# THE NATIVE ADVERTISING PLAYBOOK

## SIX NATIVE AD CATEGORIES, SIX MARKETPLACE CONSIDERATIONS, AND IAB RECOMMENDED DISCLOSURE PRINCIPLES

This paper provides the industry with a framework for thinking about and discussing current native advertising options with the goal of eliminating marketplace confusion and thereby helping sellers sell and buyers buy. Importantly, it also provides Recommended Industry Guidance for Advertising Disclosure and Transparency for ad units most often described as 'native.'

This will serve as the basis for future IAB initiatives in the native advertising space to provide greater clarity to the market. Anchoring this initiative will be a series of IAB industry workshops in 2014 focusing on the most pressing aspects of the native advertising ecosystem.

DECEMBER 4, 2013

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# 1. INTRODUCTION

Native advertising has emerged both as an exciting new way for digital marketers to engage with the consumer, and as a new source of advertising revenue for publishers. "*What is native advertising*?" is a question that the industry has, almost frantically, been looking to answer since the term was first coined. While countless definitions have been proposed by nearly every industry insider, company, and journalist, no universally agreed-upon one has surfaced. This is because, to a large extent, native is in the eye of the beholder, depending on where one sits in the ecosystem and the strategic and media objectives of the marketer.

This lack of agreement has caused confusion in the marketplace leading the industry to exert considerable time and energy debating whether or not various ad units are native rather than focusing on higher level discussions such as effectiveness and disclosure.

The 100+ member companies on the IAB Task Force convened with the goal of developing a framework that allows the industry to speak a common language on the subject. Members discussed at length the variety of ad units currently being sold to marketers as being "native" and identified the six main types that can fall under this category today.

With an ecosystem framework finally in place, the Task Force then identified six key questions that every marketer should ask when evaluating the various ad unit types. Task Force members broke out into smaller working groups by ad unit type to lay out what marketers should *generally* expect from that ad unit type. Core differences by type emerged that are important for marketers to understand when evaluating the various options being offered.

As it relates to advertising disclosure there was no disagreement amongst members that regardless of context, a reasonable consumer should be able to distinguish between what is a paid native advertising unit vs. what is publisher editorial content. The IAB has provided an overarching Native Advertising Disclosure Principle Statement. This statement takes into account feedback from the IAB Public Policy Office led by the IAB General Counsel, Mike Zaneis.

The Task Force was led by Susan Borst and Peter Minnium from the IAB, and member co-chairs, Patrick Albano from Yahoo and Dan Greenberg from Sharethrough.

To note, it is intended that this report will be updated as necessary to reflect changing market conditions and also function as a jumping off point for deeper exploration on a variety topics related to native advertising.

Our belief is that this framework will move the industry beyond the "native or not" discussion, thus helping sellers sell and buyers buy.  With a framework that the industry can agree on, we can finally focus on deeper dives into the areas that will help ensure continued growth of this new native paid ad ecosystem.

## 2.  THE TWO SIDES OF NATIVE ADVERTISING

Native advertising is a concept encompassing both an aspiration as well as a suite of ad products. It is clear that most advertisers and publishers aspire to deliver *paid ads that are so cohesive with the page content, assimilated into the design, and consistent with the platform behavior that the viewer simply feels that they belong.* To achieve this, advertisers deploy tactical ad products, and the IAB Native Task Force has identified the six categories of ad unit types most commonly used today in pursuit of this goal.

# 3. NATIVE ADS: THE CORE SIX

At present, six types of ad units are most commonly deployed to achieve native objectives. They are listed here with examples from companies who deploy them regularly:

## In-Feed Units



Forbes          Yahoo          Facebook          Twitter

## Paid Search Units



Yahoo          Google          Bing          Ask
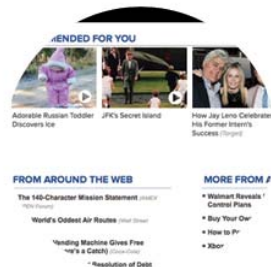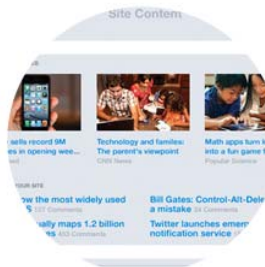
## Recommendation Widgets



