Don’t Be Naïve About Native

A WOMMA White Paper on How Marketers Should Approach Disclosure in Native Advertising

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“Native Advertising”: What is it, and why should we care?

*Editor’s Note: Throughout this document, we use the term “marketers” broadly to refer to the full spectrum of marketing teams: brands, companies, marketers, advertisers, PR teams, and agencies acting on their behalf.

Even its name sparks controversy: is it “native advertising,” “content marketing,” “sponsored content,” or something else entirely? Whatever it’s called, “native advertising” is generally defined as marketer-sponsored content that is designed for compatibility with the editorial content in which it is placed. It is sponsored content, provided or produced by, with or on behalf of a marketer, that is integrated into the design of the publisher’s site, delivered in the flow of the user’s experience, and provided or produced by, with, or on behalf of an advertiser. Recent studies show that an estimated 75% of online publishers offer native advertising and that spend on native advertising is estimated to grow to nearly $5 Billion by 2017 (eMarketer).

There is a diverse array of native advertising formats and techniques available, including, for example:

(1) custom content, which may be produced by the publisher, or by the marketer in partnership with the publisher;
(2) content that appears in-feed, such as a promoted Tweet or the publisher’s “top news” feed; and
(3) content that is promoted or placed in a recommendation widget placed on a publisher’s site. These examples, among others, are explored below.

While, to some, no less than the “church and state” wall in journalism separating editorial and advertising is at stake, to others, native advertising presents an opportunity for marketers to dedicate their paid media budget toward material that is more relevant to audiences and a better user experience than that provided by traditional ad banners.

Recent studies show that an estimated 75% of online publishers offer native advertising, and that spend on native advertising is estimated to grow to nearly $5 Billion by 2017 (eMarketer).
For almost all, however, there is confusion: who is responsible for ensuring appropriate transparency? What exactly are a marketer’s obligations when using it? Indeed, a recent questionnaire sent to WOMMA members revealed that, while a vast majority of members say that they are familiar with and use native advertising formats, they are considerably less unified in their approach to disclosures.

This is understandable. To date, there is little specific guidance for native advertising from regulators like the Federal Trade Commission or self-regulators like the National Advertising Division. What we know, however, is that the key principle is one of transparency: readers/potential customers have a right to know when the content was written by or placed by a marketer, or someone acting on behalf of or at the direction of a marketer, rather than the publisher of the editorial content in which the sponsored content appears. And there is plenty of regulatory precedent for this principle, from the FTC’s guidance on advertorials in the 1960s to its letter to search engines in 2013, as well as its actions involving infomercials, buzz marketing, and sponsored news and review sites in between. What this means is that native advertising must include a clear and conspicuous disclosure that the content is sponsored by a brand.

However, what regulators and self-regulators (and audiences) consider a “clear and conspicuous” disclosure in the context of native advertising is, as of yet, unclear. While other industry associations have published guidelines, and NAD has published a handful of decisions, the FTC has not provided formal guidance.

Note: The IAB has issued the following in its Native Advertising Handbook: Regardless of native advertising unit type, the IAB advocates that, for paid native ad units, clarity and prominence of the disclosure is paramount. The disclosure must:

- Use language that conveys that the advertising has been paid for, thus making it an advertising unit, even if that unit does not contain traditional promotional advertising messages.

- Be large and visible enough for a consumer to notice it in the context of a given page and/or relative to the device that the ad is being viewed on.

Simply put: Regardless of context, a reasonable consumer should be able to distinguish between what is paid advertising vs. what is publisher editorial content.
But there are still a number of open questions regarding such disclosures:

1. **What** should be disclosed? Is it enough to disclose that the marketer paid for the content to be written or promoted, or should a marketer (or publication) disclose whether the marketer wrote the content, came up with the concept for it, selected a targeted category or just approved it? Is it necessary to disclose the specific identity of the marketer, or is it sufficient simply to disclose that the content was sponsored?

2. **Who**, in the complicated eco-system of native advertising, is best able to ensure that these disclosures are made and are made clearly and conspicuously: the publisher, the marketer, the agency or the widget?

3. **How** should disclosures be made? What label works best? Is it better to label native advertising as an “advertisement,” or is “sponsored” or “promoted” sufficient?

