

THE STATE OF NATIVE

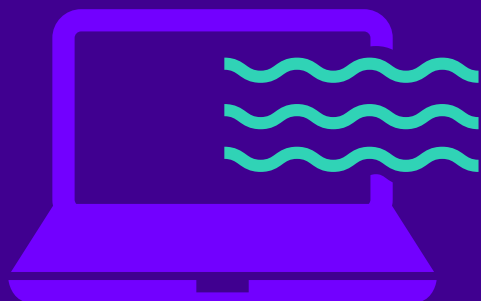
March 2017

Native Advertising Insights for Publishers

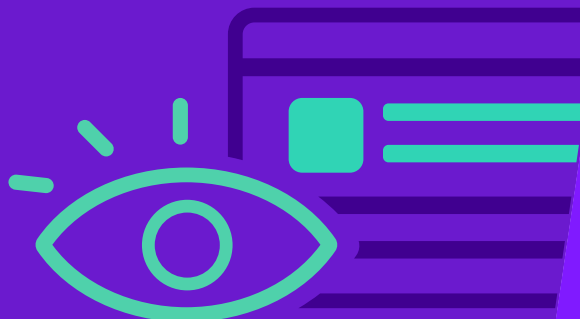
Native advertising is an ad format growing in popularity and helps publishers provide engaging user experiences and monetize their properties. Learn from Yahoo's internal data and publisher network of more than 3,400 publishers of all sizes, on all screens, around the globe, to help guide the move to effective monetization, user acquisition and retention strategies.

Y A H O O F O R P U B L I S H E R S

Integrated
native advertising into
3,400+
publisher properties



Monetized
74.5B+
global native ad impressions
in the 2nd half of 2016



Increased
native advertising volume
by **14%+** in 2016

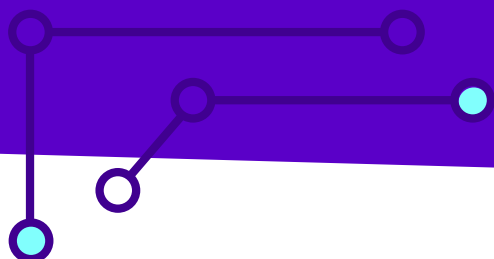
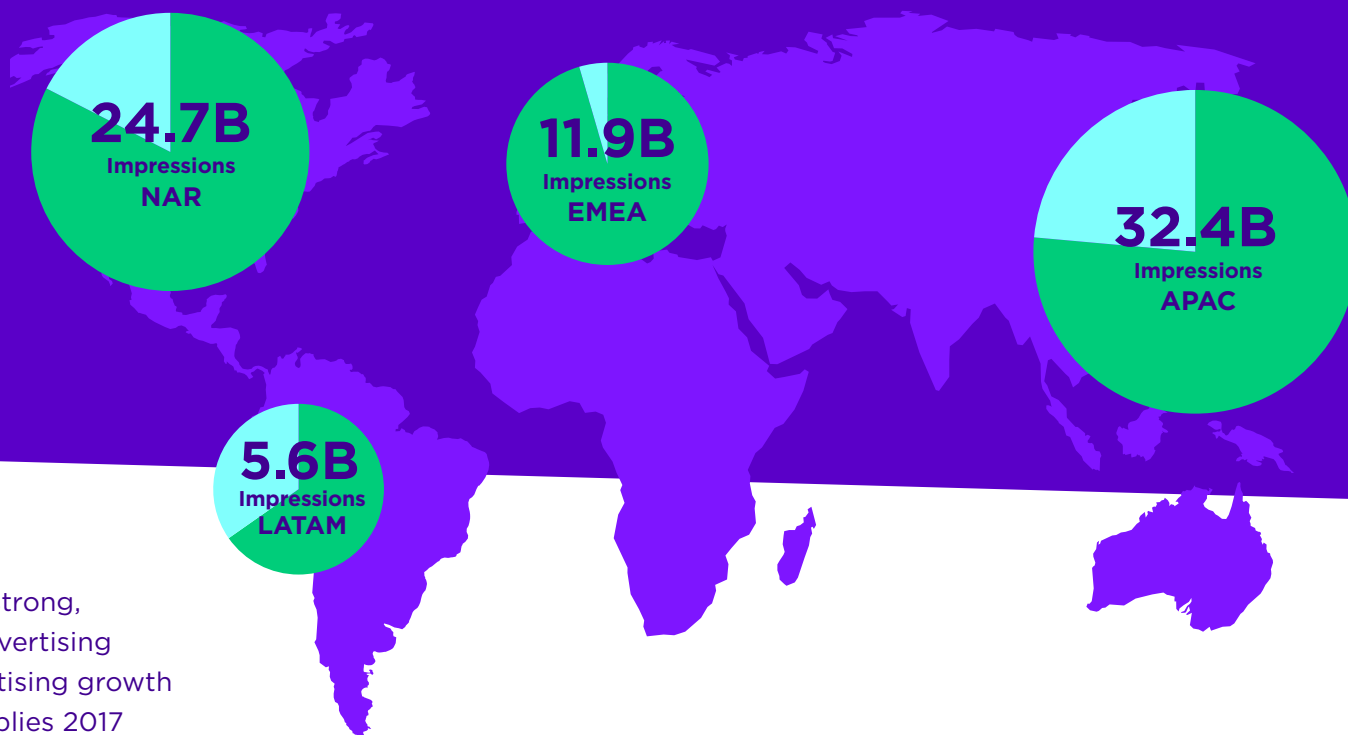


