

Content & Native Disclosure Guidance

Phase 1: Native Distribution Formats

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IAB UK in partnership with AOP, CMA and ISBA

Introduction

This document outlines good practice in relation to the disclosure of advertising and marketing communications for native distribution formats online. The objective is to set out clear and practical steps to help brand owners, publishers and marketing practitioners provide transparency to consumers engaging with different forms of native distribution formats online in compliance with the UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing (CAP Code) and the Consumer Protection from Unfair Trading Regulations 2008 (CPRs).

What is in scope?

The industry's understanding of what constitutes a 'native format' has to be understood in the context of the wider content marketing and native advertising industry. These particular features of the digital advertising industry include a range of different products and services, which vary by company, platform and channel. It is also an advertising format that is evolving rapidly, and as such we expect this guidance to develop in line with the industry. In order to better understand them, the IAB's Content Marketing and Native Advertising Council has produced a 'Definitions Framework' which categorizes the industry into three succinct areas: Paid for Content, Advertising and Native Distribution Formats.

A full version of the Definitions Framework can be found in Annex A. This Definitions Framework should help readers understand what we do and do not consider to be a 'Native Distribution Format' and how these relate to other marketing formats. IAB envisages the guidance evolving over time. This document outlines "Phase I" of the guidance which is limited to the final column. This covers what the industry generally considers to constitute Native Distribution Formats. Illustrated examples of suggested good practice are represented in Annex B.

As this industry continues to develop, please also refer to the IAB's thought leadership series, which talks about how the content marketing and native advertising industry is evolving: www.iabuk.net/content-native IAB is committed to keeping the guidance under review and adding to it where necessary. In the next phase, the Native Advertising and Content Marketing Council will look at online advertorial and sponsored content production and what good practice in print media might be relevant to digital and whether new guidance may be necessary.

The regulatory framework applying to native distribution forms of advertising

The CAP Code – the advertising industry's mandatory code for non-broadcast marketing communications, independently administered and enforced by the Advertising Standards Authority (ASA) – states:

(rule 2.1) Marketing communications must be obviously identifiable as such; and

(rule 2.4) Marketers and publishers must make clear that advertorials are marketing communications; for example, by heading them “advertisement feature”.

See the CAP Code in full here: www.cap.org.uk/Advertising-Codes/Non-broadcast-HTML.aspx.

CAP issues guidance on all elements of the Code, along with advice and training on the rules: www.cap.org.uk/Advice-Training-on-the-rules/

Some specific industry sectors also have their own, additional, codes regulating the content of marketing communications.

In addition, the CPRs make clear that unfair commercial practices, such as misleading omissions – basically, omitting or hiding material information, providing it in an unclear way or failing to identify the practice’s commercial intent - are prohibited in law. Not only are there general prohibitions under sections 3 and 6, but Schedule 1 to the CPRs contains a list of practices which are automatically unfair. Paragraph 11 of Schedule 1 includes:

“Using editorial content in the media to promote a product where a trader has paid for the promotion without making that clear in the content or by images or sounds clearly identifiable by the consumer (advertorial).”

A full copy of the CPRs is available at: www.legislation.gov.uk/uksi/2008/1277/contents/made

The consumer view of disclosure and native distribution formats

In late 2014, IAB UK commissioned research agency 2CV to conduct a qualitative study into consumer comprehension of content forms of marketing and native distribution formats. Objectives included getting a clear understanding of consumer attitudes towards these forms of marketing and how this varies by demographic and device. The aim of this research was to provide sufficient information to enable industry to ensure that its commercial arrangements online are, and will continue to be, transparent and clear to consumers.

The research found that consumers make a series of deliberations about what native distribution formats to engage with based on (1) ‘relevancy’ of the content contained in the distribution format to them as an individual, (2) whether they will derive ‘value’ from it as they would with other editorial content from the publisher or platform, (3) ‘clarity and trust’ in the author, publisher or brand associated with the marketing content. Consumers reported that their trust in a brand or publisher would diminish if they felt the provenance of a piece of content was unclear. Clear visual cues such as brand logos and having a clear visual demarcation from any editorial around the native format which allows people to quickly see that it is not editorial and not feel misled.

Within the research, a broad sample of consumers from across the UK were encouraged to talk about what ‘good’ looked like for the disclosure of commercial content and these insights have formed the basis of the principles.

A full copy of the *Content and Native Consumer Research* is available at: www.iabuk.net/research/library

Principles

We recommend that brand owners, marketing practitioners and publishers follow the three principles below when entering into an agreement with a third party to publish marketing content on their behalf for a brand, product or service via a native distribution format. All parties must agree to:

1. **Provide consumers with prominently visible visual cues to enable them to understand, immediately, that they are engaging with marketing content that has been compiled by a third party in a native ad format and is not editorially independent.** This can be achieved via a number of means including but not limited to:
 - the deployment of prominent brand logos either around or within the native format, to clearly display the brand's association to the content.
 - the use of different design formatting by the publisher and/or provider of a native distribution format, such as fonts or shading behind the native distribution format, to mark it out as being different to accompanying editorial content.
2. **Ensure that the publisher or provider of the native ad format uses a reasonably visible label. The language of the label must demonstrate a commercial arrangement is in place.** Testing consumer interpretations of labeling is recommended, as readers/users will have different expectations of language of different publishers/platforms.
3. **Ensure that the content of the 'marketing communication' within the native distribution format adheres to the CPRs and the CAP Code** (and any other, relevant industry codes). See www.cap.org.uk/The-Codes/CAP-Code.aspx

Annex A: The Definitions Framework

Phase 1 of the guidance is focused solely on the final column of the Definitions Framework – Native Distribution

Content Marketing				
	Advertiser owned	Media owner revenues (brand-based)		
Type	Brand owned content	Paid for content	Advertising	Native distribution (Native tools / forms)
	Owned	Paid	Paid	Owned / Earned / Paid
What it is / How it works - typical characteristics	Advertiser owned: conceived, made and managed Eg website / app Content elements (article, slides, video, app, social pages / sharing) Contract publishing	Sponsored content (publisher made, looks like surrounding editorial – signed off by publisher) Advertisement feature (signed-off by advertiser, managed by the publisher, best practice to distinguish from surrounding content – not always case) Customised	Customised / Proprietary / Standard ad formats Looks like an ad format – can be populated with dynamic, related content	Automated (scale) content / audience aggregators / content matching. E.g.: In-feed In-line 3rd party recommendation tools 3rd party discovery tools 3rd party curated 'Content experience' formats
Brand Purpose	Destination / Brand	Publisher content experience	Traffic driving / brand	Traffic driving / brand / publisher content experience
Pay Basis	Content marketing / PR budgets	Publisher rate card	Tenancy CPE, CPC, CPA, CPM	Tenancy CPE, CPC, CPA, CPM
Regs	ASA CAP Code (Marketing Comms)	IPSO (Publisher sign-off)/ CAP Code (Advertiser sign-off)	ASA CAP Code	ASA CAP Code (Advertising)
NOTE: Organic PR is excluded from these characteristics; currently paid search results and promoted listings are also excluded				

Annex B: Examples of suggested good practice for native distribution formats

Discovery/Recommendation Unit:



Newsfeed:



Infeed / Instream:



Video Infeed / Instream:



Newsfeed:

