

PRODUCTION OF NATIVE ADVERTISING IN THE NEW MEDIA ECONOMY

by

Siddhant Dwivedee

A Thesis Submitted in  
Partial Fulfillment of the  
Requirements for the Degree of

Master of Arts  
in Media Studies

at

The University of Wisconsin-Milwaukee

May 2020

## ABSTRACT

### PRODUCTION OF NATIVE ADVERTISING IN THE NEW MEDIA ECONOMY

by

Siddhant Dwivedee

The University of Wisconsin-Milwaukee, 2020  
Under the Supervision of Professor Michael Z. Newman

The need to study the production of advertising content from an academic standpoint, particularly advertising content that mimics or is embedded in other editorial content, in some form or the other, is greater than ever. Emerging marketing techniques such as native advertising, content marketing, and sponsored content have disrupted traditional media eco-systems and created a new media economy. While traditional advertising research is skewed in the favor of the consumer experience, researching the production and the lived experiences of journalists involved in the production of native advertising can yield promising results.

In this project, I discuss native ethnographic fieldwork that has been conducted in the study of advertising practices and its place in society and culture. I discuss and reflect on my own experience of conducting on-site fieldwork on how advertising and journalism are intersecting at Lessiter Media, a contemporary publishing firm, in an attempt to build further on this growing body of advertising research. It is also an attempt to participate in the larger conversation about the blurring lines between advertising and news. My research explores questions that attempt to situate native advertising in the new media economy and understand the idea of disruption in the context of native advertising.

## TABLE OF CONTENTS

List of Figures .....	iv
Acknowledgments.....	v
1. Introduction .....	1
2. Literature Review.....	7
Native Advertising and the New Media Economy .....	7
Better Regulate Than Never .....	18
Applying Anthropological Research Methods to Study Production of Advertising .....	22
3. Lessiter Media Overview.....	25
4. Method: Interviews.....	28
5. Findings .....	33
6. Discussion.....	42
7. Summary & Conclusion .....	50
8. References .....	54

LIST OF FIGURES

Figure 1: An inconspicuous disclosure placed at the top of the *Precision Farming Dealer* sponsored content piece .....29

Figure 2: A more prominent disclosure placed at the bottom of the *Precision Farming Dealer* sponsored content piece with a message from the sponsor, Trimble .....29

Figure 3: Native Advertising Disclosure on *Ag Equipment Intelligence's* On The Record Newscast .....30

## ACKNOWLEDGMENTS

I have several people to thank for their invaluable contributions to the task of putting together my thesis. From Elana Levine, who encouraged me to apply for the master's program at University of Wisconsin-Milwaukee to my advisor Michael Newman, who has helped me navigate this challenging journey, all my professors including Rick Popp and David Allen have been extremely patient and helpful. My research was influenced a great deal by many of the ideas discussed during various formal and informal class meetings with fellow students and would have been impossible to design and construct without the infinite collective knowledge exchanged during the program. I'm also grateful for my incredible family and friends for their unconditional love and support. Lastly, thank you to everyone at Lessiter Media for their kindness and for providing a wonderful learning atmosphere.

## 1. Introduction

I began studying scholarly literature about native advertising in late 2017. I thought I knew what the term meant then, and I had started to see more and more of it around me. I also noticed a significant change emerging in the very nature of how advertising messages are being communicated, that by no means was evident only to me. Anthony B. Ponikvar writes that while the recent rise in popularity of sites like BuzzFeed has brought native advertising to the forefront of American culture, the practice is far from new.<sup>1</sup> While Ponikvar is correct in pointing out that the practice of native advertising is not new, the amount of native advertising typically encountered on the internet is now greater than ever.

In *The Native Advertising Playbook*, the Interactive Advertising Bureau (IAB) writes that the emergence of digital native advertising has presented new ways for digital marketers to engage consumers, and also as a new source of advertising revenue for publishers.<sup>2</sup> They note that countless definitions of native advertising have been proposed by “nearly every industry insider, company, and journalist,” but no universally agreed-upon definition has emerged.<sup>3</sup> The playbook classifies native ads into 6 core groups such as “in-feed,” “paid search,” “recommended widgets,” “promoted listings,” and other custom native ads.<sup>4</sup> However, in a more recent article published in 2018, the IAB predicts that new creative formats for native ads will be introduced, particularly those that are “dynamically created and designed for personalization,” as well as video ad formats with “heightened interactivity.”<sup>5</sup> Together, these encompass a very wide range of ads that appear on several major online platforms that deliver content.

According to a staff report by the Federal Trade Commission (FTC), ad recognition can be particularly challenging for consumers when it comes to native advertising.<sup>6</sup> Native

advertising has been defined as “digital advertising that resembles news, feature articles, product reviews, entertainment, or other non-advertising online content.”<sup>7</sup> In the past, the FTC has released a policy statement on deceptively formatted ads and requires that “consumers should be able to identify an ad as an ad.” The recommended way to do this is to include a clear and conspicuous disclosure that highlights the commercial nature of such content.<sup>8</sup> However, the FTC does not provide a standard or any clear guidelines for constructing native ads or the sponsorship disclosures. Hence, many publishers use their discretion when it comes to including disclosures, often barely adhering to the minimum legal requirements of the FTC.