NATIVE ADVERTISING GROWTH ON ALL DEVICES ACROSS THE WORLD

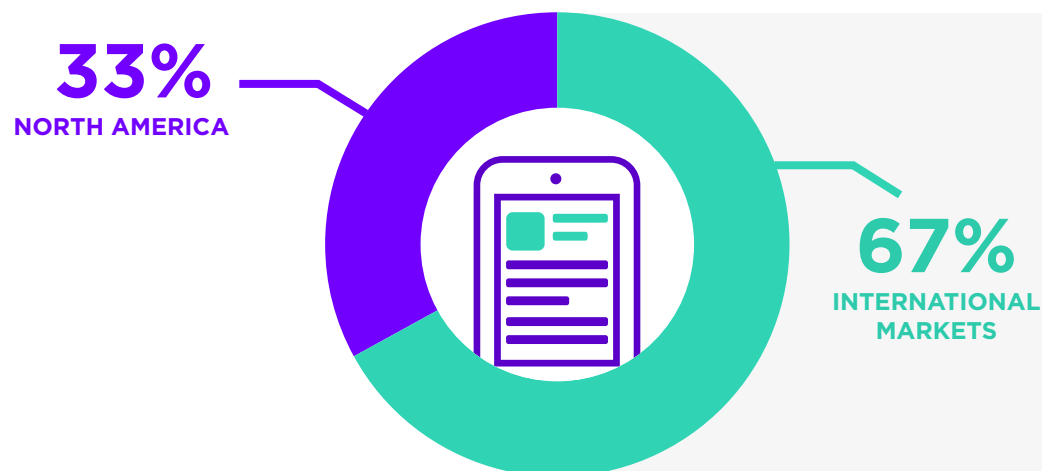
Smartphone

Desktop

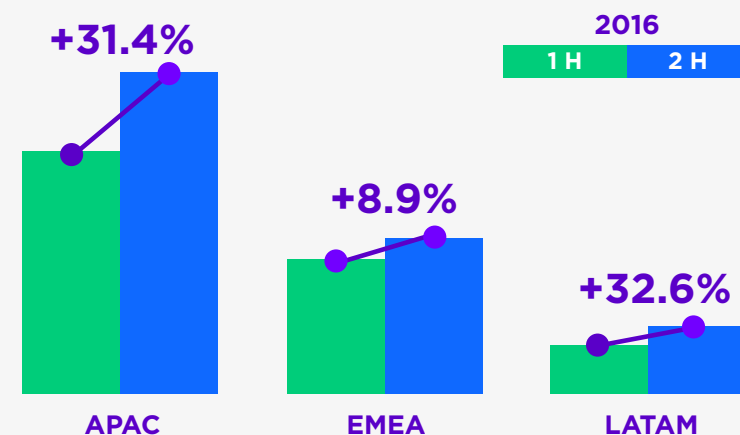
We're seeing exponential growth in all regions across devices, with smartphone growth that continues to outpace desktop.



Native advertising in North America remains strong, representing over **33%** of the global native advertising market. We're also seeing higher native advertising growth on mobile devices across the world, which implies 2017 could be the **Year of Mobile** for global advertising.