4. **Where** should disclosures be made? Are labels sufficient, and where should they be used? Are other disclosure techniques helpful, like pop-up boxes with plain language explanations? Is it necessary to use different fonts, colors, and shading to distinguish between native and “purely editorial” content? Are all of the interaction points leveraging responsive designs to account for mobile devices and alternate viewing environments?

What is clear is that native advertising is a rapidly evolving area, one where law and regulation have yet to establish clear rules of the road. Our industry must prioritize these questions—and consider what guidance we should provide to our audiences—now, rather than wait for publishers or regulators to answer these questions for us. We hope that this white paper will provide perspective to help in this evolving process.
Let's start with what it isn’t: this isn’t legal guidance. Nor is it a formal list of best practices. As a white paper, this is an examination of the topic of transparency and disclosure within native advertising; a look at all the ways to characterize it; and a series of examples of ways to disclose within native advertising executions.

What's more: All this discussion will continue to evolve. Technology will enable better disclosure. The appetites and expectations of audiences, marketers, and publishers will change. We expect that key players and publishers will evolve their practices and models to accommodate more effective disclosure. And finally, we all expect that official guidance from the FTC and other regulatory bodies around the world will come eventually, creating clearer lines of do’s and don’ts in this territory for everyone. Our hope is that the marketing world can establish and maintain an ethical path forward that will help inform the approach those regulators eventually take. It is in the long-term best interest of publishers, marketers, and audiences alike to ultimately have transparent and universally understood means of enabling readers to recognize native advertising.

Keep in mind, too, that—while getting disclosures right is of critical importance—this is not the only legal and ethical issue for marketers to consider when engaging in native advertising. If content is advertising, there may be a host of other issues to address, such as the need to clear third-party rights for material contained in the content (like individuals' names and images) and the need to vet any claims made. These issues will not be further addressed in this white paper, but marketers should be sure to consider them when preparing their native advertising initiatives.
• **By design, native advertising content is intended to be more engaging.** It has a greater potential to align first with what the audience is searching for, rather than primarily what the marketer wants to say. When it’s done well, native advertising artfully links a marketer’s brand essence or offering with information that the target audiences value. The opportunity for native advertising is to ensure the content delivers the same level of interest—and quality—as the publisher’s.

• **When targeted well, it’s contextually relevant.** The publisher/host media has specialized in understanding and serving the interests, behaviors, and needs of its audience. A marketer running native advertising takes its content from having to be found or promoted independently and instead integrates it into media that the intended audience experiences organically as part of entertainment, research, or news gathering.

• **It’s unobtrusive.** Today, readers, viewers, and listeners don’t want their media experience to be interrupted. Unlike banners, display units, pop-ups or home page takeovers, well-executed native advertising doesn’t disrupt. It integrates seamlessly and can even enhance the reader’s media experience.

• **It gives you scale.** Brands and companies that dedicate resources to developing, curating and earning content can amplify that content to achieve greater, and more targeted, reach. It’s a powerful way to ensure your efforts achieve enough scale to meet business objectives.
How do you make sure you maximize the power of native advertising, while making sure that 1) you don’t do so in a way that may mislead your intended audience, and 2) you uphold your ethical and legal commitments to the process, ensuring that readers, listeners, and viewers can distinguish your content as sponsored?

- **Sponsored content requires disclosure.** Native advertising and sponsored content create unique new units and methods to reach consumers. The sponsored nature of the creation, curation, promotion and/or placement requires disclosure.

- **Put any blurred lines into focus.** Native advertising should never be presented in a manner that blurs the distinction between editorial content and sponsored or paid content in ways that is misleading to the audience. When people experience native advertising, they should be aware that they are interacting with a paid message.

- **Give disclosures prominence.** Native advertising must have a clear and conspicuous disclosure which indicates the paid nature of the relationship with a marketer, when it is not otherwise clear from the context and placement of the content.
• **Put the disclosures at the appropriate points of the digital experience.** Wherever someone sees sponsored content—including a recommendation widget’s link to that content, or a social media post that shares sponsored content—the reader should understand that the amplification experience also is a paid one. Also, note that one piece of content may have various points of entry or access, so the disclosure needs to be present across all.

