Facebook that in our area 700,000 users indicated they "like to drink beer." This provides us with contextual relevance. We can target these users and distribute our message about beer to this beer-drinking audience. So, context is a multi-interpretable concept. On a recipe platform, for instance, I can search by recipes but also by ingredients that are used in these recipes. This information could also be used to determine relevance for the advertising content. (Participant 17)

These detailed consumer data provide input for dynamic designs of platforms and content too, such that the content on platforms can be altered to match individual interests and behaviors, resulting in personalized platforms. As a participant from an e-commerce company explained:

> We are currently developing the back end of our platform in such a way that all our data streams are used to service you with the website you want. If you bought a laptop last week, then you are most likely not searching for a laptop, so we will offer you accessories, a manual, or advice. This would give you the feeling: Yes, this is my platform, and that's why I shop here. (Participant 12)

Because this audience increasingly finds relevant, valued content through their personal e-mails and social media channels, they consume content there instead of visiting publishers' platforms. Participants from the agencies regard this development as a threat to traditional advertising-based business models for publishers. The increasing use of platforms such as Flipboard, which allow users to personalize their content streams to include specific articles from publishers or blogs, appears likely to speed up these changes. Advertisers thus should be present where consumers are, instead of trying to force them to visit their existing platforms, as recommended by the brand manager of a large cosmetics brand:

> Advertisers are searching for channels to distribute their content while consumers find their own channels with their personal desired content. As an advertiser, it is important to find the touch point with the audience, which means being present in the customer journey itself instead of taking them to a different place. (Participant 3)

In contrast, the publishers we interviewed believe that their expertise and connections with their audiences will keep their advertising-based business model sustainable.

The creation of valued digital native advertising content that is worth sharing with others may be even more important; shared content sometimes is the only way an advertiser can enter consumers' personalized contexts. Digital native advertising content, therefore, is widely perceived as an effective tool for creating expanded reach in new contexts. However, the gap between older and younger generations with regard to their adoption of digital techniques and platforms also requires consideration. Compared with older audiences, younger consumers strongly prefer video and animated content and consume content in more personalized platforms. Therefore, according to the practitioners:

> **P8**: Native advertising is a more effective tool for reaching audiences in personalized advertising contexts than traditional forms of online advertising, especially among younger audiences.

Effectiveness

Overall, the participants in our study acknowledge digital native advertising as an effective advertising tool. Advertisers predict that they will continue to assign more of their budgets to this type of advertising, which they regard as an effective instrument to build relationships with target audiences.

Intermediate effects. The flexibility of digital native advertising content, as well as its technological capabilities (e.g., retargeting), means that digital native

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advertising has the potential to create advertising effects throughout customers' entire decision journey. However, current digital native advertising activities primarily seek to create intermediate effects in the early stages of customers' journeys, such as awareness, interest, and attitude change. According to the participants in our study, it offers great effectiveness for creating so-called brand effects. As one respondent noted, "I would like to have more native advertising in our publications, as it is really interesting; it is noticeable that it has a very positive effect on the advertising brands" (Participant 19),

To determine the effectiveness of digital native advertising, some campaigns rely on traditional tests that measure changes in consumers' recognition and attitude. However, these tests require substantial budgets and thus typically are conducted only by large advertisers, as one participant stated: "We conduct less 0–1 tests for our customers than we would like, because of the high costs involved" (Participant 14).

Instead, advertisers turn more to A/B tests to evaluate various digital native advertisements. To determine the effectiveness of digital native advertising, some agencies also work with brand trackers that measure online buzz about the advertised brand, or else they use alternative evaluation tools, such as net promoter scores. Concrete evidence about the relation between these measures and the actual return on the brand's investments in digital native advertising is still lacking.

Behavioral effects. Compared with measures for native advertising in offline media, behavioral effects can be measured relatively easily online and included in the advertising goals for digital native advertising. Models that reflect the cost per view, cost per click, or cost per thousand can reveal the costs and evaluate the effectiveness of digital native advertising, depending on the platform or client demand. Interaction with the content, through comments, time viewed, percentage of content viewed (or not), number of (unique) reached people, and sharing, also can be reported. Although engagement in the form of commenting and sharing tends to be more important than clicks, online publishers do not always include engagement metrics in their campaign evaluations. The effectiveness of native advertising content also might be derived according to conversions to other platforms, visits to a web shop, or the use of refund codes. Despite an unclear connection between engagement levels and actual sales, more activity around the brand or product often is registered in response to digital native advertising activities, as one participant explains: "We connect engagement on a platform to activities outside the platform. Was a buzz created? Did we turn up in search results? How many sales are derived? And so on. Based on that, we do see that native advertising works" (Participant 5).