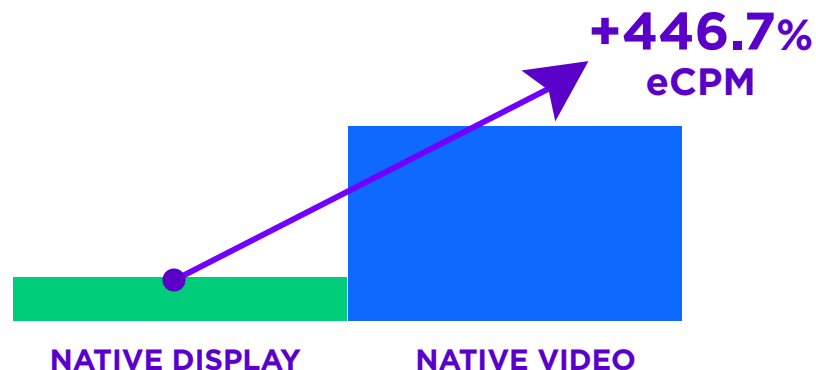


Mobile Web and App Growth



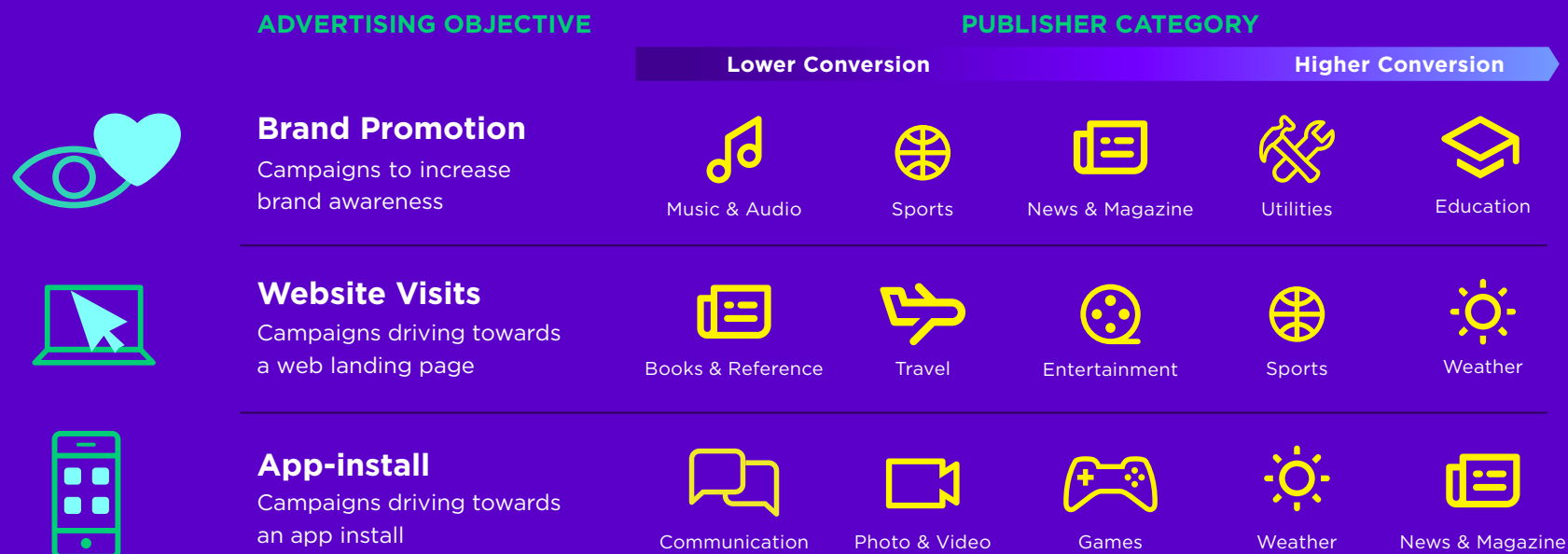
INTEGRATE WITH RISING NATIVE AD SOLUTIONS

With native advertising on the rise, several solutions diversify the native advertising mix for both publishers and advertisers. In Q4 2016, Yahoo for Publishers introduced a new native advertising solution: publishers can now monetize native video advertising in their native display placements. With high adoption rates across our network of publishers, there has also been a lift in native ad eCPM (effective cost per thousand ad impressions).



PUBLISHER PERFORMANCE BY ADVERTISING OBJECTIVE

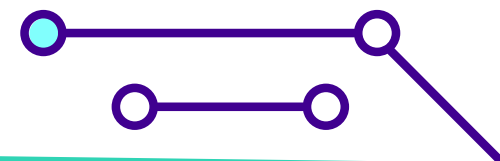
Users engage differently depending on the type of native advertising objective. For example, a news or magazine publisher app may see higher conversion rates on an app-install campaign.



