Native Advertising Assessment

The 3 D's of Transparency
Disclosure, Discoverability & Delineation

August 10, 2016

Webinar Will Start Shortly

Webinar will be recorded
Presentation will be posted at https://otalliance.org/Native

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Who is OTA?

Mission to enhance online trust and empower users, while promoting innovation and the vitality of the internet.

- Goal to help educate businesses, policy makers and stakeholders while advancing best practices to enhance the protection of users’ security, privacy and identity.
- Collaborative public-private partnerships, benchmark reporting, meaningful self-regulation and data stewardship.
  - U.S. based 501(c)(3) tax-exempt charitable organization.
  - Global focus & charter.
  - Supported by dues, donations and grants.

OTA Global Collaboration

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Native

- Exponential growth
- In state of testing
- Moving towards programmatic
  - Automation with customization
- Content discovery / marketing platforms
  - Outbrain
  - Taboola
  - Newsmax
  - Others

Native Research Goals

- Create a baseline of today’s practices
- Recognize and highlight transparency best practices maximizing disclosures, discoverability and delineation
- Provide prescriptive advice to ad-tech, advertisers and publishers
- Define set of “acceptable” disclosure terms
- Set the foundation for self-regulation / code of conduct
Methodology

- Native units on homepage of the Top 100 content sites (April 2016)
- Focused on three common defined native units:
  - In-Feed Units, Recommendation Widgets, Promoted Listings
- Weighted Scoring:
  - **Disclosure (60%)** – Terms used for disclosure
    - Framework: Recommended, Neutral, Unacceptable
  - **Discoverability (30%)** – Presentation of text, is it clear & conspicuous
    - Color, size, style, contrast and borders/shading/highlighting of the text
  - **Delineation (10%)** – Separate from editorial
    - Borders, shading for the unit, use of brand logo
- Grading:
  - Top Trust Scorer (80%+)
  - Needs Improvement (56%-79%)
  - Fail (55% and below)

Top 100

Reality Check – A Call To Action

- 69% of top publishers have native ad units on home pages
- Nearly three-quarters fail (71%)
- 9% received top trust scores (80%+)
- 20% need improvement

Example of Excellence

- “Paid Program” recommended terminology
- Highly visible placement
- Use of different font
- Good copy contrast
- Color brand logo
- Delineated from editorial with shading
- Added disclosure when clicking on the link
Added “Enhanced Disclosure”

Top Trust Scores (80%+)

- Use of recommended terminology
- Good readability
- Clear delineation of ad unit
Needs Improvement

• Although unit shows good disclosure readability (contrast, typeface, size, etc.) and shading for delineation from editorial, terminology is only neutral – limits this unit’s score

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Mid-Scoring Carousel*

• A relatively positive example using recommended terminology at top and for each unit, plus shading

• Higher contrast disclosures would have scored 80%+
• Possible confusion from co-branding “Outbrain”
Failing

- “Powered by” in white type on the shaded background – unacceptable terminology, extremely low visibility
- No delineation, in fact almost camouflaged

- 71% of native units observed failed to score above 55%
  - Single biggest contributor was unacceptable terminology and discoverability issues (size, contrast, color, etc.)

Disclosure Terminology

- 69 native, 43 different terms/phrases, 33 unique
- Framework established to classify disclosure terms/phrases
  - Recommended (or acceptable) – all disclosure terms using forms of “paid” or “ad/advertising”; forms of “sponsored by” or “brought to you by” clearly identifying the sponsoring brand.
  - Neutral – terms that stated sponsorship but did not clearly identify the sponsoring brand. Includes terms such as “promoted” which may be less intuitive to consumers.
  - Unacceptable - Terms which are unclear, confusing or potentially misleading such as “suggested”, “recommended for you” and vague terms like “special coverage.”
Disclosures observed

- 25% of native ads observed used recommended disclosure terminology
- 32% used unacceptable disclosure terms/phrases

Terminology Framework

- 30% of terms are clear and acceptable
Poor Discoverability

- Bottom of a vertical column carousel unit with 10 separate links (different headlines). Apply to 1 or all?

- “Powered by” in smaller type with lower contrast

Poor Delineation

- Native must be taken in context. Even using some best practices, native units can appear “camouflaged” in the editorial

- Main disclosure header – “Special Coverage” – is unacceptable and use of color and font matches editorial on this site. Even with use of shading and brands in individual disclosures, this unit fails overall
Inconsistent Disclosure Placement

- Not part of current scoring
- Inconsistent and in state of flux
- Usability testing is needed to determine maximum discoverability
- Inconsistent data and lack of consensus
- Suggest need for standardization

Conclusion

- Native landscape lacks transparency with wide variations in disclosure, discoverability and delineation.
- Range from clear to confusing to possibly misleading.
- Lack of transparency erodes of consumer trust, fueling use of ad blockers, negatively impacting business models.
- The industry needs to adopt principles maximizing transparency, respecting the consumer experience.
- Need to convene multi-stakeholder working group to drive development of an enforceable code of conduct.
Recommended Terminology

- Recommended disclosure terms clearly indicate editorial separation and externally supplied content
  - Any form of Ad/Advertising and/or any form of Paid
  - “Sponsor” wording plus “by” and the consumer brand
  - Clear wording that the content is supplied from the outside sponsor

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<th>Description</th>
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Recommendations

1. Use OTA recommended disclosure terminology, refraining from creating and use of unique and proprietary terms.
2. If the disclosure term is pre-populated by third parties, require they comply with recommended terminology and site branding requirements.
3. Be consistent – use the same disclosures in the same position on the same site and over time.
5. Address discoverability across devices, including mobile.
6. Keep disclosure size readable for all ages; disclosure text be no more than 2 points smaller than headline copy; ideally the same size.
Recommendations (cont’d)

7. Use recognized design standards – type styles, colors and adequate contrast for visibility. Use of all-bold type and compressed letter spacing decrease readability.

8. Identify consumer sponsoring brands, not the content service.

9. Use color brand logos as applicable.

10. Review the use of supplemental co-branding of content providers and the impact on the user experience. Data suggests the inclusion of added co-branding may distract from providing consumers clear and intuitive disclosures.

11. Delineate all native units (rules, borders and/or shading).

12. Review compliance with accessibility requirements, including but not limited to adding alt-text descriptors for all images served (Publishers, Agencies, Ad Networks, etc.).

Next Steps

- Continue to encourage stakeholders to collaborate; isolation risks being self-serving setting a low bar.
- Review other terms and publish “recommended” disclosure terms and combinations.
- Re-run analysis in early October
  - Evaluate progress and recognize sites whose practices maximize the 3 D’s
  - Broaden analysis to address device variations (mobile, tablet, desktop, etc.)
- Incorporate into the 2017 Online Trust Audit analyzing data security, privacy and consumer protection principles of top 1,000 consumer facing sites.
Resources

• Native Report, Industry Resources & Check List  
  https://otalliance.org/Native

• Anti-Malvertising  
  https://otalliance.org/Malvertising

• Online Trust Audit  
  https://otalliance.org/HonorRoll

• IoT Trust Framework  
  https://otalliance.org/IoT

• Data Breach Readiness  
  https://otalliance.org/Breach