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Commentary: Branded Content and Media-Marketing Convergence

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Your Facebook feed says "Recommended for you" and "Sponsored". Your online magazine says "Paid Content", another in Buzzfeed (2014) says "Promoted Content" and lists "12 Backpacking Hacks That Are Vital For Business Trips" in an article paid for by Holiday Inn Express. Buzzfeed may also list KFC as "Brand Publisher" for an article, "11 Things All Busy Families Should Make Time For", including KFC's Popcorn Nuggets (Buzzfeed, 2015). You read a powerful series of articles on hunger in America, but it is labelled "paid programme", produced by the *Wall Street Journal*'s Custom Studios in collaboration with Mini, and includes such branded wisdom as "Mini owners are all different. There's no one person that Mini drivers look like. It's the same with food insecurity. It's all walks of life". From television product placement to mobile news feeds, brands are burrowing into media content. Exploring that merging of media and marketing was a key impetus behind the Branded Content Research Network, launched in late 2016. It aims to facilitate collaboration between academics, industry professionals and civil society to explore branded content practices and their media policy implications. Here are my reflections on some of the research tasks and policy issues arising from this collective endeavour.

From a critical perspective, branded content covers three main areas. The first is the brand's own content (so-called 'owned' media) appearing on marketers' websites, Instagram, Facebook pages, YouTube channels and so on. Second is the 'native' distribution of marketers' paid content: ads integrated into webpages, apps and news feeds across social media. Much of this is programmatic, part of the increasing automation of advertising, buying, selling and placement. One way we encounter this is via the sponsored stories on publishers' websites, assembled by content recommendation companies like Outbrain and Taboola. The third kind of branded content is material hosted by or made by publishers. The migration of advertising from newspapers to online and mobile has left the news media with an even greater dependence on ad finance, just as advertisers, faced with increasing choices online, want 'more bang for their buck'. That has created the conditions for native advertising, and for advertising to mimic editorial content (Carlson, 2015; Levi, 2015; Amazeen and Muddiman, 2017). Formatting ads to match the surrounding content, or reassembling programmatic native ads based on response data, is increasingly easy, inexpensive and automated. There are, though, multiple drivers for these changes as shifts towards digital communications, and ad-avoidance, have created opportunities and obligations for marketers and media alike. Marketers have sought to offer 'non-interruptive', engaging content that users will spend time with and share such that brand recommendations will be influenced. The prevailing view across communications industries is that branded content is a necessary response to ad evasion. When it is 'done well', targeted and valued content can be delivered to consumers. It is certainly on the rise. According to PQ Media (2015), content marketing worldwide grew by 13 per cent in 2014 to $26.5billion. Spending on native advertising in Europe is expected to rise from €5.2 billion in 2015 to €13.2 billion in 2020, when it will represent 52 per cent of display advertising spend, according to Enders Analysis (2016).

Media-marketing convergence: tasks

Here, I want to highlight two tasks: mapping the new media-marketing ecology; and assessing the implications of media-marketing convergence across the academy. We are experiencing a multi-layered convergence involving marketing communications and media across corporate arrangements, production practices and identities, cultural forms, and relationships with users. The institutions and practices of advertising, public relations, marketing and media are integrating. The field of communications has certainly begun to address this but the institutional and conceptual architecture lags behind developments. Advertising studies and public relations remain siloed, specialist sub-fields. Media and advertising integration is certainly addressed in business literature but this is not properly articulated across the full range of media studies research. A broader articulation *is* arising out of two key traditions. Firstly, critical political economy has examined advertising finance and influence from its institutionalised inception in the 1970s (see Hardy, 2014, 2017). More recent, if less affiliated, work includes Joe Turow's *The Daily You* (2011) and Mara Einstein's *Black Ops Advertising* (2016). Second, a media advertising integration theme has been addressed by culturalist scholarship including the convergence culture approach of Henry Jenkins (2006), Mark Deuze and others. However, much of this work, as I have argued elsewhere at greater length (Hardy, 2016), offers an evaluation of branded content which is seen to reflect growing consumer empowerment under capitalism. For instance, Mark Deuze (2008) regards journalists' defense of editorial integrity against marketers (the firewall) as part of a conservative ideology to resist change; greater collaboration with marketers should be welcomed not opposed. Jenkins goes further: marketers are said to be involved in processes of innovative content creation and storytelling, thereby serving consumers and empowering users. The critical political economy (CPE) tradition is needed here for its attention to power asymmetries under the structuring influence of capitalism. More integrative CPE and critical cultural analysis, such as that provided by Meyer et al. (2009), Caldwell (2008), Grainge and Johnson (2015), allows researchers to connect political economic dynamics, governance arrangements, work cultures and practices, automation, multiple sites of agency, policy stakeholders and user interactions (Hardy, 2017).