VALIDATE WITH DATA AND MAXIMIZE ON MOBILE

Matching the right demand with the right publisher inventory is crucial to maximizing effectiveness. Advertisers add sophisticated targeting layers such as age, device type, and time of day (a targeting tactic called dayparting) to better reach their desired

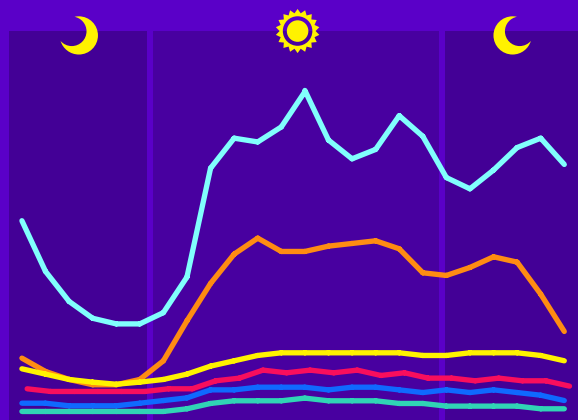
audiences. Similarly, publishers are learning the optimal times and effective strategies for user acquisition and retention campaigns. With joint insight into the advertiser and publisher worlds, we see how critical each variable can be.



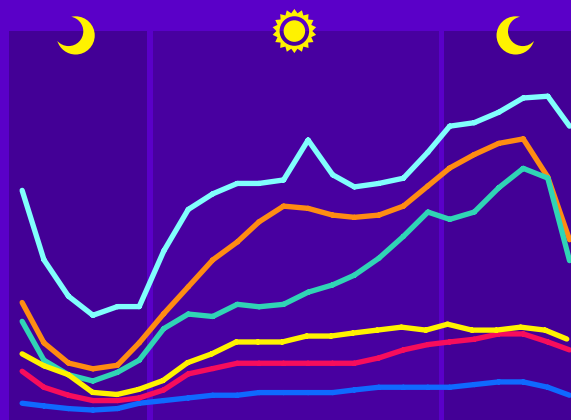
ENGAGED USERS ON EVERY SCREEN WORLDWIDE

At any given hour on any given day, people are using several devices. See how active users across the world engage on their screens.

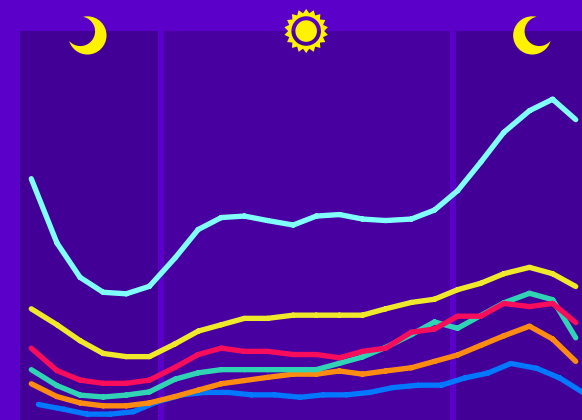
Australia (AEST) Germany (CET) Taiwan (CST)
 Brazil (GMT-2) North America (EST) United Kingdom (GMT)



DESKTOP



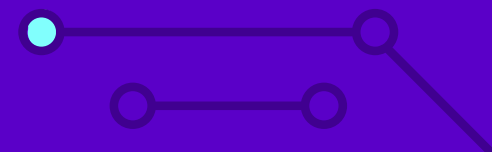
SMARTPHONE






TABLET




RIGHT TIME, RIGHT PLACE, RIGHT SCREEN

Understanding how and when each age group is active on devices helps publishers learn how to maximize engagement at the right time. Insights show that all age groups in North America have longer stretches of engagement on almost every screen than the rest of the world. Learn when and where to reach your users at the right time.



AGE			
13-17	6-11PM	7-10PM	7-10PM
18-24	2PM-12AM	6-12 PM	6PM-1AM
25-34	2PM-12AM	10AM-6PM	8-11 PM
35-44	2PM-12AM	10AM-6PM	8-11 PM
45-65	6PM-12AM	12-5PM	8-11 PM

NORTH AMERICA

AGE			
13-17	8-11PM	9AM-2PM	9PM-12AM
18-24	7PM-12AM	9PM-12AM	9PM-12AM
25-34	8-11PM	10AM-4PM	10AM-4PM
35-44	8-11PM	10AM-4PM	10AM-4PM
45-65	7-11PM	10AM-5PM	8-11PM

REST OF THE WORLD

USER ACTIVITY BY HOUR AND MOBILE APP

User activity on publisher apps differs by time of day and where they are in the world. This chart demonstrates mobile activity and which apps show highest usage throughout the day.