Although many participants from advertising brands fail to use these technological options, retargeting technology enables them to track digital native content, so they can push customers to the next stage in their decision journey, until conversion takes place. Tracking data also allow the identification of steps that consumers take before actual conversion, such as moving from Google searches to web shops or conversion, as illustrated by the experience of an e-commerce company:

> All marketing instruments are attached to a specific attribution model. We know that if someone searches for a specific product, a considerable chance of conversion in a considerable time frame exists. We also know that when people Like us on Facebook, the conversion rate in the next period is higher. In this situation, in these stages, it is especially effective to be present with branded content. (Participant 10)

Currently though, digital native advertising seems less suitable for creating the ultimate conversion to a purchase. The integration of new technologies, such as Google Wallet and Apple Pay, make conversion a more realistic goal for future digital native advertising, as explained by another participant:

> Payment systems are increasingly integrated in operating systems and in apps. This development increases the possibility to create transactions literally from content. So these technical developments help to achieve conversion-related goals eventually. (Participant 21)

On the basis of the practitioners' perceptions, we offer the following propositions:

> **P9**: Digital native advertising is an effective tool for creating intermediate effects, such as awareness and attitude change.
>
> **P10**: Digital native advertising is an effective tool for creating electronic word of mouth.

Conclusion and Discussion

The aim of this study has been to provide insights into content and context decisions that determine digital native advertising effectiveness, as well as the perceived effectiveness of such tactics, according to actual practitioners. This section synthesizes the results to define directions for further research, as well as sets forth some limitations of this study.

Digital Native Advertising Content

Findings from existing literature on advertising in general do not automatically hold for native advertising, due

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to its specific characteristics. In particular, a common theme in our propositions, which reflect insights from practitioners, refers to the consequences of the close similarity between native advertising content and editorial content. An important discussion surrounds the potentially deceptive nature of digital native advertising, which arises due to the inherent lack of brand prominence. Persuasion knowledge theory predicts that prominent branding in advertisements might lead to more negative consumer evaluations (van Reijmersdal 2009), but the practitioners in our study undisputedly recommend more prominence for brands in digital native advertising content, as a precondition of positive evaluations. When executed properly, the added value of digital native advertising content on a platform can drive its effectiveness. Even though the practitioners assert that their digital native advertising content is transparent, it remains important to examine the circumstances in which consumers agree, because research also shows that digital native advertising is often not recognized by audiences (Tutaj and van Reijmersdal 2012; Wojdynski and Evans 2016). The optimal level of brand prominence in digital native advertising remains unclear, so further research on this topic is encouraged. If an audience experiences feelings of deception due to the low brand prominence, it harms both the brand and the hosting platform. In line with this observation, practitioners indicate that forward spillover effects, as identified in offline advertising contexts (De Pelsmacker, Geuens, and Anckaert 2002; van Reijmersdal, Neijens, and Smit 2005), also hold for digital native advertising. However, because digital native advertising is perceived as less suitable for news platforms, platform type seems to constitute a moderator. Additional research could determine how and in which circumstances evaluations of digital native advertising content spill over to the distributing digital platform.

According to the practitioners, the effectiveness of appeal type also depends on the stage of the customer journey; they anticipate that an emotional appeal is more effective during interactions with customers in the early stages of their journey, but informational messages are more effective further along the journey, just before conversion takes place. This finding needs to be interpreted with care, because the effectiveness of the appeal type is strongly moderated by product type and target audience characteristics. Yet in this finding, the practitioners corroborate previous research about the moderating effect of consumer characteristics on the effectiveness of a chosen message's appeal (Johar and Sirgy 1991). These moderators also might explain the mixed results from prior studies, regarding the effect of appeal type on online engagement measures (Ashley and Tuten 2015; Berger and Milkman 2012; Golan and Zaidner 2008). Consumer-based research into the message appeals of digital native advertising content therefore is recommended.

Digital Native Advertising Context

This study furnishes insights into the current dynamics of advertising contexts and their impacts on the device and platform levels, as well as their relation with the surrounding content, from practitioners' perspectives. Another common theme across the resulting propositions pertains to the perceived effectiveness of digital native advertising in such dynamic media contexts. In particular, its effectiveness for conveying messages on small devices should be investigated further, especially as the uses of mobile devices continue to increase. This dynamic advertising landscape appears likely to persist, featuring continuous introductions of new channel types, such as live-streaming platforms, personalized information streams, and technological options that can personalize platform contexts.