• **Assume responsibility.** Make it your job as a marketer to ensure the disclosures take place. There are many layers involved with executing native advertising: the publisher, the technology enabler, the creative or media buying agency, the writer or developer (who may or may not be directly involved in the process), and the list goes on. The marketer—the organization paying to place the content—shouldn’t rely on other players and needs to take ultimate responsibility for ensuring the disclosures are clear. It is our relationship with our key audiences that benefits, or suffers, from native advertising disclosures executed well or poorly.

• **Assemble the right team.** Native advertising requires a lot of different types of talent and experience to create the right, ethical, and creative balance between engaging your audience and disclosing the marketer’s association: great creative to execute a media-quality paid experience, editorial experience to ensure seamlessness, a media placement expert for targeting power, legal expertise to ensure the right protections within advertising law, and, of course, marketing talent to ensure the placement ultimately delivers on marketing goals.

It’s not enough for the disclosure to be embedded within the content itself. It needs to happen at the point of promotion and before the reader has taken an action (for example clicking a link), as necessary.
So, even if these principles are clear, putting them into action can get tricky. For inspiration, here are some practical examples and specific ways to approach disclosures. (Note: We’ve used Looney Tunes’ Wile E. Coyote’s famous—and generic—ACME brand within these examples. However, whereas Wile E. Coyote’s ACME resources tended to send him off cliffs or blow up in his face, we hope that our ACME examples can help you consider the questions that might keep you from such a fate.)

**DISCLOSURE TAGS**

“Sponsored by”/ “Sponsored post”

“Presented by”/ “Paid Post”

“Promoted by”/ “Promoted Post”

“Ad”/ “Advertisement”

• These disclosure tags seem to be the most prevalent across platforms. Due to their frequent use, their usage may more clearly drive and align with audience expectation that the content is connected to a marketer. The latest convention is platforms using yellow background with white text for their disclosures (see example above).

• Platforms are also exploring the pairing of their disclosure tags along with a symbol which is meant to denote a paid relationship. Until a symbol has been universally adopted or accepted/understood, it should not be used independently from a text disclosure.

• When necessary, the disclosure should also be accompanied by visual cues which separate the disclosure from the editorial content surrounding it.

• The important point here is that the disclosure is clear and conspicuous and is not hidden behind a generic link, buried in language or positioned in an obscure area of the page.
CATEGORY DESCRIPTIONS & EXAMPLES

1. Custom Content
Publisher - Online

Many publishers now offer native advertising products for marketers across their platforms. This practice is quickly growing in popularity and spans all types of publishers, from new platforms that use native advertising as their sole revenue source to long-established, prestigious publications integrating native advertising into their overall mix of advertising opportunities.

- The disclosure should be on every page, which includes the marketer’s sponsored content, along with every page or element that drives you to that sponsored content:

- Example:

  - On a publisher site, you may land on the home page, where all of their featured articles appear in “tiles.” Each tile is a link to another editorial story on the publisher site. If a marketer has sponsored one or more of these stories, there should be a clear disclosure on the tile itself before you get to the actual sponsored content.

  - By clicking the tile, audience members are then taken to the sponsored content. There should be another disclosure on the content page as well.

- The marketer’s sponsored content should be attributed to the marketer. This means that the disclosure should include both the disclosure message and the marketer’s name.

- If, by clicking on the native advertising content link, the audience is taken off the publication site to the third-party marketer’s site (or even to another editorial site that is not controlled by the marketer), it is best to make it clear that they are being driven there (especially where the audience expectation would be to remain within the publisher’s site). For example, the usage of “Sponsored Links,” again with attribution to the marketer, makes it clearer that a user would be navigating to a third-party site.
TILES ON THE PUBLISHER PAGE

10 People Who Did Really Mean Things
Why are you so mean?

20 Reasons To Vacation in Kentucky
Look out—you might be surprised!

Thousands Flock To First-ever World Pig Day Parade
Lines of sowine are just fine

ACTUAL ARTICLE

6 Cocktails We Could Never Live Without On A Deserted Island

Hey, if you're going to be stuck on a steaming hot deserted island with no friends, no cell phone, no playlists or even a ukulele, then you might as well build a shady hut, build up a lawnchair of sand and kick back with a tasty beverage. I mean, what else are you going to do all day??
Print & Advertorials

Many would not think of an advertorial, an ad product that has been around for years in print publications, as native advertising. But it is! An advertorial is an advertisement in a print publication which is meant to have the same look and feel of the other articles in the publication; however, it is a paid advertisement.