The challenge of 'mapping the media-marketing ecology' is to identify and trace what is replacing longstanding relationships between marketers, agencies and media. Such research needs to specify the main actors, actants and processes operating across marketers, marketing agencies, intermediaries, automated processes, platforms, communication and media services. It also needs to be refined and extended by more granular examinations of the relationships which conjoin different domains and practices such as the fashion-media-retail nexus (Bartlett et al., 2013) or the music-media-promotion nexus (Meier, 2016). Insights from those more granular studies will help to build a general map of media advertising relationships while continuing to highlight various conceptual, empirical, methodological challenges. The integration of media and marketing is occurring across corporate ownership and networks, operations and practices, forms and formats, and user engagements. The radical tradition can be renewed by addressing the forms and implications of marketers' influence across contemporary communications systems. This requires analyses of practices, policy and problems (the formulation of critique).

Regulation and governance: analysis and interventions

"Marketing communications must be obviously identifiable as such"; so states the Committee on Advertising Practice (CAP) Code administered by the UK self-regulatory organisation, the Advertising Standards Authority (ASA, 2017a). Yet, increasingly, advertising blends commercial messaging so that it appears like editorial content. As one industry guide puts it, native advertising attempts to "deliver paid ads that are so cohesive with page content, assimilated into the design, and consistent with the platform that the viewer simply feels that they belong" (IAB, 2015).

Branded content is associated with digital communications but there is a much longer history of ad integration, of course, including advertorials, so I will use a traditional artefact as illustration. An issue of the Saturday *Guardian* magazine published on 24 September 2016 contained five double-page spreads marked "Paid content", for Jaguar, Nestlé, San Miguel, the non-profit Greenpeace, and AirBnB. The Jaguar advertorial illustrates one set of problems, in that the content is used, intentionally or not, to evade advertising regulations. The promise that "Drive time is no longer downtime" with a technologically-enhanced car as office extension was found in breach of the CAP code regarding motoring, social responsibility, harm and offence (ASA, 2017b).

For AirBnB, the premise is a "diary" report on a city break to Paris written by Gemma Briggs who visited with her partner Alex and child. The couple stay in the apartment of a film director who leaves them champagne. Two-year old Nell is "goggled-eyed" at the owner's colourful artefacts, and doesn't break any. In her own "diary" she describes the Pompidou centre as "cool" and "awesome" and mentions her "comfy" apartment bed; impressive since the average vocabulary of a two-year old is 240 words. Gemma's account consists of 23 sentences of which 10 refer directly to the AirBnB apartment. The level of control and construction of the communication indicated here marks this as a form of "branded wisdom", to use Naomi Klein's (1999) evocative phrase.

Native advertising violates principles of editorial independence, or artistic integrity, because it creates the risk that non-advertising content will be shaped in accordance with advertisers' wishes. Radical political economic critiques further argue that the privileging of marketers' voices will have system-wide consequences for communication provision. To that can be added the work of critical media sociologists such as Nick Couldry (2010) who sets against neoliberalism a valuation of voice as the ability of people to give an account of themselves. But he does not address advertising which both confirms and complicates the analysis. In the Guardian AirBnB example, not only is a corporate voice privileged though marketer controlled communication, but there is corporate ventriloquism in the storytelling, which renders the voices both embodied and inauthentic. The extension of brand voice into non-commercial spaces increases inequality in communication power. This links to the critique that such branded content undermines, or threatens to undermine, the integrity of channels of communication. That compelling phrase appears in professional codes such as the International Public Relations Association's (1961/2009). It states that members should "Not engage in practice which tends to corrupt the integrity of any channel of communication". There is more at stake here than the protection of consumers from deception (Goodman, 2006). One line of critique argues that native advertising is parasitic because it wants to harness and undermine reader trust. As the legal scholar Tamara Piety (2016: 101) adds "native advertising threatens to spread advertising's low credibility to all content, thereby destroying the reason advertisers wanted to mimic editorial content in the first place".