As the IAB notes, it’s not easy to find the perfect definition of native advertising. Of course, this is not because attempts have not been made to define it. In fact, it is quite the opposite: there exist too many definitions, each referring to a unique version of native advertising. The sheer multiplicity of what can be considered “native ads” makes it extremely challenging to research because there is no “one size fits all” definition that applies to native advertising. However, as Ponikvar highlights, that even though native advertising can take various forms, nearly all of them are designed to blur the lines between advertisements and editorial content.<sup>9</sup> It is this lack of a defined line between advertising messages and editorial content that allows advertisers to reach consumers in more efficient ways, which is common to many native ads.<sup>10</sup>

As mobile technology and digital media platforms like Facebook and Google continue to grow and evolve, new ways of advertising arise that might have been inconceivable earlier. Consumers, in turn, have found new ways to avoid ads and reach the content they want to consume, only to have marketers find them using new ways to target audiences and

place native ads within it. Native advertising allows marketers to reach audiences in ways that can circumvent consumers' efforts to evade advertising messages. This challenges how culture, technology, media, and society have intersected in the past.

The need to study the production of advertising content from an academic standpoint, particularly advertising content that mimics or is embedded in other editorial content, in some form or the other, is greater than ever. The capacity for advertisers to do this on various online content platforms has increased dramatically and the sheer number of people now directly or indirectly involved in the production of advertising is greater than ever. This includes interacting with different forms of paid advertising on platforms like Google and Facebook.

While traditional advertising research is skewed in the favor of the consumer experience, researching the production and the lived experiences of those involved in the production of advertising is worth pursuing and can yield promising results. In this project, I discuss ethnographic fieldwork that has been conducted in the study of advertising and its place in society and culture. I reflect on my own experience of conducting on-site fieldwork on how advertising and journalism are intersecting at Lessiter Media, a contemporary publishing firm, in an attempt to build further on this growing body of advertising research. It is also an attempt to participate in the larger conversation about the blurring lines between advertising and news.

One of my goals is to understand digital native advertising and the disruptive quality that is often associated with native advertising. It has supposedly disrupted many things: It has disrupted the online advertising and media industries that collectively make up the new media economy. It has also disrupted the flow of information on digital media: advertising

messages were once relatively easy to recognize as content that was paid for, but this is not true in the new media economy where the once clearly defined line between content and advertising continues to blur, possibly into disappearance.

Some questions I hope to be able to find answers to are:

1. What is native advertising and why is it disruptive?
2. What is being disrupted and how?
3. How do advertising practitioners feel about native advertising and the ethical questions it poses?
4. What is the role of regulatory authorities like the FTC when it comes to native advertising transparency?

It is worth clarifying that by regulation, for the most part, I refer to the sponsorship disclosure included in most native ads, its design and wording, the FTC's requirements and the challenge associated with complying with such requirements. I will refrain from discussing any regulatory action carried out against native ad publishers who violate these norms or fail to properly disclose native ads. Although, it would be a worthwhile project to embark on in the future. I will also refrain from discussing the ethics or legality that pertain to native ads and deception, for the simple reason that I am not a legal or ethics scholar and cannot speak with any degree of authority on such subjects. However, the broad idea of regulation, including self-regulation, is a key component in the production of native ads and my interest in it is best described as regulation in the context of production.

I am interested in the term disruption, because disruption has a positive connotation as compared to other terms associated with native advertising such as deception. Of course, disruption and deception are largely unrelated ideas in the context of

native advertising. However, since both terms are frequently used in the context of native advertising, disruption may be easier to discuss with those involved in the production of native ads. Disruption is often used to describe technological triumph or more generally an accomplishment that companies and individuals like to take credit for whereas deception can sound more accusatory and confrontational. It might be worth discussing deception too, however, at this stage, I am assuming that discussing native advertising and the disruptive quality associated with it can help understand it better.

I argue that integrating the production of digital advertising content into the broader framework of non-advertising content in a way that delivers value to audiences has disrupted the production workflow in the new media economy. Based on my literature review, I was able to conclude that further research is needed about the production and regulation of digital native advertising, particularly in the context of the new media economy, using qualitative methods like interviews and ethnographies. Relatively few studies have examined the subject of native advertising using interviews as the primary research method but two studies I found showed promising results.

During the course of my research, I began working at Lessiter Media, the publisher of niche online and print publications like *Precision Farming Dealer*, *Ag Equipment Intelligence*, and more, that cater to the agriculture industry. Not only does Lessiter Media produce and distribute digital native advertising to their audience, they are also a part of the new media economy. Using their workplace as my research site, I analyzed digital native advertising created by Lessiter Media and conducted in-depth interviews with members of their editorial and advertising staff involved in its production to understand their perspectives about ad construction and disruption. I attempted to answer my research questions by

analyzing the native advertising they produce, and their perspectives gathered using interviews.

I researched the production of digital native advertising by studying perspectives about ad construction. These included questions about the design and construction of the ad and the sponsorship disclosure. Since the production of native advertising cannot be studied very effectively in isolation, I also analyzed existing research about its consumption and regulation. Through my analysis and subsequent interviews, a fairly comprehensive understanding of different perspectives about native advertising in the context of the new media economy was gained.

Since I am interested in studying native advertising primarily from the perspectives of production and regulation, my literature review, chapter 2, is largely divided into two sections. Section 1 of this chapter discusses the production of native ads and the new media economy. This includes various concepts like native advertising, content marketing, paid/owned/earned media and other ideas that are key to understand the new media economy. Section 2 aims to summarize the existing literature about the regulation of native ads by the FTC and the challenges associated with it. This section also addresses research about the consumption of digital native advertising. Section 3 discusses the use of anthropological research methods like ethnographic interviews to study advertising production.

