ROUTLEDGE FOCUS

NATIVE ADVERTISING

Advertorial Disruption in the 21st-Century News Feed

Lisa Lynch

ROUTLEDGE Focus

Native Advertising

Native Advertising examines the emerging practices and norms around native advertising in US and European news organizations. Over the past five years native advertising has rapidly become a significant revenue stream for both digital news "upstarts" and legacy newspapers and magazines.

This book helps scholars and students of journalism and advertising to understand the news industry's investment in native advertising, and consider the effects this investment might have on how news is produced, consumed, and understood. It is argued that although they have deep roots in earlier forms of advertising, native ads with a political or advocacy bent have the potential to shift the relationship between news outlets and audiences in new ways, particularly in an era when trust in the media has reached a historic low point. Beyond this, such advertisements have the potential to shift how media systems function in relation to state power, by changing the relationship between commercial and non-commercial speech.

Drawing on real-world examples of native ads and including an in-depth case study contributed by Ava Sirrah, *Native Advertising* provides an important assessment of the potential consequences of native advertising becoming an even more prominent fixture in the 21st-century news feed.

Lisa Lynch is Associate Professor and Director of the Program in Media and Communications, Drew University, USA.

Ava Sirrah is a doctoral candidate in Communications at Columbia University, USA. Previously, she worked on brand partnerships in T Brand Studio at *The New York Times*.

Disruptions: Studies in Digital Journalism
Series editor: Bob Franklin

Disruptions refers to the radical changes provoked by the affordances of digital technologies that occur at a pace and on a scale that disrupts settled understandings and traditional ways of creating value, interacting and communicating both socially and professionally. The consequences for digital journalism involve far reaching changes to business models, professional practices, roles, ethics, products and even challenges to the accepted definitions and understandings of journalism. For Digital Journalism Studies, the field of academic inquiry which explores and examines digital journalism, disruption results in paradigmatic and tectonic shifts in scholarly concerns. It prompts reconsideration of research methods, theoretical analyses and responses (oppositional and consensual) to such changes, which have been described as being akin to 'a moment of mind blowing uncertainty'.

Routledge's new book series, ***Disruptions: Studies in Digital Journalism***, seeks to capture, examine and analyse these moments of exciting and explosive professional and scholarly innovation which characterize developments in the day-to-day practice of journalism in an age of digital media, and which are articulated in the newly emerging academic discipline of Digital Journalism Studies.

Mobile Disruptions in the Middle East
Lessons from Qatar and the Arabian Gulf Region in mobile media content innovation
John V. Pavlik, Everette E. Dennis, Rachel Davis Mersey and Justin Gengler

Native Advertising
Advertorial Disruption in the 21st-Century News Feed
Lisa Lynch

For more information about this series, please visit: www.routledge.com/Disruptions/book-series/DISRUPTDIGJOUR

Native Advertising

Advertorial Disruption in the 21st-Century News Feed

Lisa Lynch

Routledge
Taylor & Francis Group
LONDON AND NEW YORK

First published 2018
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge
711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

British Library Cataloguing-in-Publication Data
A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data
A catalog record has been requested for this book

ISBN: 978-1-138-04041-0 (hbk)
ISBN: 978-1-315-17511-9 (ebk)

Typeset in Times New Roman
by Apex CoVantage, LLC

To Zohar and Uma, who know what the fox says.


Taylor & Francis
Taylor & Francis Group
http://taylorandfrancis.com

Contents


Taylor & Francis
Taylor & Francis Group
http://taylorandfrancis.com

1 Native advertising saves the newsroom?

How news outlets came to embrace native advertising and how audiences and regulators grapple with its rise

A series in *The Atlantic* about the revival of Newark, New Jersey. Short web documentaries and long-form articles in *The Guardian* featuring stories from refugee camps around the world. A round-up piece on emerging threats, including cyber war, chemical and biological weapons, and drones, on the *Washington Post* website. A gripping multimedia package about fighting an Ebola outbreak in Sierra Leone in *Politico*. A collection of short pieces on Chinese business and civic life in *The Wall Street Journal*.[1]

These five articles – four from legacy media publications and one from a well-established digital news site (*Politico*) – are well-written, meticulously reported, and timely, and their subject matter is characteristic of public service journalism or international reporting. In terms of tone, prose style, and content, they mesh seamlessly with the other reporting to be found in their respective publications: still, they are . . . different. Each is set apart from "ordinary" editorial content by distinguishing fonts, layouts, or labeling: for example, the *Atlantic* piece uses a distinctive sans-serif font and has a banner across the top describing their series as a "Re:Think original," while the *Guardian* series is distinguished by the logo of "Guardian Labs." These labels identify these articles as native advertisements, content created by news organizations that is meant to appear almost, but not exactly, like the news you are reading. No matter how audiences consume news these days, ads like these are everywhere, and it is more likely than not that you have come across a number of them and not realized they were ads at all.