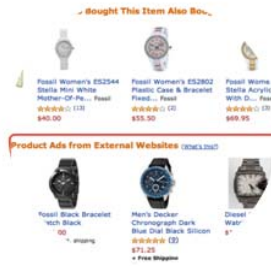Outbrain          Taboola          Disqus          Gravity

## Promoted Listings



Etsy



Amazon



Foursquare



Google

## In-Ad (IAB Standard) with Native Element Units



Appssavvy



Martini Media



EA



Onespot



Federated Media

## Custom /"Can't Be Contained"



Hearst



Flipboard



Tumblr



Spotify



Pandora

# 4. THE IAB NATIVE EVALUATION FRAMEWORK: THE CORE 6 QUESTIONS

When evaluating native advertising options, marketers should ask six core questions to ensure that a unit will meet the brand's objectives:

**FORM – How does the ad fit with the overall page design? Is it in the viewer's activity stream or not in-stream?**

In-Stream            Out of Stream

**FUNCTION– Does the ad function like the other elements on the page in which it is placed?  Does it deliver the same type of content experience, e.g., a video on a video page or story among stories, or is it different?**

Matches Function          Doesn't Match Function

**INTEGRATION – How well do the ad unit's behaviors match those of the surrounding content? Are they the same, e.g., linking to an on-site story page, or are new ones introduced?**

Mirrors Page Content Behavior        Introduced New Behaviors

**BUYING & TARGETING– Is the ad placement guaranteed on a specific page, section, or site, or will it be delivered across a network of sites?  What type of targeting is available?**

Narrowly Targeted Placement        Broadly Targeted Placement

**MEASUREMENT – What metrics are typically used to judge success? Are marketers more likely to use top-of-the-funnel brand engagement metrics (e.g., views, likes, shares, time spent) or bottom funnel ones (e.g., sale, download, data capture, register, etc.?)**

Brand Engagement          Direct Response

**DISCLOSURE – Is the disclosure clear and prominent?**

It will become quickly apparent to marketers, agencies, and publishers that there will be enormous variation between native ad unit types and even within them, based on the execution. For this reason, Task Force members find it helpful to view these categories across IAB Native Evaluation Framework continuums.
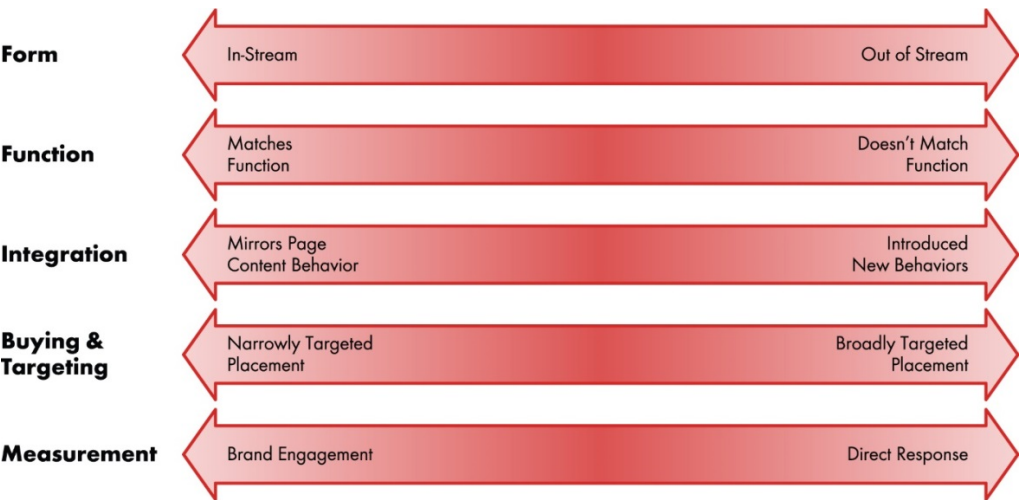


This framework is meant to allow buyers and sellers to have a common language to discuss ad products in the context of native, not to provide a definitive scaling mechanism for the industry. Native is in the eye of the beholder, and so is the buying and selling of it, reflecting the infinite variations in advertiser objectives.