Chapter 3 provides a company overview of Lessiter Media. In Chapter 4, I frame my research methods and provide specific details of interviews and native ads that I analyzed. This section also includes my analysis of the disclosures used in their native ads to establish the degree to which they are compliant with the FTC's requirements. This analysis helped

refine the interview questions and identify the gap between regulation and compliance.

Chapter 4 also discusses the details of the interview process like how the questions were framed, how participants were selected and/or other considerations.

Chapter 5 outlines my research findings i.e., data collected from interviews conducted. These include both anticipated and unanticipated findings. In chapter 6, I discuss the participants' responses and attempt to answer my aforementioned research questions. Finally, chapter 7 concludes my thesis and suggests areas for future research.

## **2. Literature Review**

### **Native Advertising and the New Media Economy**

In *Advertising, the Uneasy Persuasion*, Michael Schudson writes that while a lot is known about advertising and its effects, the results “do not, and by the very character of business practice, cannot add up to a simple or consistent conclusion.”<sup>11</sup> This holds true for native advertising as well. There is little evidence to suggest that native ads are more effective than traditional advertising, or that consumers can even recognize them. However, Schudson also writes that “the power of ads rests more in the repetition of obvious exhortations than in the subtle transmission of values.”<sup>12</sup> Perhaps this is where native advertising can be different: their effectiveness does lie, at least to some degree in the subtle transmission of values. It is a different matter that such values must be discerned by the individual consuming the ad. Nevertheless, the transmission of some value is integral to the effectiveness of native advertising.

Tracing the historical roots of consumer culture, Schudson writes that department stores were a new kind of public space, like the railroad coach and the city street.<sup>13</sup> They arguably “democratized luxury by putting expensive goods on display.”<sup>14</sup> They were also

critical to “subsidizing the growth of urban newspapers” and disrupted their erstwhile revenue model considerably.<sup>15</sup> Of course, Schudson does not explicitly use the term disruption but describes the changing ratio of editorial matter to advertising content in newspapers by the turn of the 20th century that is worth comparing to digital media and the turn of the 21st century. He notes that 23 percent of all advertising, according to an 1890 survey of Indiana newspapers, was for department stores. Wanamaker’s, for example, attempted to “journalize” advertising and make them “more newsy, informationally accurate and up-to-date with copy changing daily.”<sup>16</sup>

Such examples of content analysis of advertising messages are not uncommon in academic and market research. More interestingly perhaps, it also traces the roots of what is now commonly understood as content marketing and branded content in the context of modern-day advertising. An interesting correlation thus emerges between the history of embedding advertising messages in editorial media and the growth of consumer culture. The practice of “journalizing” ads becomes more formalized through the 20th century taking the form of advertorials in newspapers.

It is perhaps in view of such developments that the impact of advertising on American society has been termed “dubious.” Schudson interviewed twenty advertising workers at agencies in New York, Chicago, and San Diego. He attended the Advertising Age “Advertising Week” meetings in 1979 and other conferences. He also interviewed FTC officials. While I did not interview any FTC officials, I did attend the Advertising Week conference in September 2019 and tried to use a somewhat similar research method of situating oneself in the vicinity of key advertising executives to understand their lived experiences and learn more about their work from their lens.

In *Native Advertising: Advertorial Disruption in the 21st-Century News Feed*, Lisa Lynch describes the relationship between the news industry and the duopoly of Facebook and Google as “highly complex, at once symbiotic and parasitic.”<sup>17</sup> Many news outlets, she writes, including *The New York Times* now rely on Facebook and Google for content distribution while simultaneously competing with them for advertising revenue. In other words, *The New York Times* is increasingly consumed by internet users through Facebook and Google. While this expands their audience, it shrinks their advertising revenues as well.

Several key developments ensured that the advertising industry was ready for the rise of native advertising. Lynch sums up these developments using 5 key developments: first, the disruption brought about by digital media in print-dominated legacy newsrooms (including Lessiter Media, my research site). Second, the emergence of programmatic advertising served by algorithms of Google and Facebook. She refers to this as the “rise of the ‘duopoly’ of Facebook and Google.” Third, the rise of what is commonly understood as “‘influencer’ culture” that refers to the growing popularity of harnessing the power of highly influential social media personalities for marketing purposes. Fourth, the rising popularity of ad-blockers and other ways of avoiding online advertising. Lastly, the rise of mobile devices as platforms for news consumption.<sup>18</sup> (It is worth noting that the rise of “‘influencer’ culture” and the inherent practices can be considered a form of native advertising as well, particularly in the context of the new media economy. However, I have excluded this type of native advertising from my study because Lessiter Media, my research site does not produce such native ads.)

Lynch also writes about the rise of “in-house content studios” at legacy news outlets like *The New York Times*, *The Washington Post* and more. The lines between editorial and

advertising that were once clear and conspicuous are now increasingly blurred. At many digital news startups like BuzzFeed and Vice such a metaphorical wall between to separate editorial content from marketing and advertising never existed, and native advertising was a key component of the publication's business model.<sup>19</sup> Content studios have become the advertising arm at many news publications and exemplify the conflict between journalism that is meant to serve public interest and native advertising that is meant to serve the publisher's commercial interests.<sup>20</sup>

In many ways, native advertising is not a new phenomenon. In fact, the phenomenon certainly predates the internet and the subsequent creation of a new media economy. As Lynch notes, Mobil purchased space on the editorial page of the Thursday issue of *The New York Times* for three decades, and native advertisements such as these are classic examples of "spin updated for the 21st century."<sup>21</sup> According to Lynch, perhaps they are closer to traditional public relations than advertising, but they cannot be considered "earned" media and are in fact paid campaigns cloaked in a format that "aligns stylistically with the editorial content of their partner publication."<sup>22</sup> More importantly perhaps, such native ads leveraged the trust that the publication has garnered from its audience. She also notes that the consequences of this have only begun to be assessed by media scholars.<sup>23</sup>

