

Content & Native Disclosure Good Practice Guidelines

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IAB UK supported by the AOP and ISBA

Introduction

The IAB first published its disclosure good practice guidelines for native distribution formats in 2014, and for online content-based advertising in 2015. This is version 2 of the guidance, bringing together both parts into one, and updating it to reflect changes in this fast-evolving area of the digital advertising market such as the rapid rise in the proportion of digital advertising being served in social environments and the increased popularity of influencer marketing. It also incorporates and updates the IAB's previously-published guidance on paid promotions in social media.

There are existing and well-established rules covering the identification of marketing communications set out in the [UK Code of Non-broadcast Advertising and Direct & Promotional Marketing](#) (the CAP Code) and the [Consumer Protection from Unfair Trading Regulations 2008 \(CPRs\)](#). There are also long-held principles of disclosure in the 'offline' world, for example in newspapers and magazines.

The purpose of this guidance is to set out clear and practical steps to help brand owners, publishers and marketers provide transparency to consumers engaging with online content-based and native advertising. It is not creating new rules, but setting out practical guidance to help businesses comply with existing UK rules.

There are now more ways to advertise online than ever before and anyone can be a 'content creator' and therefore be publishing advertising content. The advertising rules are media-neutral but we have updated the practical aspects of the guidance to reflect recent trends in content and native advertising, particularly advertisers' growing use of photo- and video-based platforms, influencer marketing and content-based audio advertising (e.g. podcasts) to reach people online.

What is in scope?

The IAB's Content and Native 'Definitions Framework' (see [Annex A](#)) categorises content and native marketing into three areas: Brand-owned content; Publisher hosted and/or made content, and Native Distribution Ad Units. This guidance covers:

- **Publisher-hosted and/or made advertising content:** commercial content that is advertiser-controlled or jointly publisher/advertiser controlled (and is therefore regulated by the CAP Code). In this context, a 'publisher' includes content creators such as influencers, bloggers and vloggers and advertising content includes paid promotions on social media. ISBA (the advertiser trade body) has produced template contracts, that include disclosure, for brands and content creators working together.¹
- **Native distribution ad units:** formatted ads that are populated with content components (audio, video, text, images). There are many types of format, such as in-feed, recommendation engines and other curated or dynamic feed units.

Editorial content that a brand has paid to be associated with but over which the publisher has full editorial control does not fall within the remit of the CAP Code or this guidance. This content may, however, be subject to other legislation, regulatory codes or industry codes. There is more detailed information on the UK regulatory framework in [Annex B](#).

¹ Available on request from Debbie Morrison debbiem@isba.org.uk

The UK regulatory framework applying to content-based and native advertising²

The CAP Code for non-broadcast marketing communications – independently administered and enforced by the Advertising Standards Authority (ASA) – states:

- *Marketing communications must be obviously identifiable as such (rule 2.1;)*
- *Marketing communications must not falsely claim or imply that the marketer is acting as a consumer or for purposes outside its trade, business, craft or profession; marketing communications must make clear their commercial intent, if that is not obvious from the context (rule 2.3); and*
- *Marketers and publishers must make clear that advertorials are marketing communications; for example, by heading them ‘advertisement feature’ (rule 2.4).*

CAP issues guidance on all elements of the Code, along with providing [advice and training](#) on the rules. It also offers a free [copy advice service](#).

What consumers want

To inform version 1 of our guidance we commissioned some research into consumer understanding of content and native advertising. The research looked at people’s attitudes and explored what ‘good’ looks like for the disclosure of commercial content. These insights have formed the basis of this guidance.

We found that people decide what advertising to engage with based on (1) how *relevant* it is to them (2) whether they’ll derive ‘*value*’ from it, as with editorial content and (3) if it’s *clear* who it’s from and if they *trust* the author, brand or publisher associated with it. Consumers reported that they are happy to engage with advertising content, but that their trust in a brand or publisher would diminish if they felt the provenance of a piece of content was unclear or was only disclosed at the end of the content.