As it relates to disclosure considerations, we have identified current market practices for each sub-group with the most commonly used native ad disclosure language, placement of that language, and any other disclosure cues to the consumer. This will vary by native ad type.  This does not indicate IAB endorsement of any specific language, rather, this document solely intends to present a variety of the most commonly used disclosure language used today.

**The IAB's overarching Recommended Native Advertising Disclosure Principles can be found in Section 5.**
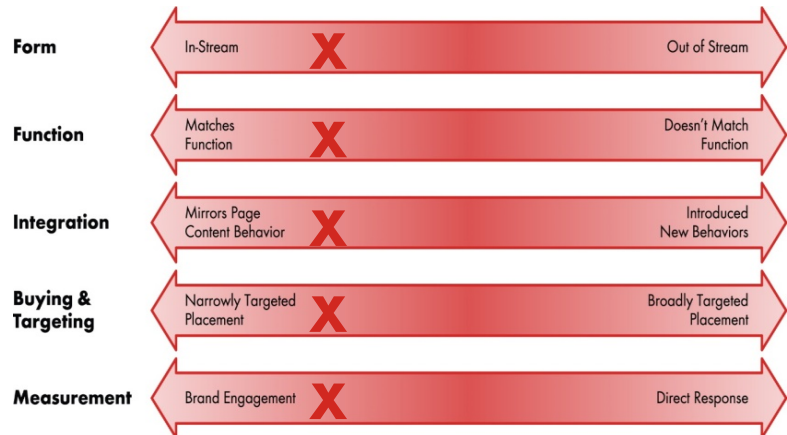
———

Given the broad spectrum of potential combinations, it is not possible to describe all of them. What follows are common executions and how they would fit in this framework.

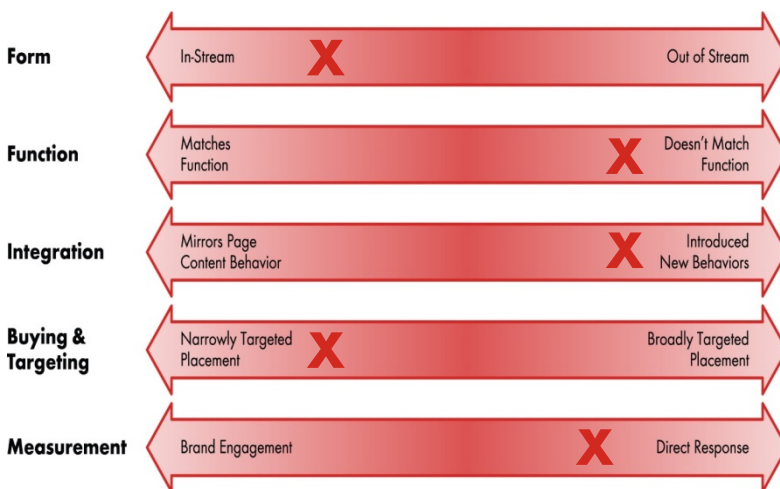In-feed ads have perhaps the largest variation in execution. Here are three common examples and how they fit into the IAB Native Framework.

#1 – An endemic in-feed ad that is in a publisher's normal content well, is in story form where the content has been written by or in partnership with the publisher's team to match the surrounding stories, links to a page within the site like any editorial story, has been sold with a guaranteed placement so the buyer knows exactly what context will surround it, and is measured on brand metrics such as interaction and brand lift will fit into this framework as follows:

| | | |
|---|---|---|
| **Form** | In-Stream    X | Out of Stream |
| **Function** | Matches Function    X | Doesn't Match Function |
| **Integration** | Mirrors Page Content Behavior    X | Introduced New Behaviors |
| **Buying & Targeting** | Narrowly Targeted Placement    X | Broadly Targeted Placement |
| **Measurement** | Brand Engagement    X | Direct Response |