Lynch believes that dire warnings by the likes of legendary *New York Times* media critic David Carr should be heeded: "publishers looking to save the village commons of journalism through innovation should be careful they don't set it on fire in the process."<sup>24</sup> She also speculates about the future of native advertising and the afterlife of journalism and news. One scenario may be that reporters increasingly shift to the content division for a more lucrative career and this could mean that there will likely be more native advertising

that is produced and distributed.<sup>25</sup> Another possibility is that “the aggressive growth of native might inadvertently sow the seeds for its demise,” and there is evidence to suggest that this might already be happening. She points out that Facebook and Snapchat are in the process of establishing production studios to develop their own editorial content.<sup>26</sup>

A third possibility, she writes, is that of native advertising being engulfed by the proliferation of fake news.<sup>27</sup> Native advertising has certainly been discredited because of the association with fake news and news outlets could distance themselves from the practice to not risk alienating audiences and damaging trust. Regardless of what the future holds, the proliferation of native advertising has, in many ways disrupted the traditional advertising and journalism industries and is now a key component of the new media economy.

I have already referred to the term new media economy earlier in the context of native advertising and it remains a key idea for my research. My understanding of the term was largely constructed from the different articles compiled in the two volumes of *The New Advertising*, edited by Ruth E. Brown, Valerie K. Jones, and Ming Wang. I summarize some of these ideas in the following paragraphs to provide an overview of the new media economy, and to situate native advertising in this new media economy.

In Chapter 1 of *The New Advertising* volume 1, entitled “Ripe for Change – But Resisting It,” Don E. Schultz provides insight into traditional advertising which assumed that, “through persuasion, consumers could be led to purchase, somewhat like leading cattle to water.”<sup>28</sup> Advertising messages were broadcast to a mass audience and the customer’s journey, or path to purchase, was assumed to be linear. The AIDA model clearly defined how advertising worked: attention, interest, desire and, action.<sup>29</sup> However, as Schultz points

out, that such linearity has in fact, never existed in advertising, but it has perhaps always been rather convenient for “academics and advertising planners to assume linear models.”<sup>30</sup> Traditional models of persuasion that relied on “indiscriminate and undifferentiated messaging” have been swiftly replaced by new advertising messages that serve to provide value. As Schultz puts it, “mass is over. People are the new marketplace.”<sup>31</sup>

In Chapter 3 of *The New Advertising* volume 1, Jameson L. Hayes describes this as viral advertising, using Old Spice as a case study.<sup>32</sup> To address their slipping market share in the men’s body wash segment due to new entries from Dial, Irish Spring and, Nivea, a new advertising strategy was devised. Procter and Gamble’s research pointed out that 60% of men’s body washes were bought by women. “The Man Your Man Could Smell Like” campaign helped Old Spice build interpersonal relationships by giving “couples a reason to talk about and interact with the brand using intriguing, shareable and on-strategy brand content.”<sup>33</sup> Old Spice fed the viral conversation by creating more content, “hence creating a series of positive interactions with the brand.” This tactic proved rather effective too, as Old Spice gained new fans who rewarded the brand with unprecedented engagement and, ultimately through more sales.<sup>34</sup>

Judy Ungar Franks notes that there has been an increase in the supply of paid media in nearly every media channel except print.<sup>35</sup> Paid media can simply be understood as media that needs to be paid for, for it to be published on someone else’s (usually ad-driven) platform. Owned media refers to content that is created or controlled by a brand to enable its distribution and sharing.<sup>36</sup> For example, a brand’s website, which would be owned media. Earned media is described as the conversations that a marketer (or brand) earns from others.<sup>37</sup> This includes likes and shares garnered on social media platforms like

Facebook that lead to conversations among internet users online that gives the brand more visibility and ultimately, more sales.

Franks uses a case study about Gillette's "Kiss and Tell" campaign where the brand created a cultural conversation about stubble as the culprit for declines in kissing. Through its "Kiss and Tell" experiment and follow up documentary, "Are We Killing the Kiss?," Gillette was able to earn a fortune in media from the viral conversation.<sup>38</sup> Whether paid, owned or earned, new advertising or marketing like this can be considered most effective when it drives conversation among internet users. Since content is the biggest driver of conversation among internet users, integrating native ads into the content they consume online can lead to more conversations or participation.

Consumers now have more options at their disposal and as a result, audiences have become increasingly fragmented across various destinations to suit their content needs and individual tastes.<sup>39</sup> Franks comments on the future of content strategy in a paid/owned/earned media world. She believes that content formats will continue to evolve and that "ads" will not look like traditional "ads." Instead, more media companies will adopt native or contextual advertising practices and marketers will become better storytellers.<sup>40</sup>

Adam Wagler uses the term "content marketing" to describe the creation of valuable, relevant and compelling content by the brand itself consistently to generate positive interactions with consumers.<sup>41</sup> The emphasis is on creating owned media specifically, but synergizing paid, owned and earned media and presenting them as integrated and omnidirectional is key.<sup>42</sup> Jeremy Harris Lipschultz and Marc A. Smith note that earned and paid media now co-exist within complex online spaces across varying platforms.<sup>43</sup> They also raise an important question about whether personalized digital

content creates increasingly negative perceptions about advertising as interrupting other non-commercial content that was being consumed before.<sup>44</sup>

