
IMPLEMENTING MEDIA LITERACY IN THE AGE OF NATIVE ADVERTISING

To: Harriman-IMEMO Conference
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RE: Standardizing Media Literacy in the Age of Native Advertising

Executive Summary

It is hardly a secret that Facebook, Google, and Amazon are eating up the majority of digital advertising revenue. Reporting shows the three tech giants own more than 60% of digital advertising revenue.¹ American News organizations rely on advertising revenue to support their journalism and the expenses related to gathering stories. The Constitution guarantees freedom of the press in the First Amendment. But, this law only provides the press freedom from the government. News outlets are entirely dependent on advertisers and paid subscribers to generate revenue. Platforms like Facebook have taken away the lucrative advertising revenue publishers used to rely on because they could offer marketers a valuable audience of engaged readers. These engaged readers could only be reached by the news publishers. Today, news organizations have to sell something besides their audience; they need to sell commercial stories.

American news publishers decided to create branded content departments. These new departments allowed publishers to charge clients for the creation of an original ad, as well as its placement on the publisher's website. There was only one problem: news publishers weren't set up to compete with advertising agencies for revenue. News producers had to figure out why they were uniquely qualified to craft commercial messages and then sell that service. The answer seemed fairly obvious: journalists craft stories people want to read every day; why can't the advertising department of their news organization do the same thing? After all, publishers know what stories their readers are most likely to engage with and which subjects interest them. This expertise is something an advertising agency can't offer. For example, *The New York Times'* native advertising department, T Brand Studio, created the slogan "Stories That Influence The Influential (T Brand)." The "Explainer" video T Brand put on its website emphasizes the newsroom's role in inspiring branded content, and displays vignettes that shift back and forth from visuals of newsroom articles, and images of content produced by T Brand, for advertisers. T Brand produces what is known as "native advertising," a term that refers to the placement of branded content. When commercial content appears in a form that mimics the appearance of the platform on which it is placed and uses a similar aesthetic and tone as that platform, it becomes native advertising.

However, this trend often confuses readers who might not realize they aren't reading a real news story. Native ads are created to look like an article a journalist wrote. To combat the confusion this practice engenders media literacy is needed. I would like to create a standardized public course that increases awareness of this trend so newsreaders are able to see the difference between real news content and commercial messages.

¹ EMarketer. (2019, February 19). US Digital Ad Spending Will Surpass Traditional in 2019. Retrieved from <https://www.emarketer.com/content/us-digital-ad-spending-will-surpass-traditional-in-2019>

The Problem: Deception and Confusion

Today, native advertising is a central digital revenue stream for the publishing industry. It makes up some 60% of the market, or \$32.90 billion, according to a 2018 forecast by market research firm eMarketer. Predicated on delivering advertiser messages to readers in a format that mimics the news, the purpose of native advertising is to borrow the authority of a news brand by being in close proximity to its coverage. When commercial content looks like news journalism, it deceives readers into thinking they are seeing material that was created by an independent press. This deception can confuse readers, especially when news outlets don't label advertisements accurately.

*"Most consumers identified the native ad as an article. That includes native ads on The Wall Street Journal (80 percent identified it as an article), The New York Times (71 percent), BuzzFeed (71 percent), and Forbes (65 percent)."*²

Advertisers invest in branded content and native advertising because they are said to capture the valuable attention of readers. People engage with native ads for a variety of reasons; they may find the content intriguing, or they may not realize it is a commercial message.

The business model of selling native ads is so lucrative that many respected news publishers have invested in the trend. The New York Times opened T Brand Studio; The Atlantic has Re:Think; BBC hosts Storyworks; and Condé Nast launched 23 Stories. Native advertising is predicated on a newspaper's ability to translate the storytelling credibility of its newsroom to the publisher's advertising department.

One example of misleading advertisements can be seen in *The New York Times'* partnership with Samsung to create a series of daily videos that would appear on the publisher's homepage. The Times was a perfect partner to deliver 360-degree content for the promotion of Samsung's technology, because the paper had established a strong reputation in the VR space. Samsung wanted to be associated with the *Times'* reputation for creating engaging virtual reality videos. *The New York Times'* branded content studio created The Daily 360, a daily video series sponsored by Samsung. Money changed hands and yet the PR and headlines around the campaign never called it a native ad or sponsorship. Instead, the *Times* press release included a small footnote reading: "Times journalists have been provided with Samsung Gear 360 cameras and equipment to use while reporting out in the field."³ *Neiman Lab's* report mentioned the deal as a "partnership" with Samsung, with an exchange of technology, and noted that Samsung could publish the videos on their own plat-

² Lazauskas, Joe. "The Problems Facing Native Advertising, in 5 Charts." The Content Strategist. September 24, 2015. Accessed April 29, 2018. <https://contently.com/strategist/2015/09/16/the-problems-facing-native-advertising-in-5-charts/>.

³ The New York Times. (2017, December 21). Introducing The Daily 360 From The New York Times. Retrieved from <https://www.nytimes.com/2016/11/01/nytnow/the-daily-360-videos.html>

forms.⁴ The Daily 360 was presented to news readers as editorial content, not as a multi-million dollar native advertising campaign.

The Solution: Education and Explanation

Publishers will not stop creating native advertisements but readers can learn more about the economics of the news industry and be better equipped to distinguish between commercial content and editorial news stories. In an effort to better equip people to determine the validity of the information they see online it is vital to teach them about the digital information economy and how native advertisements fit into this new landscape.

Creating a standard digital media literacy program that can be easily accessed by public high schools across the country will be an effective solution to fighting information confusion and deception. Media literacy is defined as the ability to “provide a framework to access, analyze, evaluate, create and participate with messages in a variety of forms — from print to video to the Internet. Media literacy builds an understanding of the role of media in society as well as essential skills of inquiry and self-expression necessary for citizens of a democracy.”⁵

Media literacy will help people navigate the veracity of online information. It is not a complete solution to stop the spread of misinformation and reader confusion, but it should be standardized in the primary education system. Scholars like Renee Hobbs who have championed media literacy have also been reluctant to call it a full solution to fighting disinformation. Instead, it should be viewed as an investment in promoting a healthy level of skepticism and critical thinking that will help people better navigate information.⁶

A policy that mandates educators teach students about how information is created and shared is a vital step toward protecting democracy and maintaining an informed public.

⁴ The New York Times is launching a daily 360-degree video series. (n.d.). Retrieved from <http://www.niemanlab.org/2016/11/the-new-york-times-is-launching-a-daily-360-degree-video-series/>

⁵ Media Literacy: A Definition and More. *Center for Media Literacy*. Retrieved from <http://www.medialit.org/media-literacy-definition-and-more>

⁶ Cappello, Gianna; Felini, Damiano; and Hobbs, Renee (2011) "Reflections on Global Developments in Media Literacy Education: Bridging Theory and Practice," *Journal of Media Literacy Education*, 3(2).