*Examples of this type of in-feed ad include:  BuzzFeed, Gawker, Forbes BrandVoice, and Mashable.*

| | | |
|---|---|---|
| **Form** | In-Stream    X | Out of Stream |
| **Function** | Matches Function | X    Doesn't Match Function |
| **Integration** | Mirrors Page Content Behavior | X    Introduced New Behaviors |
| **Buying & Targeting** | Narrowly Targeted Placement    X | Broadly Targeted Placement |
| **Measurement** | Brand Engagement | X    Direct Response |

#2 – A linked in-feed ad that is in a publisher's normal content well; is a promotional ad; links off of the site to content, editorial content, or brand's landing page; has been sold with a guaranteed placement; and is measured by CTR and conversions  maps out in this way:

*Examples of this type of In-feed ad include:  YouTube, Facebook, Twitter, Yahoo, Sharethrough, and LinkedIn.*

#3 – An in-feed ad that is in a publisher's normal content well; is in story form to match the surrounding stories and allows for an individual to play, read, view, or watch without leaving to a separate page; has been sold in a broad section (e.g., sports) and not a guaranteed placement (e.g. NFL Highlights page); and is measured on brand metrics such as interaction and brand lift will fit into this framework as follows



| | | | |
|---|---|---|---|
| **Form** | In-Stream | X | Out of Stream |
| **Function** | Matches Function | X | Doesn't Match Function |
| **Integration** | Mirrors Page Content Behavior | X | Introduced New Behaviors |
| **Buying & Targeting** | Narrowly Targeted Placement | X | Broadly Targeted Placement |
| **Measurement** | Brand Engagement | X | Direct Response |
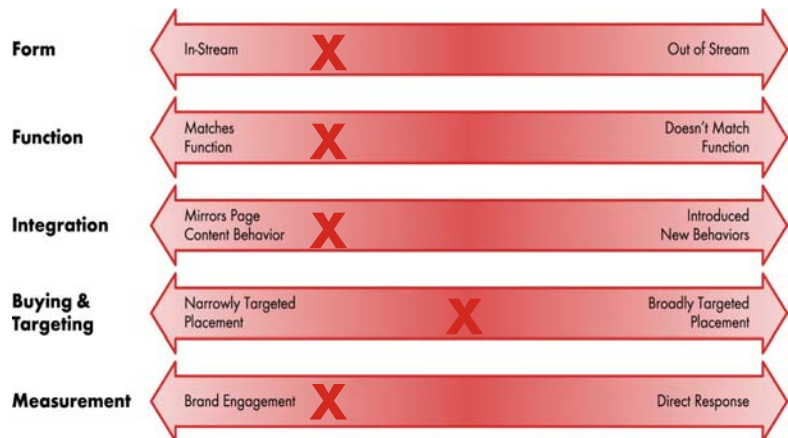
*Examples of this type of In-feed ad include: Facebook, Twitter, YouTube, Instagram, and Sharethrough.*

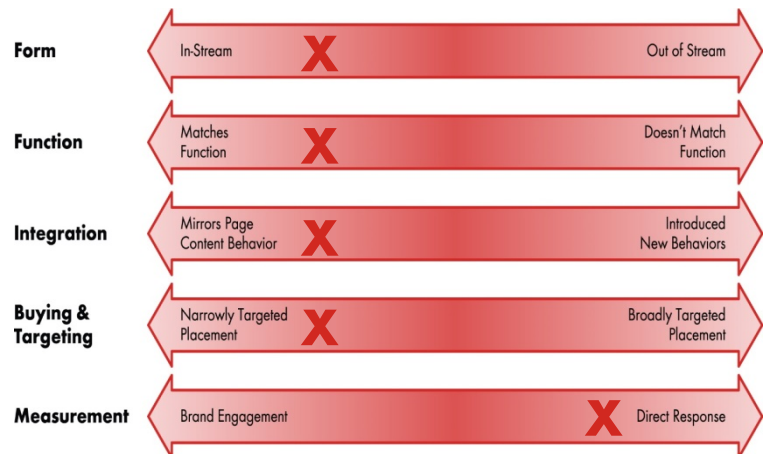## Commonly Used Disclosure Language

Commonly used disclosure language for in-feed ads includes: "Advertisement" or "AD" (Google, YouTube), "Promoted" or "Promoted by [brand]" (Twitter, Sharethrough), "Sponsored" or "Sponsored by [brand]" or "Sponsored Content" (LinkedIn, Yahoo), "Presented by [brand]" + "Featured Partner" tag (BuzzFeed, Huffington Post), and "Suggested Post" + a "Sponsored" tag (Facebook).