Native advertising is a growth industry, with global returns expected to reach close to 20 billion by 2018 (BI Intelligence 2015; Beer 2017).[2] Over the past five years it has quickly become the dominant or entire source of revenue for many of the digital "upstarts" in the news industry, and it is rapidly becoming a substantial portion of the revenue streams for legacy news organizations as well. In order to grow and sustain value from native advertising, news outlets are investing in in-house "brand studios" even as they shrink their editorial divisions; they are also partnering more aggressively with brands and candidates to craft advertisements that resemble, and

compete with, their own editorial product. But though the consensus (for the moment, at least) is that over the next few years native advertising will become a more prominent fixture in the 21st century news feed, the consequences of this shift have only begun to be assessed by media scholars.

Building on the work of these scholars – as well as my own research into the history, growth, output, and future plans of media content studios – this book is an overview of the emerging practices and norms around native advertising, with a particular focus on advertisements which attempt to sway the reader's feelings about social or political issues. My argument here is that, though they have deep roots in earlier forms of advertising, native ads with a political or advocacy bent have the potential to shift the relationship between news outlets and audiences in new ways, particularly in an era when trust in the media has reached a historic low point. Beyond this, such advertisements have the potential to shift how media systems function in relation to state power, by changing the relationship between commercial and non-commercial speech.

This book is divided into five chapters. An introductory chapter provides an overview of the current debates about native advertising and current regulatory efforts around native content. In Chapter 2, I explore how legacy newspapers, legacy news magazines, and online news ventures are developing native advertising programs, describing how many are working directly with companies to develop, author, and distribute content. Chapter 3 looks more closely at a series of native advertisements focused on social issues and political campaigns and considers how these advertisements might speak to audiences and what ethical conflicts might arise as a result. In Chapter 4, Ava Sirrah a former employee of T Brand Studio at *The New York Times* – a content studio whose work I cite often in this book – provides a Case Study of the industry-side view of the native advertising process. Finally, in Chapter 5, I speculate about the future of native advertising, weighing the implications of either a news industry increasingly penetrated by native advertising or, alternatively, of an advertising industry that no longer relies on the news industry to distribute content.

The goal of this book is to help scholars and students of both journalism and advertising to understand the news industry's investment in native advertising, and consider the effects this investment might have on how news is produced, consumed, and understood. My principle critical lens is the field of journalism studies, but I use this lens as a means of making an intervention in a conversation that is as much about the form and shape that advertising might take in the future as it is about the future of journalism. In our digitally mediated future, the struggle to find a viable business model for the news industry is inextricable from a robust, pragmatic, and ethically-minded conversation about the effects of new kinds of advertising.

A note on the limitations of this study: I focus here mainly on the emergence of native advertising in North America and Europe, with the lion's share of my content examples and scholarly context coming from the US. Partly, this is because a good deal of the growth of native in the news industry has been driven by the global expansion of US online and legacy media outlets. As my survey of many of the major players in native advertising attests, US print and legacy outlets in the United States have been setting up content studios at a rapid clip since 2013, and their practices and examples have had a disproportionate influence on the industry.

This does not mean, of course, that there is not strong interest in, and expansion of, native advertising elsewhere. Arguably, the Canadian news publisher *The Globe and Mail* was the first "national" newspaper to embrace native advertising. The British-based *Guardian* and the BBC, among many others in the UK, both have large and ambitious content studios. And native studios are also emerging in Spain, Russia, Finland, Ireland, Norway, Latvia, India, and other places, with many shaped by regional media cultures and regulatory regimes. I document the emergence of some of these native studios in Chapter 2, but the complexity of some of those media cultures and regulatory regimes makes the task of a truly global study of native advertising too formidable for any single book. It is also important to state that just as the rise of native advertising is unevenly distributed, its effects are regionally variant in ways that extend beyond my discussion. Despite the forces of globalization, there remains a great deal of variation not only in the amount of news available in different places around the world, but also in the ways in which news functions in relation to the structuring of a democratic society (Aalberg and Curran 2012). What I describe here are potential challenges to a normative model of the media-democracy relationship, not to a given country or situation.