We also found that people don’t process information in a linear way but that visual cues, such as brand logos, help them to quickly see that there is a commercial arrangement in place and not feel misled. A full copy of the *Content and Native Consumer Research* is available at:

<https://www.iabuk.net/research/library>

The regulators’ views

The ASA has made a number of rulings relating to disclosure of content-based advertising, including on social media. It considers each case on its own merits, but marketers should be aware of the circumstances in which the ASA has ruled that particular disclosures or labels were not sufficiently clear. For more details see CAP’s [guidance on recognising ads](#).

The Competition and Markets Authority (CMA), the UK’s consumer protection regulator, has also taken enforcement action against undisclosed reviews and endorsements online. See [Annex B](#) for more details.

CAP guidance

CAP has produced guidance on specific aspects of content and native advertising and this should be referred to by brand owners, publishers and marketing practitioners:

- **Influencer marketing:** disclosure guidance on content-based [marketing in and blogs and vlogs](#). CAP has also produced guidance on disclosure relating to [affiliate marketing](#).
- **Children:** Younger children have a less-developed critical capacity to recognise and understand advertising. CAP has produced guidance for marketers on ‘[Recognition of advertising: online marketing to children under 12](#)’. This sets out the circumstances when content-based or native ads directed at under-12s that are ‘highly immersive’ or ‘significantly integrated’ are likely to need ‘enhanced’ disclosure.

² [Annex B](#) contains more information about the regulatory framework.

Disclosure guidelines

Content-based advertising

We recommend that brand owners, marketing practitioners and publishers follow the three principles below when entering into an agreement to publish content-based advertising. All parties must agree to:

1. Provide consumers with prominently visible visual cues, on visual content, and/or a verbal mention of the brand in audio/audio-visual content, to enable them to understand, immediately, that they are engaging with marketing content.

This can be achieved via a number of means, such as including prominent brand logos or names at the beginning of the content to clearly indicate the brand's association with the content. It should be clear where the marketing content begins and ends.

- If only part of the content is marketing, identify the marketing content clearly to distinguish it from non-marketing content.

2. Ensure that the marketing content has a reasonably visible label and/or verbal descriptor/identifier (e.g. for audio, or audio-visual content), as appropriate. The label or verbal descriptor/identifier (including hashtags used for disclosure purposes) should be upfront so that it can be seen or heard as soon as the consumer engages with the marketing content.

The language of the label must demonstrate that a commercial arrangement is in place and make clear that the content is marketing. In social media where space is limited, you could, for example, use #ad. Testing consumer interpretations of labelling is recommended, as people will have different expectations of language in different environments.

In visual content, consider the label visibility (e.g. size, prominence), particularly on social media, and take into account the impact of responsive design and screen resizing on visibility. The label may need to be part of, or superimposed on the content as text/description boxes may not be clearly visible upfront.

Native distribution units

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 advertising on their behalf for a brand, product or service via a native distribution ad unit. 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.

This can be achieved via a number of means, such as:

- displaying prominent brand logos around or within the native unit, to clearly indicate the brand's association with the content.
- the use of different design formatting by the publisher and/or provider of the native distribution unit, such as fonts or shading behind the unit, to mark it out as being different to accompanying editorial content.

2. Ensure that the publisher or provider of the native ad unit uses a reasonably visible label.

The language of the label must demonstrate that a commercial arrangement is in place. Testing consumer interpretations of labeling is recommended, as people will have different expectations of language in different environments.

(cont.)

3. Ensure that the marketing communication adheres to the CPRs, the CAP Code and any other relevant legislation, regulatory codes or industry codes.

3. Ensure that the content of the marketing communication within the native distribution format adheres to the CPRs, the CAP Code and any other relevant legislation, regulatory codes or industry codes.

For the full CAP Code see <https://www.asa.org.uk/codes-and-rulings/advertising-codes/non-broadcast-code.html>. The preface to the CAP Code sets out that the Code 'supplements the law [and] fills gaps where the law does not reach'. While it does not constitute legal advice, 'compliance with the Code should go a long way to ensuring compliance with the law in areas covered by both the Code and the law.'³

³ As set out in the preface to [edition 12 of the CAP Code](#). See [Annex B](#) for more information.