# *SEARCH ADS*

While the content and format of organic search engine results varies depending on the search engine and the platform through which the service is being accessed (desktop, mobile, tablet, etc.), there is one definitive principle that defines an ad

IAB Native Advertising Evaluation Framework

as native: native ads in search must present their content in a format and layout that is readily available to organic search engine results.

One common type of paid search ad will be found above the organic search results, look exactly like the surrounding results (with the exception of disclosure aspects), link to a page like the organic results, has been sold with a guaranteed placement so the agency knows exactly what context will surround it, and is measured on conversion metrics such as a purchase. This would fit into the IAB framework as follows:



| | | |
|---|---|---|
| **Form** | In-Stream X | Out of Stream |
| **Function** | Matches Function X | Doesn't Match Function |
| **Integration** | Mirrors Page Content Behavior X | Introduced New Behaviors |
| **Buying & Targeting** | Narrowly Targeted Placement X | Broadly Targeted Placement |
| **Measurement** | Brand Engagement X | Direct Response |

## Commonly Used Disclosure Language

Search unit disclosures are specifically covered under FTC guidance and have been so since 2002.  Per the FTC, consumers ordinarily expect that natural search results are included and ranked based on relevance to a search query not on payment from a third party. Including or ranking a search result in whole or in part based on payment is a form of advertising. To avoid the potential for deception, consumers should be able to easily distinguish a natural search result from advertising that a search engine delivers. An update to the 2002 guidelines was recently issued, but the principles remain the same and now include guidance on audio search (e.g., Siri).  The official FTC guidance reports can be found in the Appendix. Specific FTC guidance stipulates that such a disclosure: (1) uses language that explicitly and unambiguously conveys whether a search result is advertising; (2) is large and visible enough for consumers to notice it; and (3) is located near the search result (or group of search results) that it qualifies and where consumers will see it.

Commonly used disclosure language using "pizza" as a search word includes: "Ads related to pizza," shaded with AdChoices icon – Google; "Ads related to pizza", shaded – Yahoo; "All links will open in new tabs. Click to opt out." dark purple shading – Bing.

# RECOMMENDATION WIDGETS

IAB Native Advertising Evaluation Framework

Recommendation widgets are a form of native advertising where an ad or paid content link is delivered via a "widget."
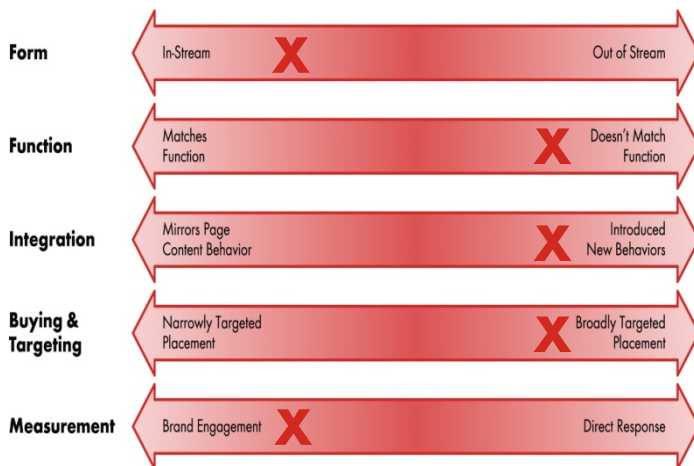


A common recommendation widget unit is integrated into the main well of the page, does not mimic the appearance of the editorial content feed, links to a page off the site, has not been sold with a guaranteed placement, and is measured on brand metrics such as interaction and brand lift, and will fit into this framework as follows:

**Commonly Used Disclosure Language**
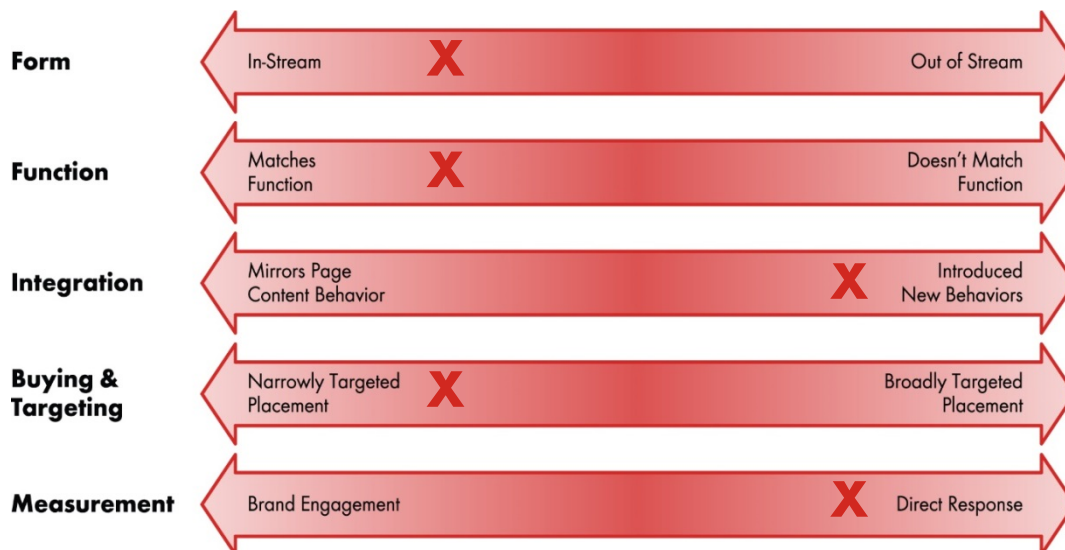
These units contain *up to three disclosure* cues.

o   Cue #1 - This language is typically found above the listings in bold type:

   "You might also like" or "You might like", "Elsewhere from around the web" or "From around the web", "You may have missed", "Recommended for you"

o   Cue #2 - The name of the sponsor or the destination site is placed after the visual and/or the headline in the unit, noting that this format may contain both local and third-party content in the same overall unit.

o   Cue #3 - If served via a third party, the technology provider may also include their company name or logo to further indicate to consumers that the content contained therein is not coming from the publisher. E.g.,

- Recommended by Outbrain
- Sponsored content by Taboola

While these units are found on sites that typically do not have a traditional editorial content well, they are designed to fit seamlessly into the browsing experience, are presented to look identical to the products or services offered on a given site, link to a special brand/product page, are typically bought on auction directly via the publisher, are hyper-contextually targeted, and are measured on direct response metrics. This typical execution would fit into the IAB Native Framework as follows:

| | | |
|---|---|---|
| **Form** | In-Stream    **X** | Out of Stream |
| **Function** | Matches Function    **X** | Doesn't Match Function |
| **Integration** | Mirrors Page Content Behavior | **X** Introduced New Behaviors |
| **Buying & Targeting** | Narrowly Targeted Placement    **X** | Broadly Targeted Placement |
| **Measurement** | Brand Engagement | **X** Direct Response |