Advertisers that hope to select the most effective advertising context for their marketing communication activities, including digital native advertising, will face increasing complexity. The results of this study indicate that practitioners believe that the characteristics of digital native advertising content and its perceived value for the audience make it an efficacious tool to induce advertising effects in these new advertising contexts. However, contextual relevance is a key determinant. Congruent native advertising content that mirrors the regular content of the platform and feels authentic could limit consumers' perceptions of advertising intrusiveness. The increasing consumption of such content within personal consumption contexts, such as Flipboard, may jeopardize the sustainability of some current business models, because consumers have less need or desire to visit professional publishing platforms to gain access to valuable content. The discussion of these changing advertising contexts also highlights practitioners' recognition of the growing gaps in the media consumption behaviors of younger versus older generations.

Effectiveness

With regard to the perceived effectiveness of digital native advertising, the results of our interviews are largely in line with previous findings about the effectiveness of digital advertising forms (Tutaj and van Reijmersdal 2012): Due to the perceived relevance of the content for the audience, practitioners believe that digital native advertising content is a good solution to

consumers' perceptions of digital advertising as intrusive. Further research should confirm this potential benefit. Advertisers use digital native advertising to create advertising effects that are increasingly difficult to achieve with other types of advertising due to consumers' changing media-consumption behavior. In this study, the practitioners endorse the strong, positive, intermediate effects of digital native advertising on audience attitudes and awareness, compared with other types of digital advertising.

Furthermore, they regard digital native advertising as a suitable form of marketing communication for any target audience, but especially for younger customers due to the greater penetration of digital devices, channels, and platforms among this group. Studies of the effectiveness of digital native advertising thus should control for age.

Previous studies that propose that branded content leads to positive consumer responses in a digital context mainly compare branded content with traditional banner advertising (Becker-Olsen 2003; van Reijmersdal, Neijens, and Smit 2009). These two types of advertising might not be comparable; they are designed and executed to achieve different effects in various stages of the customers' journey (i.e., banner advertising aims to create short-term, behavioral effects such as CTR; digital native advertising is mainly used to create intermediate effects such as branding in early stages of the customer journey). Additional research that includes a comparison of digital native advertising with editorial content, extending Wojdynski and Evans's (2016) contributions, could offer new insights into the value of digital native advertising content.

In line with Truong, McColl, and Kitchen's (2010) findings about developments in the digital advertising market, the practitioners in our study agree that it is difficult to assess returns on investments. To evaluate the effectiveness of digital native advertising in terms of its intermediate effects, practitioners still tend to rely on panel-based campaign evaluations, though it is more difficult to find sufficient groups of respondents who actually encounter the focal content. In terms of behavioral effects, engagement measures such as CTRs and interactions create some insights, but the precise relation of digital native advertising to specific outcomes remains unclear and demands further investigation.

In conclusion, this study offers 10 propositions that are based on practitioners' perspectives. Together, these propositions establish a research agenda for digital native advertising. Quantitative research projects will be necessary to identify the impact of these content and context variables on effectiveness measures for digital native advertising.

Limitations

The qualitative methodology for this study creates some limitations. As with all exploratory qualitative research, the sample size is relatively small. Care should therefore be taken in generalizing the findings beyond the participants involved.

Although all the interviews followed the same guidelines, some risk remains that participants could have been influenced by the in-depth interviews. The findings also reflect the perceptions of participants who work for firms located in the Netherlands. Still, 15 of the 22 participants work for companies that also operate outside of the Netherlands, and two companies operate globally. The findings also are largely consistent across interviews, even though the participants represent a wide variety of brands and companies. Furthermore, market developments are highly consistent across Western countries; for example, the McKinsey Global Institute's (2016) Industry Digitization Index, which reveals the degree to which digitization drives sectors and firms, indicates that the Netherlands is comparable to other Western nations and is second only to the United Kingdom in Europe in terms of its digitization index. The 2016 Digital Yearbook (Kemp 2016) also indicates comparable penetration rates for the Netherlands, such that it hosts 95% active Internet users, compared to 87% in the United States, and 56% penetration of active social media users, compared to 59% in the United States. Accordingly, the findings seem likely to hold for other regions in which the Internet provides an important advertising medium.

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