Many simply and effectively label this content as “ADVERTISING” across the top of the advertorial.
2. In-Feed Units

Social Media

Many of the large social media platforms are now offering native advertising products, and others are quickly following suit. In some cases on social media, users only see posts from those whom they “follow” on the particular platform. However, to the extent that a marketer places an ad unit on social media platforms offering native advertising products, the user may see the marketer’s posts in their newsfeed even though they are not following the marketer.
Another ad product which has been around for quite some time, and which some may not immediately associate with native advertising, is paid search results on search engines.

The organic results that follow a search are results that are shown to you based upon popularity and relevance (usually as a result of an algorithm). Paid search results can appear at the top of the search result page, even though they are not the most popular result (or otherwise would not have been chosen by the algorithm). While the organic search listings are determined solely based on the search engine’s algorithm, trying to assess the highest-quality and/or most timely content relevant to the term being searched, the paid result is only being shown on top due to its paid nature.

Choose search engines which clearly identify these paid results as “Ads” and which create some separation between the organic and paid results.
Search Functionality in Social Media & Publisher Sites

Search can appear not only through search engine sites but also through the search functionality of social media or publisher sites. The same principles in the previous section about search engines overall also apply to search functionalities within publisher and social media sites. If you are searching for a business, product or account on a social media platform, and a marketer’s media buy impacts the search results by showing a paid placement above the other organic results, then such results should include a clear and conspicuous disclosure, and should have some separation from the organic results.

Note that search engines continue to adapt and evolve their paid solutions, user experience designs and display options with regard to presentation of disclosure.
3. Recommendation Widgets

Recommendation Widgets

A recommendation widget is a website plug-in or module which usually appears below or alongside editorial articles on publisher sites and which recommends relevant content through linked headlines, captions or photographs. Many of these widgets are presented as, and entitled, “YOU MAY LIKE” or “RECOMMENDED FOR YOU” and may include both content that lives within the publisher’s site and sponsored links that take you to third-party and marketer sites. **It may not be immediately clear to audiences that these links are paid for by marketers, especially given the title of the widget.** Some units are designed to look like stand-alone ad units and others are designed to blend in with other publisher recommendations.

These widgets fall under the category of native advertising since the content is tailored based on its relevance to the article that the user was reading, and is positioned as a value-add to audiences looking for more information on similar subjects. Specific recommendation widget vendors—but not all—clearly label the content within their widgets as “Sponsored Links,” along with the ability to click to learn more about the nature of the recommendation widgets. The links that live within the widget (the content that the marketer has paid to direct readers to) should also be clearly attributed to the marketer so readers, listeners, and viewers understand where they may be taken after clicking on the link, and can properly assess their perception of the credibility of the marketer paying to provide them the link.
Note: There is great complexity in the execution of disclosures with recommendation widgets. Marketers can pay for these widgets to link people to all different types of content—their owned content, sponsored content, editorial content about them, or even third-party content that doesn’t mention them at all. In other words, with recommendation widgets, the content that is linked to, or amplified, may not be sponsored at all. The sponsorship may be only of the link to that content. In such cases, the ideal situation would be for it to be clear within the recommendation widget: 1) that the link itself is sponsored and who the sponsor is, and 2) whether or not the linked content is owned by the marketer paying for the link. This level of detail within the recommendation widget is tricky—and, in many cases, currently impossible—in terms of space and functionality. But, as we think through working toward the ideal disclosure environment, we should strive to make such forms of native advertising as clear as possible.
Other Paid Placements

Native advertising is an ever-expanding and changing area of advertising. It is not limited to the categories above and may (almost certainly will!) expand to include new ad products and services. Ultimately, marketers, publishers and platforms will continue to become more creative in providing opportunities to make advertisements and content more relevant and useful to audiences, wherever that may be. But, if companies, platforms, technology providers, and publishers are going to reap the full benefits of the possibility of the advertising opportunities above—and new categories of native advertising over time—it will only be possible if all involved provide a high level of transparency in disclosure so that we all collectively ensure that native advertising lives up to its potential to put paid media dollars toward the content that would be of maximum utility and interest for the audiences we seek to reach. If we diminish credibility and trust in native advertising as a concept in the process, though, it will damage a type of advertising whose potential impact for brands and potential utility for audiences we have only scratched the surface.