*Examples include:  Google Promoted Listing Ads, Foursquare, AutoTrader and Amazon.*
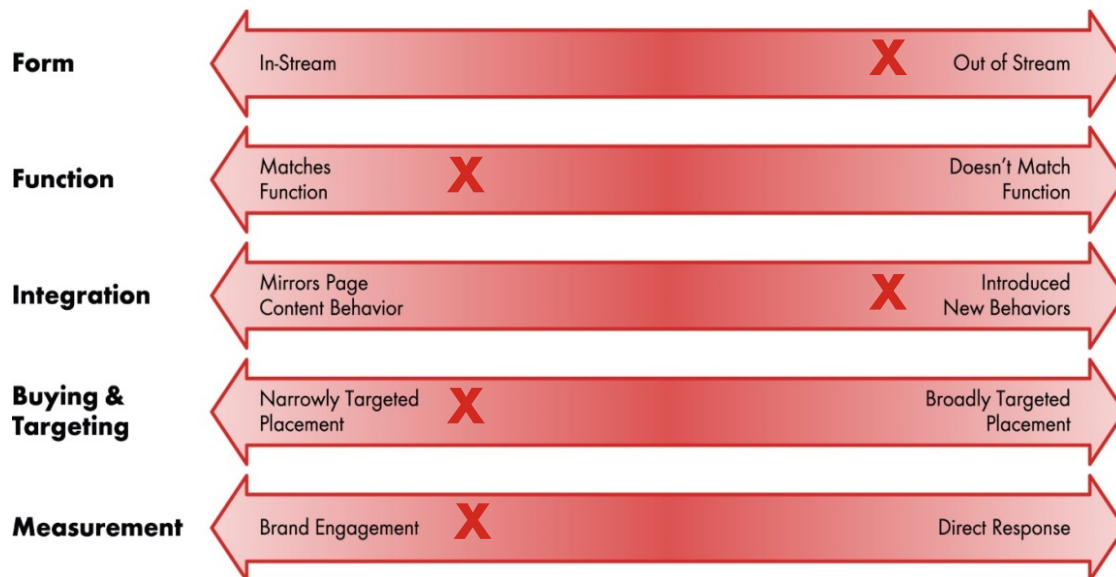
### Commonly Used Disclosure Language

Commonly used disclosure language for Promoted Listings includes: "Ads" with icon (Google); "Yelp Ad"; "Sponsored Products" – Amazon; and "Product Ads from External Websites"/Sponsored Content/"What's this?" link – Amazon.

# *IN-AD (IAB STANDARD)*

IAB Native Advertising Evaluation
Framework

An ad in a standard IAB container that is placed outside of the editorial well, contains contextually relevant content within the ad, links to an offsite page, has been sold with a guaranteed placement so the agency knows exactly what content will surround it, and is measured on brand metrics such as interaction and brand lift would fit into the IAB Native Framework as follows:



| | | |
|---|---|---|
| **Form** | In-Stream | Out of Stream |
| **Function** | Matches Function | Doesn't Match Function |
| **Integration** | Mirrors Page Content Behavior | Introduced New Behaviors |
| **Buying & Targeting** | Narrowly Targeted Placement | Broadly Targeted Placement |
| **Measurement** | Brand Engagement | Direct Response |

## Commonly Used Disclosure Language

IAB Standard Ads with native elements follow the same specific labeling requirements as all IAB Standard Ads: ad unit content must be clearly distinguishable from normal webpage content (i.e., ad unit must have clearly defined borders and not be confused with normal page content).

# *CUSTOM / CAN'T BE CONTAINED*

IAB Native Advertising Evaluation Framework

In the world of native advertising execution, there is no limit to the possibilities when an advertiser and publisher work together on custom units.  This group includes examples that don't neatly fit into one of the above groups, or, as in the case of custom playlists, are too platform-specific to warrant their own category but need to be on a marketer's radar as native advertising options.

In terms of the continuum, these can take on many forms but in all instances will be custom to a specific site.



Narrowly Targeted Placement    X                                    Broadly Targeted Placement
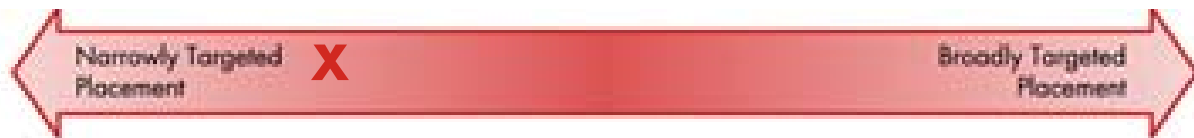
# 5. RECOMMENDED IAB NATIVE ADVERTISING DISCLOSURE PRINCIPLES

**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.

The native advertising landscape is rapidly evolving, with publishers working with advertisers to create increasingly effective ad experiences. Consumer perceptions of these ad products are changing as well, as viewers become accustomed and more experienced interacting with brands in new ways. For this reason, it is not possible to recommend a single, one-size-fits-all disclosure mechanism for each native sub-group. It is possible, however, to demand adherence to the core principle that regardless of context, a reasonable consumer should be able to distinguish between what is a paid native advertising unit vs. what is publisher editorial content.