An increasing amount of content, and consequently advertising, is now being consumed on mobile devices. Courtney Jane Acuff discusses how mobile became “everyone’s answer box.”<sup>45</sup> She notes that there exists no similar device that enables instant access to information, people, entertainment, other devices, and to places.<sup>46</sup> Each of these facets of life that mobile devices provide potentially infinite access to, were accessed individually (for the most part), before the development of smartphone technology. Indeed, the telephone was once a shared device, intended solely for person-to-person voice communication, not too long ago. Over the past decade, however, this has changed significantly. A mobile user may, depending on the task at hand, the time of day, and the social setting want to be informed, entertained or connect with other people and/or devices.<sup>47</sup>

Acuff points out that while mobile at one time might have been considered “a natural extension of digital advertising,” it has instead led to the creation of entirely new ecosystems and sub-ecosystems.<sup>48</sup> While some brands have adapted to this transformation better than others, others are still coming to terms with it. The data gathered from mobile devices is extremely valuable and can also be used to serve more effective ads on other devices. Location-based information and the psychology of check-ins via mobile devices, for example, can be used to advertise in a way that was not possible just a few years ago. Mobile users seamlessly navigate across different advertising platforms and can be identified when they do so. Using real-time marketing, the speed and immediacy of news cycles and social media can be leveraged. Oreo’s “dunk in the dark” tweet is the perfect

example of the brand's advertising agency 360i using mobile to advertise in a way that Rebecca Lieb describes as "witty and timely," and that the tweet "changed both advertising and consumer expectations."<sup>49</sup>

Songming Feng & Mart Ots studied the business model of Forbes's BrandVoice content studio and found that it "borrows production logics from journalism and distribution practices of platform economies." They write that native advertising is marketers' response to "banner blindness, advertising fatigue, and ad blocking."<sup>50</sup> This idea has also been expressed by Lynch as one of the four key developments that have led to the growing popularity of native ads. While "banner blindness" and "ad blocking" can be considered forms of ad avoidance by consumers, "advertising fatigue" relates more to the point made by Franks about the marked increase in the supply of paid media in nearly every media channel except print.

Feng and Ots study the production of native advertising and believe that it draws elements from "traditional communications formats" including advertorials, infomercials, sponsored content, and customer media." Their research seeks to understand how native advertising produced by "new types of players other than traditional advertising agencies."<sup>51</sup> They suggest the need to explore "emerging agency types" with "new internal and external stakeholders and relationships" in the context of digital transformation and the rise of native advertising, content marketing, and branded content.<sup>52</sup>

In *Black Ops Advertising*, Mara Einstein uses native advertising and several other related terms interchangeably. "Stealth marketing" or "obscure persuasion" is one of the many terms she uses to paint a rather grim picture of the digital advertising ecosystem.<sup>53</sup> Another such term she frequently uses is content confusion which is said to occur "when

advertising does not look like advertising.”<sup>54</sup> In chapter 4 titled “Content Marketing: Marketing as Publishers.” She points out that like native advertising, the definition of content marketing is “up for grabs.”<sup>55</sup>

*Black Ops Advertising* also uses several widely discussed examples of native advertising, including the *Atlantic* article that was a native ad for The Church of Scientology,<sup>56</sup> and the *New York Times* article that was a native ad for the Netflix show *Orange Is the New Black*.<sup>57</sup> What came to be known as “the Scientology Ad” was a debacle that the *Atlantic* later apologized for. One of their appalled freelance journalists tweeted saying, “What the fuck is this shit?”, and the ad was panned as one of the worst native ads to have been created.<sup>58</sup> The ad and the harsh response it garnered highlight the chaotic and desperate time that publishers are having to maintain journalistic credibility. A native ad for the Church of Scientology designed to blend with the editorial content of a publisher like the *Atlantic* certainly highlights the extent to which the metaphorical line between “church and state” has blurred.

Not only does the increasingly covert nature of online marketing tactics and the remarkably rapid spread of native advertising pose challenging ethical questions that regulatory authorities like the FTC face, but it also begs the question: who ultimately profits in this new advertising economy? Perhaps the answer lies in *Frenemies* by Ken Auletta.<sup>59</sup> Auletta believes that no change has been more disruptive to the advertising community than the proliferation of consumer choices brought about by new technologies.<sup>60</sup> He follows the trail of marketing dollars to make sense of the increasingly complex relationships in the world of advertising agencies and also the changing role of advertising practitioners.<sup>61</sup>

Auletta writes that the advertising industry has changed a great deal since the Mad Men days of real-life Don Drapers. Agencies have adapted quickly to the proliferation of marketing data as more and more advertising executives have become “Math Men,” but they are collectively afraid of technology eventually replacing them too.<sup>62</sup> By “Math Men,” he refers to the changing nature of work that advertising professionals did on a day-to-day basis. In the Mad Men era of the late 1950s and early 1960s, creative personnel like Don Draper were the key to an advertising agency’s success, but they have now made way for “Math Men” whose work often involves analyzing large spreadsheets full of numbers and statistical data.

Another assault, he claims, has come in the form of native ads as more and more publishers and clients are doing their creative work in-house.<sup>63</sup> The *New York Times*, he says, hired 110 copywriters and art directors to create native ads for brands, at the expense of older journalists. Auletta believes that agencies, desperate not to offend their clients, find themselves in a tight corner when it comes to countering this new threat.<sup>64</sup> He writes that the “privacy time bomb” is ticking away as newer technologies to compute consumers’ reactions and responses to marketing messages are developed.<sup>65</sup> In fact, the consumer has also become a “frenemy”. With increasingly more control over what content to consume, the rise of ad blockers and efforts to counter them with native ads are identified as “symptoms of much larger disruptive forces.”<sup>66</sup> Auletta wonders whether advertising agencies are “dinosaurs or cockroaches?”<sup>67</sup> Only time will tell if they survive or become extinct. It can certainly be concluded that native advertising has disrupted the traditional publishing and advertising industries.