User Ad Impressions By The Hour

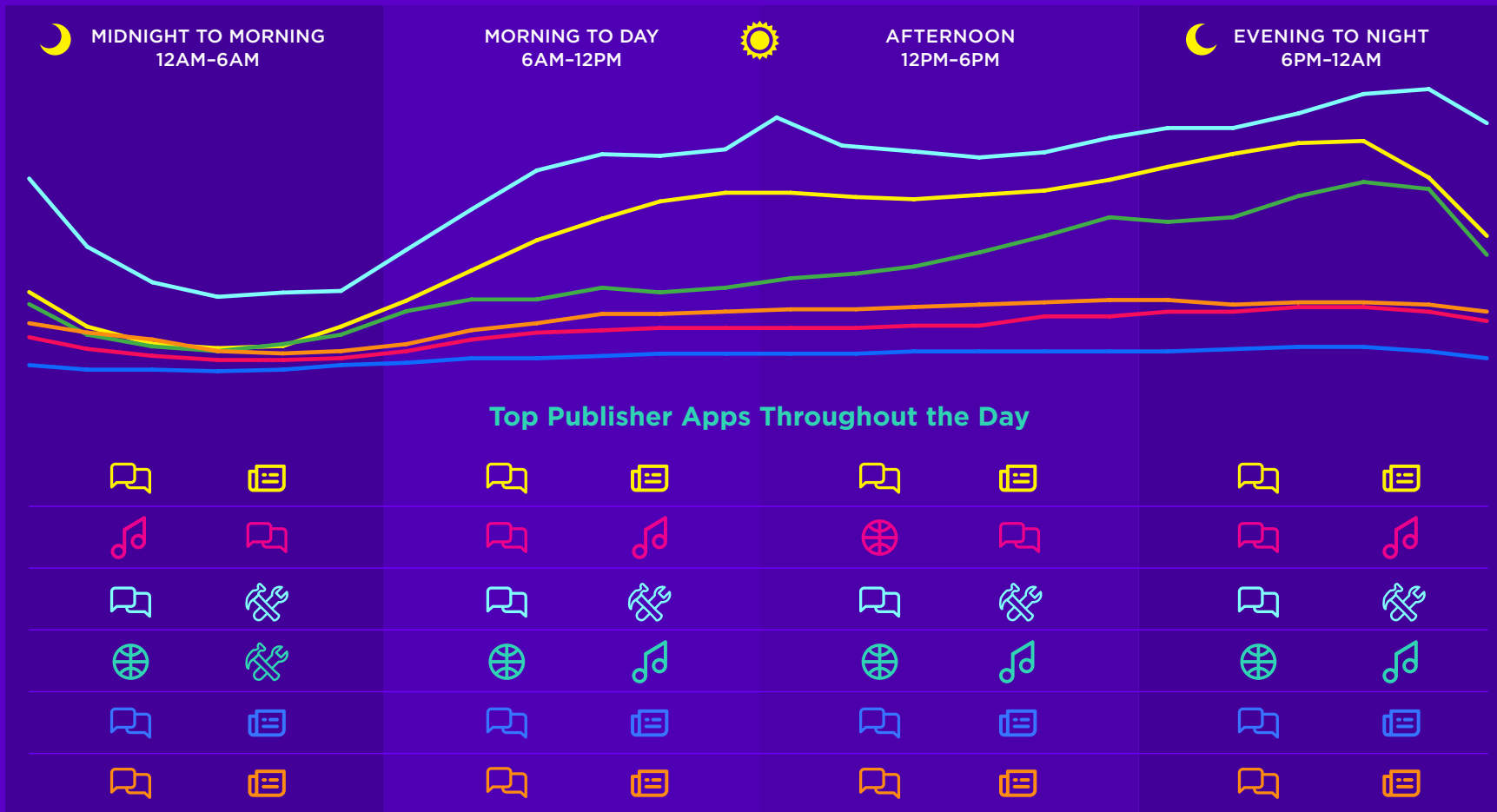
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Brazil (GMT-2) North America (EST) United Kingdom (GMT)

MIDNIGHT TO MORNING
12AM-6AM

MORNING TO DAY
6AM-12PM

AFTERNOON
12PM-6PM

EVENING TO NIGHT
6PM-12AM



Top Publisher Apps Throughout the Day

North America
United Kingdom
Taiwan
Germany
Australia
Brazil

Books & Reference
Messaging & Social
Music
Sports
Utilities & Productivity

Source: Yahoo Internal Data, 2H 2016

Native advertising is becoming more widely adopted by advertisers and publishers all over the world and across every screen. Get started today with native advertising by visiting advertising.yahoo.com/publishers.