What’s important to keep in mind is the principle that audiences should know where content came from and when a publisher was paid to provide it.

Engagement with Platforms

Many platforms have their own native advertising templates with built-in disclosures that seem to be in their final, inflexible state. While this may seem to be the case, many platforms have been known to be flexible and address the disclosures requirements of marketers when the marketer takes the time to discuss and identify their concerns. Ensure you raise disclosure questions with platforms as part of your negotiation. (See potential questions below.)
Native advertising is powerful. And it’s growing. While the discussions and concerns over transparency issues continue, companies and organizations should not necessarily shy away from native advertising. They should, however, make sure they understand the complexities and that they are properly managing the disclosures that are made in conjunction with sponsored content. The concept is clear and no different than the guiding principles we follow in every other form of marketing: The reasonable reader, listener, and viewer should be able to easily distinguish between sponsored and editorial content.

When entering into a native advertising arrangement, it’s crucial for the marketer and its agencies to proactively ask the important questions about disclosure. We cannot expect the publisher, the technology provider, or others to perform our ethical due diligence for us—particularly when native advertising has been designed as part of their business model. Ultimately, your company and brand is the one that will be impacted by any erosion in trust between you and your intended audiences, so it is very much in your best interest to make sure that you are taking great care to protect the reputation of your company in how you conduct native advertising campaigns.

• Have you had conversations with the publisher about how they typically work to ensure that the placement of your native advertising is transparently labeled? What are their general processes? What is possible within the layout of their site? Proactively ask how the publication ensures its audience understands that they are viewing paid content.

• Is the way the sponsored content opportunity is labeled clear enough that the average reader would understand what it means without having to know advertising-industry jargon, logos or spot a hard-to-find explanation?

Native advertising is powerful And it’s growing.
• Is the fact that your company in particular is the one paying to place the content clear? Would it come as a surprise to readers that your company has paid to sponsor the content or would it affect the credibility of that article for readers to know that a particular entity has sponsored the placement, promotion or publication of that content?

• Will the labeling on your native advertising be prominent enough that you would notice it as a reader, listener, or viewer, and is it clearly connected to sponsored content at all relevant interaction points?

• Will the audience find the disclosure, no matter where in the native advertising experience they enter? Put yourself in the shoes of the audience and imagine discovering the native advertising from every “direction” possible.

• If you have staff members, friends, or others not directly involved in the native advertising deal visit the content you’ve placed or a similar example, do they understand that it is sponsored content and what that means clearly, from the way the publisher positions it?

• Imagine navigating through the native advertising experience you’re providing as a member of your intended audience. Is it immediately clear that this is a paid experience? Is there anything in the experience that seems unclear? (Often, taking a “design thinking” approach in the design of native advertising content is the best way to ensure that all parts of the experience meet the highest standards of disclosure and transparency—and that you aren’t inadvertently putting yourself at reputational risk.)

• If the publisher doesn’t have ready-made solutions that make you comfortable, do you have the in-house resources as part of your team for your native advertising to help design and position content in a way that provides disclosure in a fully transparent way?

• Do you have a policy in place so that your company, the publisher, and your professional partners are providing some sign of disclosure that this content is from your company when sharing it?

And don’t forget, WOMMA’s Code of Ethics and Social Media Disclosure Guidelines are also invaluable resources for marketers when it comes to disclosure.
The Word of Mouth Marketing Association (WOMMA) is the official trade association dedicated to word of mouth and social media marketing. Founded in 2004, WOMMA is the leader in ethical word of mouth marketing practices through its online and offline education, professional development opportunities, and knowledge sharing with top industry marketers. WOMMA’s membership is made up of the world’s most innovative brands, agencies and service providers. Visit WOMMA.org for more info.

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