Using sophisticated ways to track how consumers navigate through “content confusion,” marketers are able to continuously reinvent native advertising and present it as a new advertising technique. As mobile technology and data services are made accessible to growing populations, there is a distinct possibility that advertisers and advertising agencies will continue to profit as they have in the past. Perhaps this is one of the reasons why there isn’t a standard definition of native advertising: having just one definition or one understanding of native advertising is not as profitable as the chaos and confusion of blurring the line between advertising and content in the new media economy. There is however, little doubt that after Facebook and Google, advertising agencies and their holding groups are the greatest beneficiaries of the rise of native advertising and the complex new media economy.

### **Better Regulate Than Never**

In 2017, the FTC published a staff report titled “Blurred Lines: An Exploration of Consumers’ Advertising Recognition in the Contexts of Search Engines and Native Advertising.”<sup>68</sup> In this “exploratory study,” the FTC staff attempted to determine if making “modest changes” to the way sponsorship disclosures are designed and worded can help consumers’ recognize native ads more easily.<sup>69</sup>

The eye movements of 48 participants were observed and tracked as they interacted with eight different sets of web pages or “scenarios” in a usability lab.<sup>70</sup> The participants were also interviewed. The study was designed to “prevent participants from deducing its purpose.”<sup>71</sup> Some of the modifications made to disclosures include using “distinctive labeling, highly visible borders, distinctive background colors, larger bold fonts for headings, and labels.”<sup>72</sup> Essentially, sponsorship disclosures were made more prominently visible and

more easily recognizable. These modifications are consistent with the guidelines that the FTC has prescribed for native advertising disclosures. Ads on search engines like Google and Bing (both mobile and desktop versions), magazines like *Gear Patrol* (desktop version) and *Time* (mobile version), and news publications like Yahoo! (desktop version) and *The Chicago Tribune* (mobile version) were used to study native ad recognition among participants.

By their own admission, the FTC staff notes that this study has a few limitations. For starters, it was designed to be exploratory in nature. More importantly, perhaps it does not study the effects of any one modification or combination of modifications on participants' recognition of the ads as ads in isolation and hence does not provide results that are as conclusive as the industry requires.<sup>73</sup> Given these limitations, the study was largely unable to establish whether consumers were deceived by any one native ad or ad type in particular. However, the results strongly suggest that using certain "commonsense disclosure techniques" can potentially assist consumers in recognizing the commercial nature of native ads.<sup>74</sup> Such inconclusiveness in studies that aim to gauge consumer responses to native advertising is not uncommon. The results of such studies are often limited to the specific examples that are used. They are also perhaps constrained by the overall digital media literacy of the participants and hence lack generalizability.

Amazeen & Wojdyski studied the effects of disclosure format on native advertising recognition and audience perceptions of legacy and online news publishers.<sup>75</sup> Wojdyski has researched native advertising extensively in the past. This study summarizes his prior research about native advertising consumption and builds further on it. The authors note that the heritage of legacy publishers like *The New York Times* presents both advantages and disadvantages as they attempt to keep pace with their digital-only competitors.<sup>76</sup> The

authors hypothesize that recognition of native advertising negatively affects evaluations of both advertising and journalism.<sup>77</sup>

Their findings are consistent with those of the FTC staff report: compared to ads that used smaller and less explicit sponsorship disclosures, ads that used more prominent and explicit disclosures were 3.66 times more likely to be recognized.<sup>78</sup> The results of this study also provide further confirmation of the difficulties consumers have in recognizing native advertising: only 9% of respondents who were exposed to native advertising were able to identify it as commercial content.<sup>79</sup> They discourage the use of ambiguous language and a typeface that blends in with the content and suggest that sponsorship disclosures should include visually striking features that highlight the label, such as enclosing it in a contrasting colored box. They also recommend using easily understandable words like “paid advertisement from [name of sponsor]” with their logo.<sup>80</sup> Once again, this is consistent with recommendations made by the FTC staff report.

One might be tempted to believe that prominently noticeable disclosures can potentially undermine the covert nature of native advertising, but it also reduces the likelihood of violating the FTC’s regulatory standards. Amazeen & Wojdyski cite Carlson (2015) to demonstrate the challenge publishers face in trying to serve the conflicting interests of their audience and advertisers when it comes to deciding just how much obfuscation might be considered too much.<sup>81</sup> The study confirmed that “educated, digital-natives” are perhaps better equipped when it comes to identifying sponsored content as native ads and not confusing it with regular editorial content, than their “less-educated counterparts.” Another important finding of their study is the potentially negative consequences for publishers who participate in native advertising.<sup>82</sup> They note that

recognition of native advertising can adversely affect the perceived integrity or journalistic credibility of both digital-only as well as legacy publishers.<sup>83</sup> Amazeen's subsequent research builds further on this idea and discusses consumers' ability to identify news in an "era of content confusion."<sup>84</sup>

Colin Campbell and Pamela E. Grimm explored potential FTC responses to the challenge that native advertising poses.<sup>85</sup> Native ads rely heavily on storytelling techniques to be effective. For example, many article-style native ads mention the product or service they are advertising, but typically do so only "peripherally and not in an aggressive or sales-oriented manner." Similarly, a celebrity or influencer might post a native ad on their social media profile that is simply a picture of a product, with little to negligible product-related description.<sup>86</sup> Such developments challenge the idea of what has historically been considered a material connection between advertisers and publishers.

