

SPONSORED CONTENT: HOW SHOULD JOURNALISM ETHICS RESPOND TO ADVERTISING DRESSED UP AS JOURNALISM?

A discussion paper from the Ethics Advisory Committee of The Canadian Association of Journalists

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Sponsored content, native advertising, and custom content: these are just some of the labels used to describe advertising that is “seamlessly integrated” with journalism content. Though technically different meanings have been suggested for some of these terms, they share a common purpose and format. They represent content created to serve private interests embedded with, and often indistinguishable from, content published in the public interest — that is, journalism.

For clarity and consistency, we will stick to the term “sponsored content” in this discussion paper, to refer to all variations of such content.

This document is being issued as a “discussion paper” rather than a formal report, because the CAJ Ethics Advisory Committee considers it inappropriate to provide ethical guidelines or best practices on sponsored content. In our opinion, sponsored content is not journalism and is therefore beyond our purview. For a journalism ethics committee to draft such guidelines might, in our opinion, contribute to further confusion (both ethical and practical) about the lines between advertising and editorial. In what follows, we will explain our reasoning on these points, and identify important ethical issues that arise around the boundaries between sponsored content and journalism.

The rise of sponsored content

Sponsored content has grown rapidly over the past few years. Digital Content Next (formerly the Online Publishers Association), an organization that [represents](#) online media including major news outlets, [stated](#) in 2013 that 73% of its members offered some form of this type of advertising.

This growth has been linked both to the need of journalism companies to find new revenue streams and to the value that brands themselves attach to this type of content. Research by the Interactive Advertising Bureau, an [association](#) of online advertisers, [suggests](#) that consumers look at sponsored content more frequently than at banner ads. As well, consumers notice this content as often as they notice editorial, and spend approximately the same amount of time with it.

The value to the advertiser, or sponsoring brand, is the credibility sponsored content gains from its association with journalism. Publication on a respected news site brings a 33% increase in the perceived credibility of sponsored content, [according](#) to the IAB.

It is because of the confusion, and the data that suggests users do not differentiate between journalism and this content, that news organizations critically need to create strong and consistent guidelines to separate this content from its journalism.

Types of sponsored content

Each news organization creates content in its own way but here are some examples of types of sponsored content that fit roughly into the models [identified](#) by American Press Institute:

1. Underwriting Model:

A brand sponsors a normal editorial feature, or one the publisher would typically create anyway. The brand simply pays to have its name associated with the content. This model preserves the most editorial independence. Examples:

- Globe and Mail: [Mattresses by mail? Canadian startup joins the memory-foam party](#) (July 29, 2015)
This story is part of [The Challenge](#) (“Information you need to grow your business”), an ongoing feature [developed by Telus and the Globe and Mail](#) to “increase Telus’s brand awareness within Ontario’s small-medium business community.” It is part of the Globe and Mail’s [Custom Editorial Content](#), in which “our award-winning journalists, photographers and designers produce content that halos an advertiser’s message” while maintaining “complete editorial independence.”
- National Post: [Managing Wealth](#)
This area of editorial content, part of the Post’s Personal Finance section, is labelled as being “Sponsored by Jarislowsky Fraser,” an investment management firm. Sponsorship of this [content module](#) gives the company exclusive branding and space to provide readers with a “Resource Centre” of links pointing to its website

2. Agency model:

A publisher employs specialized writers and editors to help create custom content in partnership with a brand. Examples:

- Globe and Mail: [Retail's big bet: Do you love your phone more than your wallet?](#) (April 2, 2015)
The top of the article is labelled “[Sponsor Content](#)” and “brought to you by Thomson Reuters.” A note at the bottom states that the “content was produced by The Globe and Mail's advertising department.” It is produced under the Globe’s [Custom Features](#) line of editorial products: “sponsor features – or advertorials” in which “content is written, designed and produced by freelancers hired by The Globe’s team.”
- BuzzFeed Canada: [If Classic Movie Tropes Were Motivational Posters](#) (August 25, 2015)
This article is bylined ScotiaBank under a sub headline promoting the “Scotiabank® SCENE®* debit card. It is produced under BuzzFeed's [Custom Social Posts](#) initiative, in which “an in-house creative team works with brands and agencies to craft custom social posts that are designed for sharing.”
- Toronto Star: [Balancing body and mind](#) (August 27, 2015)
This article, with a sub headline “Delve deeper into yoga at George Brown,” is labelled “[Sponsored Section](#)” and “Brought to you in partnership with George Brown College.” The article is bylined “Content Solutions” and gives the reader a link to George Brown website “for more information.”

3. Platform model:

A publisher provides a dedicated space for brands to publish their own messages in their own name. The publisher has little direct involvement in the content. Examples:

- Forbes: [What Flying Cars And Data Scientists Have In Common](#) (July 31, 2015)
This article was created by data services company TeraData under Forbes’ [BrandVoice](#) program. This initiative “allows marketers to connect directly with the Forbes audience by enabling them to create content ... on the Forbes digital publishing platform”)

- Toronto Star: [Experiential learning: Preparing students for success](#) (July 13, 2015)
The article, bylined “Content Solutions,” is labelled [Partner Content](#) that is “contributed by York University.”
- Washington Post: [How good business can make America’s cities healthier](#) (August 10, 2015)
This article, labelled “Sponsor-generated Content,” was published under the Post’s [WP BrandConnect](#) program, in which “all content is developed and paid for by the advertiser.”
- Mashable: [3 ways big data is helping to create better, more affordable hospitals](#) (May 1, 2015)
This story was produced by health-care technology company Optum and contains the firm’s name in the byline. It was created under the publisher’s [BrandSpeak](#) banner: “content that is created and bylined by your brand that lives on Mashable.”