Annex A: The IAB's Content and Native Definitions Framework

Model: Descriptions of commercial interests, budget points, brand purpose and regulation

IAB UK Content & Native Definitions Framework				
	Advertiser owned	Media owner revenues (brand-based)		
Type	Brand-owned content	Publisher-hosted and/or made	Native distribution ad units	
	Owned	Paid	Paid	
What it is / How it works – typical characteristics	Advertiser owned and operated: conceived, made and managed e.g. website / app Content elements (article, slides, video, app, social pages / sharing)	1. Publisher*-controlled content (sometimes called 'supported' or 'sponsored') <ul style="list-style-type: none"> • publisher-made, looks like surrounding editorial, enabled by brand but may have been produced even without brand funding • publisher editorial control and sign-off 	Automated & programmatic (scale) content delivery. Examples include: <ul style="list-style-type: none"> • 3rd party aggregated • 3rd party curated • 3rd party discovery tools • 3rd party recommendation tools • In-ad (IAB standard ad formats)** • In-app • In-feed*** • Proprietary / bespoke ad formats • Promoted posts 	
	Contract publishing	2. Advertiser-controlled commercial content (sometimes called 'ad feature' or 'advertorial') <ul style="list-style-type: none"> • can be made by publisher and/or brand • advertiser editorial control and sign-off 		
		3. Joint publisher/advertiser-controlled commercial content (sometimes called 'sponsored' or 'ad feature') <ul style="list-style-type: none"> • can be made by publisher and/or brand, enabled by brand but may have been produced even without brand funding • publisher and brand editorial control • client consultation/publisher sign-off 		
	Brand purpose	Destination / Brand	Publisher content experience / partnership	Traffic driving / brand / Publisher content experience / association
	Pay basis	Content marketing / PR budgets	Publisher rate card	Tenancy, CPE, CPC, CPA, CPM, CPL
Regs	ASA CAP Code (Marketing Comms)	1. May be subject to non-advertising regulatory/industry codes, e.g. IPSO 2&3. ASA CAP Code	ASA CAP Code (Advertising)	
NOTE: Organic PR is excluded from these characteristics; currently paid search results and promoted listings are excluded **'Publisher' includes influencers e.g. bloggers and vloggers as well as traditional/digital media-owners ** IAB (US) Native Advertising Playbook: Dec 2013 ***In-feed Deep Dive (IAB US, July 2015)				

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Note: this framework is a living document that is kept under review and updated in line with the market.

Annex B: Summary of the provisions of the CAP Code and The Consumer Protection from Unfair Trading Regulations 2008 (CPRs), and CMA's position

This Annex provides more information about some of the relevant provisions of the CAP Code and CPRs in relation to content-based marketing, as well as other legislation and codes, to give further background and context to the existing regulatory framework and rules. It is not, however, intended to be a comprehensive or exhaustive guide.

'Advertorial'

The term 'advertorial' is defined in the [CAP Code](#) as meaning:

'an advertisement feature, announcement or promotion, the content of which is controlled by the marketer, not the publisher, that is disseminated in exchange for a payment or other reciprocal arrangement.'

CAP Code Introduction III, K

The CPRs

In addition to rules 2.1 and 2.4 of the CAP Code (see pages 1-2 of this guidance), 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, which 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).' (*Paragraph 11*)

Other sectoral legislation, regulatory codes and industry codes

Some specific industry sectors also have their own, additional, codes regulating the content of marketing communications. For example, the Financial Conduct Authority has published [disclosure guidance on financial promotions in social media](#). Some CAP member organisations also require their members to observe their own codes of practice.

The CAP code references other legislation and codes that are relevant to advertising of particular types of products and services and that should be considered or read alongside the CAP code rules, including in relation to advertising financial products, food, gambling, medicines and health-related products. Content over which the publisher has full editorial control may also be subject to these (or other) legislation, regulatory codes or industry codes.

CMA

The Competition and Markets Authority is the UK's consumer protection regulator. In 2016, following an [investigation](#) into online reviews and endorsements, they took enforcement action against undisclosed paid endorsements on social media, and published [guidance](#) for marketers to remind them of what the law requires.

'If someone who publishes content accepts payment to endorse something, they need to make sure that the content is clearly identifiable as being paid-for. For example, they could label posts or videos as "Advertisement Feature" or "Advertisement Promotion"'

[CMA 60-Second Summary - Online Endorsements: being open and honest with your audience](#)