The ambiguity of how disclosures are worded as well as how they look, and where they are placed makes it particularly challenging for prescribing a standardized format. While this is challenging because disclosures need to be adapted to the increasing number of ad formats available, it is certainly worth considering because ultimately, a more visually standard disclosure would potentially need less adaptation.<sup>87</sup> Campbell and Grimm also suggest that a combination of standardizing disclosures and self-regulation can be more effective in improving the recognition of native advertising. For instance, they write that if several large advertisers restricted their ad spending to only those platforms adhering to a higher disclosure standard, it would incentivize more platforms to want to meet such standards and raise the overall sponsorship disclosure standard within the industry.<sup>88</sup>

## **Applying Anthropological Research Methods to Study Production of Advertising**

Harms, Bijmolt and Hoekstra studied the effectiveness of digital native advertising using in-depth interviews with 22 senior practitioners.<sup>89</sup> The authors make 10 propositions that reflect the perspectives of digital native advertising practitioners. One such proposition is that an intermediate level of brand prominence in digital native advertising content is optimal because low brand prominence in digital native advertising content adversely affects how the brand and the publishing platform are viewed.<sup>90</sup> Another key proposition is that native advertising is comparatively more effective for “reaching younger audiences in personalized advertising contexts,” than traditional online advertising formats.<sup>91</sup>

They found that practitioners believe that the audience appreciates digital native content that is well executed and offers quality similar to that of the regular editorial content. According to an interview with a director at a multiplatform online publisher, “native content needs to have a natural fit with and similarity to the editorial content you supply as a platform.” The authors note that such content does not evoke negative effects because the audience experiences the content as added value.<sup>92</sup>

Drumwright and Murphy note that “Relatively few studies have examined the views of advertising practitioners.”<sup>93</sup> Despite some academic and popular discussion of ethics in advertising, little is known about how advertising practitioners react to ethical issues that they encounter.<sup>94</sup> Historically, the topic of ethics in advertising has been “examined largely through commentary and philosophical debate” and from a “macro” perspective of advertising’s effects on society rather than at the “micro” level of the firm and the practitioners working in it.<sup>95</sup> Drumwright and Murphy conducted 51 personal interviews

across 29 advertising agencies in 8 American cities: New York, Chicago, Philadelphia, San Francisco, Washington, DC, Minneapolis, Dallas, and Austin.

Their participants belong to the various departments involved in the production and distribution of advertising including creative, media, account services, account planning and were at all seniority levels. Participants with as little as 2 years of experience to those with over 40 years of experience were included. A diverse range of agencies was selected, including small privately held companies with less than 12 employees as well as large publicly held, worldwide companies with thousands of employees and billions of dollars in annual billings.<sup>96</sup> The interview protocol was designed to prompt participants to engage in what the authors refer to as "guided introspection."<sup>97</sup> While the interviews did not address native advertising, I found their methodology effective for identifying and framing my research.

Timothy de Waal Malefyt and Robert J. Morais introduce the idea of anthropologists in advertising. They successfully bring an anthropological perspective to the production of advertising, a subject that has not interested many academic anthropologists. They discuss expanding the use of anthropological methods in consumer and market research. Through their respective "on-the-job" experiences, systematic observations and interviews with colleagues and clients, they write that their research has often "co-mingled" with performing their day-to-day responsibilities as advertising and marketing professionals.<sup>98</sup>

Malefyt and Morais describe this phenomenon as going "native" that allows them to analyze their advertising agency from an "insider's vantage point." In fact, over many years of "immersion," or what they consider extended fieldwork, the authors have themselves

become advertising professionals in addition to being anthropologists.<sup>99</sup> They elaborate on the various key facets of conducting ethnographic fieldwork in corporate settings where anthropologists carry out fieldwork. They write that as companies look to build more intimate consumer relationships and improve their products, anthropologists can potentially shape corporate discourse and marketing practices toward “more accurate consumer representations.” Corporate anthropologists can help “direct and mediate sites of cultural production.”<sup>100</sup>

Examples of such anthropological research that specifically pertains to the world of advertising are relatively sparse amidst a sea of consumer and marketing research that is invaluable to the advertising industry. Yet, it is worth asking why the industry doesn’t look at itself more closely through qualitative and immersive workplace ethnographies and interviews. In *Advertising Diversity*, Shalini Shankar notes that there is a need to examine the development of “emerging advertising agencies” such as Asian American agencies that cater to highly niche audiences and require a workforce that has skills in addition to knowledge of conventional marketing and advertising. She researched agencies online and reached out to them – a few agencies agreed to let her conduct interviews and one agreed to let her carry out ethnographic fieldwork. While her research was directed at questions around race and ethnicity in the changing advertising landscape, her approach and methods used are helpful for any advertising anthropologist.

Shankar writes that while “advertising executive” is a generic title that is adopted by many employees who may be involved in client servicing, creative production or media planning and buying related tasks more specifically. However, it is not entirely clear how

expertise and authority about advertising are acquired. Despite advertising having developed as an important field of study in academic research and business schools across the world, ad executives often have multiple entry points into an agency and advertising expertise is gradually acquired.<sup>101</sup>

Based on my literature review, I believe that qualitative research methods discussed above are effective ways to study native advertising from the perspectives of production in the context of the new media economy. Past research has not focused a great deal on the experiences of digital advertising practitioners with the production and regulation of native advertising. These perspectives are critical to understand how native advertising has disrupted the new media economy.