# 6. CONCLUSION

There is a great deal of excitement about what "native" has brought to display advertising. First and foremost, display advertising has been freed from the right rail and leaderboard to which it has long been confined and now has license to settle anywhere on the page. Moving forward, display advertising will not be forced back into solely those positions. A corollary benefit of this move is getting advertising into the user's natural activity stream—where print and TV advertising have always been.

Finally, native is decidedly and overwhelmingly a form of brand advertising and, as such, will enable marketers to better use digital marketing to meet the full range of their communications needs, from branding to direct marketing. By providing a framework for the buyers and sellers of native advertising, this prospectus is an important first step in the development of this category, which will surely continue to evolve.

IAB will convene a series of four quarterly workshops in 2014 with experts from across the ecosystem—publishers, platforms, technology providers, agencies, academics, and researchers—to aid in the further advancement of effective native advertising.

**A Note on Additional Publisher Disclosure Initiatives**

In addition to language, shading, or other visual cues associated with native ads, many publishers also include additional disclosure cues such as a separate roll-over link using language such as "What's this?" to provide the consumer with additional information on the origin of the content in the ad. The language typically makes it clear that the ad content did not come from the publisher's editorial staff and may also include a statement such as "The content may not necessarily reflect the opinions of the editorial staff."

As native advertising continues to gain momentum, many publishers are revising their own advertising guidelines to make it clear to advertisers and third party suppliers that all paid native ads need to be disclosed as such consistent with their guidelines.

# APPENDIX

# IAB Display Ads Guidelines

**FTC Advertising Guidance References**

- Original [Search Engine Disclosure Guidelines](#) (6.27.2002.)
- Updates to the FTC [Search Engine Advertising guidance](#) (6.25.2013)
- Original [Dot Com Disclosures](#) Guidelines (2000)
- Updates to the FTC [Dot Com Disclosures](#) Guidelines (3.12.2013)
- The FTC [Endorsements and Testimonials Guides](#),

**About the IAB**

The Interactive Advertising Bureau (IAB) is comprised of more than 500 leading media and technology companies that are responsible for selling 86% of online advertising in the United States. On behalf of its members, the IAB is dedicated to the growth of the interactive advertising marketplace, of interactive's share of total marketing spend, and of its members' share of total marketing spend. The IAB educates marketers, agencies, media companies and the wider business community about the value of interactive advertising. Working with its member companies, the IAB evaluates and recommends standards and practices and fields critical research on interactive advertising. Founded in 1996, the IAB is headquartered in New York City with a Public Policy office in Washington, D.C. For more information, please visit www.iab.net.

The IAB has six core objectives:

- Fend off adverse legislation and regulation

- Coalesce around market-making measurement guidelines and creative standards

- Create common ground with customers to reduce costly friction in the supply chain

- Share best practices that foster industry-wide growth

- Generate industry-wide research and thought leadership that solidifies Interactive as a mainstream medium

- Create countervailing force to balance power of other media, marketing, and agency trade groups


**About the IAB Native Advertising Task Force**

This Task Force, formed in July 2013, was developed specifically to establish this framework for the native advertising' pace that clearly lays out today's native landscape, including recommended disclosure principles.

Participation is open to all IAB members, with a select group of agency (media, creative, PR) and academic advisors who also contributed to the final output. Over 100 member companies representing legacy publishers, digital native publishers, social networks, and technology providers are represented on the Task Force, with senior level participants contributing to the writing.

Member companies on the Task Force can be found here:
http://www.iab.net/member_center/committees/working_groups/native_advertising_task_force


The IAB's Public Policy office, located in Washington, D.C., advocates for our members and promotes the value of the interactive advertising industry to legislators and policymakers. The council strives to keep members informed about important policy-related events through participation in the Public Policy Council and by developing timely issue briefs and legal analysis of key proposals.

The Public Policy Council, led at the IAB by Mike Zaneis, IAB Senior Legal Counsel, contributed to the IAB Recommended Disclosure Principles statement.

More information on the IAB Public Policy Council can be found here:
http://www.iab.net/public_policy/home