In the classic formulation of mid-20th century American journalism, advertising and editorial (or 'church and state') should be kept separate by a firewall. Today, digital-only publishers like Buzzfeed have adopted business models based on integrated native advertising; the firewall, which was crumbling and then gleefully destroyed by some news executives in the late twentieth century, is now an archaeological curiosity for many of these contemporary publishers. The *Guardian*, like other legacy newspapers, is transitional; its unit, Guardian Labs, which organised 400 branded content projects in 2015, quarantines the journalistic labour of producing content that is paid for by marketers, but firewalls are tumbling in the desperate struggle for revenues. In 2016, *Guardian* had a pretax loss of £69 million and cut 260 jobs. They announced that the US workforce would be cut by a third. At the *Independent*, the executive in charge of native advertising said journalists were initially "dragged kicking and screaming", but that now they "saw the value of it" (Ponsford, 2014).

As paid-for copy becomes increasingly indistinguishable from independent reporting, are existing regulatory arrangements working? In the United Kingdom, the ASA (2015) actively ruled that the labelling "in association with Michelin" on an online advertorial for Michelin tyres was "insufficient to identify the content specifically as an ad". In 2016, Buzzfeed and Henkel were found in breach for a paid native advertising listicle for Dylon entitled "14 laundry Fails We've Experienced". The ASA ruled that there was insufficient identification that this was marketer controlled content when accessed via a social media feed.

In December 2015, the US Federal Trade Commission introduced new guidance on native advertising, calling for clearer identification. The FTC (2015b) declared that terms such as 'Promoted By' or 'Sponsored by' imply payment by a brand, but do not communicate the brand's editorial control over content ("consumers reasonably may interpret [these] terms… to mean that a sponsoring advertiser funded or 'underwrote' but did not create or influence the content"). Yet, there is low adherence to rules and strong incentives to evade them. By 2013, nearly three quarters of online publishers in the US offered native advertising yet one study found 70 per cent of these were not compliant with the FTC's guidelines (Swant, 2016), A more recent study by MediaRadar (2017) found nearly 40 per cent non-compliant. One fundamental problem is that the FTC, restricted by remit but also predilection, is only concerned with consumer deception, not with the impact of sponsored content on the quality of communication services. Once we are past the hurdle of consumer recognition there is little regulatory counterweight against advancing ad integration.

In the UK, the CAP/ASA, lobbied hard by publishers as well as marketers, is less prescriptive than the FTC on labelling. Publishers' guidance for readers is rarely read, and is idiosyncratic, like the *Guardian's* divisions between "Advertiser content" "Paid content" and "Supported by". It is not surprising, therefore, that audiences are often confused and annoyed, especially when they discover after viewing content that it was sponsored. The Reuters Institute (2015) found that a third of UK adults have felt disappointed or deceived in this way (compared to 70 percent of a similar sample in the US). A study by US researchers found that less than 8 per cent were able to identify native advertising as a paid marketing message (Wojdynski and Evans, 2016; see also Hoofnagle and Meleshinsky, 2015; Amazeen and Muddiman, 2017).

Recent guidance from the CAP (2016) warns against any labelling that disguises advertising or is otherwise unclear to consumers. So, terms like 'sponsored by' and 'brought to you by' are not permitted if the relevant content is controlled by brands. However, content supplied or paid for by brands can be published without identification, or ASA oversight, if those brands do not exercise control over editorial content. European rules, incorporated into UK law, still apply, notably the Unfair Commercial Practices Directive (2005) which requires that traders who have paid for promotion in editorial content must make this clear to consumers. However, there is a gap in enforcement, as the CAP'S rules allow brands to pay for content without that being disclosed to readers, based on the distinction between content that is controlled by brands (marketing), and content that is controlled by publishers (editorial). For the regulatory system to work, someone has to complain because they think that undisclosed brand control *might* have occurred. There is a palpable risk that power shifts back to the parties to the transaction, away from regulators and public alike. Finally, the presumption that brand sponsorship and editorial independence are compatible needs to be answered by the collective efforts of contemporary, critical research.

Author Bio

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