Like many journalism scholars, I was slow to develop an interest in advertising. Though I have always focused on the effect of new technologies on information delivery, I considered the study of the particulars of advertising, beyond the broader concerns of political economy, to be peripheral to the study of the civic function of news media. My feelings began to shift in early 2013, when the *Atlantic* magazine stirred up controversy by publishing a pro-Scientology "article" that was actually a poorly-labeled native advertisement. The piece, "David Miscavige Leads Scientology to Milestone Year" lauded Miscavige's work in opening new churches around the world and was timed to coincide with the release of a highly critical book on Scientology by investigative journalist Lawrence Wright (Voorhees 2013). The tone and content of the piece quickly alarmed *Atlantic* readers, who were doubly flummoxed when they attempted to comment on the article and found their comments would not post: Maria Einstein notes in *Black*

Ops Marketing that the comments were being moderated by the marketing team, who were deleting critical feedback (Einstein 2016). As Matt Carlson has documented in his accounting of the resulting fallout, publishers, advertisers, and media critics alike criticized the *Atlantic* for their initial attempt at creating a native ad: even the *Atlantic* quickly criticized itself, pulling the ad and issuing a public apology (Carlson 2015). But though some prominent critics of the Scientology ad insisted that the very idea of native advertising was an assault on news values (Wasserman 2013; Starkman 2013), others were more equivocal. Instead of criticizing the *Atlantic* for launching a native advertising campaign, they pointed to specific missteps, such as allowing the business side of the publication to moderate the article's comments section. Their attempt at constructive criticism – which Carlson describes as *norm-making* – was rooted in economic pragmatism. Even as the *Atlantic* set about assuring readers that it would reconsider how it handled native advertising campaigns, news publishers around the US and Europe were having discussions about whether their own declining revenues might be offset by starting a native advertising program.

Three years later, as I visited a series of US advertising agencies and news publishers in 2016 and 2017 and began to actively follow brand and content studios, I saw how quickly native advertising had taken over North American newsrooms and changed the conversation at advertising agencies. For agencies, the rise of in-house content studios at newspapers and magazines represented yet another lost source of revenue in an industry already in crisis; unsurprisingly, they were highly critical of what they saw as publishers' novice efforts to reinvent advertising. At news outlets, native advertising was discussed differently by employees on each side of the business/editorial divide. Those in charge of making the news outlet financially sustainable spoke enthusiastically about creating native campaigns that appealed to a publication's specific audience and matched the publication's tone and style. Those in charge of reporting and editing news on the editorial side, however, usually spoke of native advertising as something they knew was happening "over there," but not something to which they gave a great deal of thought or attention.

This twinned sense of opportunity and threat that characterizes the reception of native advertising in newsrooms reflects its status as a "disruptor" in the news industry, or a technologically driven shift in business practices that displaces conventional market relationships (Christensen 2015). As journalism scholars (e.g., Lewis 2012; Anderson, Bell, and Shirky 2012) have pointed out, the dire financial situation of the news industry has made it ripe for the ideology of disruptive innovation – prompting, for example, the Knight Foundation to embark on a program of funding innovative

digital products that rethink how news is produced and delivered (Lewis 2012). However, as Lewis notes, such projects have rarely been aimed at preserving the institutional structures of the legacy press; instead they have sought to challenge or broaden what counts as news media, with the aim of radically changing the news industry in order to save journalism's core functions.[3] Arguably, native advertising does exactly the opposite – native campaigns are usually (though not always) sold to advertisers as a means to capitalize on a publication's history and prominence, providing advertisements for clients that channel the tone and style of a respected publication in return for a revenue stream that will hopefully help to sustain it. Native advertising is about *conservation* as much as it is about *revolution*, about keeping alive a news industry that has run out of other solutions.

So is native advertising disruptive? Yes. It changes the relationship between advertisers and publishers, helping to accelerate the permeability of the wall between advertising and editorial at news outlets. And over time, native advertising has the potential to substantially change the kinds of news that readers see and how they assess what they see, with potentially significant consequences for the democratic function of the press. Thus, although native advertising serves as a temporary (and partial) solution to the crisis in the news industry, it might also – paradoxically – disrupt the core functions of journalism in order to ensure the news industry's survival. As legendary *New York Times* media critic David Carr succinctly warned, "publishers looking to save the village commons of journalism through innovation should be careful they don't set it on fire in the process" (Carr 2013).

Why native advertising?

If native advertising can be seen as the response to a series of crises besetting the news industry, then understanding native advertising begins by mapping the contours of these crises. As Rasmus Kleis Nielsen has noted (2016), the digital transition has engendered both *economic* and *strategic* crises in the news industry. Changes in the media ecosystem have decimated the market for print and digital display advertising, resulting in the downsizing or shuttering of news agencies worldwide and desperate attempts to find alternative revenue streams. These changes include, first, the shift from print to digital in legacy newsrooms; second, the rise of the "duopoly" of Facebook and Google and their capture of the digital advertising market; third, the emergence of programmatic advertising; fourth, the rise of brand self-promotion through social media and "influencer" culture; fifth, the rise of ad-blockers and other strategies of advertising avoidance; and sixth, the rise of mobile as a platform for news consumption.