Sponsored content is not journalism

Despite the blurring of lines from the consumer’s point of view, journalism may be clearly distinguished from sponsored content by focusing on the purpose behind the material’s creation.

Our committee’s 2012 paper, “[What is Journalism?](#)” set out to define what journalism is. In that paper, we stated that to be considered journalism, content must meet the test of disinterested purpose:

Journalists draw their own conclusions about the necessity and direction of a story -- and of the underlying veracity of facts. Such conclusions are drawn in a disinterested way—that is, independently of consideration of the effect, for good or ill, of the coverage provided. The economic or other benefits to companies, organizations or movements do not drive journalists' choices.

The converse is clear: content created to serve the private interests of those paying for its publication is *not* journalism. The way this content is produced and the level of involvement of the private interest, or sponsor, may vary, but at the end of the day its primary purpose is to enhance awareness and promotion of a particular brand or issue. Thus: not journalism.

Differences from previous advertising models

Commercial news media have for decades embraced the dual function of informing the public and making a profit through advertising that exists in the same space as news content.

It could then be argued that not much has changed with the introduction of sponsored content, except perhaps the degree to which ad copy and news copy are integrated in both form and content.

After all, tensions between journalism's first principle of public service and the realities of generating advertising revenue have existed for decades. Historically, the tension has been managed by a philosophical (and sometimes literal) firewall, one that separates the needs and interests of the advertising and editorial divisions.

Or at least those are the claims. Research shows that the wall between advertising and editorial has, in fact, been more porous than generally acknowledged.

Proponents of sponsored content argue that it is a more honest and less deceptive approach to the relationship between advertising and news than is the traditional the firewall. It is built on the premise that an impervious firewall between advertising and editorial does not in fact exist.

But while it is true that a degree of porousness between editorial and advertising has been, in effect, standard practice for many media outlets for many years, that does not make it ethical practice. Conventions and ethics are not the same thing. There is strong evidence from the U.S. that breaches of the firewall have, many times over the past few decades, resulted in journalism that harmed, not helped, the public interest¹ (see footnote 1 citations).

Ethical issues with sponsored content

The key difference between sponsored content and other forms of advertising content is the degree to which it seeks to be indistinguishable from editorial content. This triggers two very important ethical issues:

1. Deception

The value of sponsored content to marketers is its association — and often confusion, in the minds of audiences— with editorial content. There is [emerging evidence](#) that users do not see labels such as “presented by” and do not understand the meaning of phrases such as “sponsored content.” In other words, the value of sponsored content arguably depends on its ability to be mistaken for journalism content. This is deception.

But in addition to deception of the public, the production of sponsored content may involve *self*-deception on the part of journalists and their employers regarding the fundamental journalistic value of independence of purpose.

2. Conflict of interest.

It seems unlikely that journalists and news organizations can serve two masters simultaneously. The main client is either private interests or the public interest. Not both (see above). How, for example, can a reporter or team that regularly covers the real estate industry be involved in creating sponsored content for a developer and still be able to cover in a disinterested manner, a developer's application to the province for land use change?

A high-stakes survival strategy

Sponsored content is a response to the urgent need for new revenue models for media organizations. That economic imperative is no less real for freelance journalists or journalists seeking full-time jobs. When a freelancer is working on sponsored content, she is not producing journalism. As she moves back and forth between the two, the caution may not be the actual work of creation, but the potential for conflict of interest should she later be obliged to cover a company or brand for whom she has previously created sponsored content.

Nevertheless, sponsored content is now ubiquitous. It has been embraced and accepted by media publications as a viable economic model. We encourage all journalists, editors and publishers to take the time and carefully think about, and discuss, the short-term and long-term ethical implications of this model.

FURTHER READING

- Basen, I. (2012, Dec. 19th). [Breaking Down the Wall](#). *Center For Journalism Ethics*.
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- Benton, J. (2014, Sept. 14). [Like it or not, native advertising is squarely inside the big news tent](#). *Nieman Lab*.
- Kemsley, T. (2014, May 22). [Great News for Native: The New York Times' Sponsored Content Is as Popular as Its Editorial](#). *Contently*.
- Powell, T. (2013, Dec. 5). [Native Ads Aren't as Clear as Outlets Think](#). *The Columbia Journalism Review*.
- Sas, J. (2013, Jan. 28th). [Scrambling for Profit, Media Slip 'Custom Content' into Mix](#). *The Tyee*.

¹ See for example: Mark Coddington. Forthcoming. *Boundaries of Journalism: Professionalism, Practices, and Participation*. (New York, NY: Routledge, 2015); Ben H. Bagdikian, *The New Media Monopoly* (Boston, MA: Beacon, 2004); Robert W. McChesney, *Digital Disconnect* (New York: The New Press, 2013); John H. McManus, "The Commercialization of News," in *The Handbook of Journalism Studies*, ed. Karin Wahl-Jorgensen and Thomas Hanitzsch (London: Routledge, 2009), 218-33.