I interviewed key individuals involved in the production of native advertising at Lessiter Media and analyzed their responses for further discussion. I was able to emulate previously used interview techniques discussed above to some degree and build on past research in a meaningful manner. In the following chapters, I will discuss my research methodology, findings, and conclusion.

### **3. Lessiter Media Overview**

In October 2018, I joined Lessiter Media as a digital media intern. Formerly Lessiter Publications, the company is the publisher of niche trade magazines such as *American Farriers Journal*, *Farm Equipment*, *No-Till Farmer*, *Strip-Till Farmer*, *Rural Lifestyle Dealer*, *Precision Farming Dealer*, *Farm Catalog* and *Ag Equipment Intelligence*. The primary audience of these publications has historically comprised of farmers, agricultural equipment dealers and manufacturers in North America. Lessiter Media is a family-owned business and

was founded on March 6, 1981, when veteran agriculture journalist Frank Lessiter and his wife Pam bought *Farm Building News*, the National Farm Builder Show and *No-Till Farmer* from Reiman Publications. Lessiter Media's current president is Frank's son Mike. The company employs around 50 full-time staff members as well as a few temporary employees and interns like me. In September 2015, then Lessiter Publications Inc. announced a change in corporate identity and was renamed as Lessiter Media Inc. to "better reflect the evolution of its print, digital and in-person content offerings."<sup>102</sup>

Lessiter Media has evolved from print-only publishing to providing multimedia content that is accessible on various digital platforms like online subscriptions, e-newsletters, webinars, videos, downloadable reports, and e-books. Lessiter Media also plans and executes industry events like the annual National No-Tillage Conference, National Strip-Tillage Conference, International Hoof-Care Summit, Dealership Minds Summit and Precision Farming Dealer Summit. Making their content available on various digital media platforms has helped expand their audience significantly. All magazines are published online and in print. Paid and unpaid subscription options are available online. Unpaid subscriptions include free eGuides and daily email newsletters that simultaneously deliver content and grow their audience beyond the controlled network of print subscribers.

*Precision Farming Dealer* claims to be "the only publication in the North American Farm Equipment Industry dedicated to precision agriculture." A Monday-Saturday email newsletter is curated and produced by the editors of *Precision Farming Dealer* who work at Lessiter Media. Each issue consists of articles and information relevant to precision farming dealers and specialists that includes industry news, best practices, videos, and other digital content. A Weekly Digest is also delivered on Sunday via email newsletters produced by the

editors. The *Precision Farming Dealer* website contains traditional banner ads as well as native ads and sponsored articles designed to blend in with other unpaid editorial content.

*Ag Equipment Intelligence* claims to offer “one-on-one personal advice from the world's most trusted ag equipment industry experts. Advice that hasn't been watered down or distorted by outside influence, providing the latest and most insightful farm equipment analysis. *Ag Equipment Intelligence* explores where the ag equipment industry is going — not just where it's been. No filler. No bias. No conflict of interest.” Their website also hosts a sponsored newscast and podcast called “On The Record” which can be considered a form of native advertising as well. On the Record is a bi-weekly web-only newscast that delivers insights, analysis and breaking news about the agriculture industry. The newscast is also offered in podcast format. The sponsors include companies in the agriculture domain such as Ingersoll Tillage and Walterscheid Powertrain Group. It is interesting to note that unlike other Lessiter Media Publications, On The Record is the only sponsored content on *Ag Equipment Intelligence* that is otherwise devoid of any advertising.

An important distinction between the two magazines is their revenue models: *Ag Equipment Intelligence* relies almost entirely on subscriptions that cost \$499 for each annual membership. In contrast, *Precision Farming Dealer* offers a free annual subscription, but subscribers have to be “qualified.” Essentially, Lessiter Media controls the audience and presumably, the revenue for *Precision Farming Dealer* relies more heavily on advertising. The audiences for the two magazines may very well overlap to some degree.

Internal repurposing of content to suit different platforms and in-house publications is not uncommon. The content of several such niche publications like *Ag Equipment Intelligence* and *Precision Farming Dealer* often includes integrated traditional

and native advertising. They are also cross-promoted through email newsletters, e-guides and on social media to garner maximum visibility from the audience. Overall, the content frequently blurs the line between commercial and non-commercial and relies heavily on storytelling techniques and trust garnered from the audience over decades. While this is not uncommon in the new media economy, native advertising appears to be a key component of their business model.

#### **4. Method: Interviews**

As a member of the digital media team, I have access to the employees and resources at Lessiter Media involved in the production and distribution of such content to a highly niche and targeted audience. I researched native advertising produced by Lessiter Media for their publications using a qualitative approach by interviewing editors and advertising personnel involved in the production of native ads to understand their perspectives. Participants were selected based on their availability and level of involvement in the production of native advertising. The interview protocol was designed to prompt participants to engage in what Drumwright and Murphy referred to as “guided introspection.” I tried to get the participants to talk about selected native ads and their construction. Follow-up questions were asked to address specific points that come up during the interviews.

The two native ads used as references for interview questions are a sponsored web article titled “Release the Power of Precision”<sup>103</sup> on the *Precision Farming Dealer* website and a sponsored newscast titled “Precision Technology Leading Ag Equipment's Future” on the *Ag Equipment Intelligence* website.<sup>104</sup> Both native ads include prominent disclosures and information about their respective sponsors as illustrated below.

TOPICS ADVERTISE FOLLOW US 0 ITEMS LOG IN REGISTER Search By Keywords

**PRECISION FARMING DEALER** Discounts on Multi-Year RTK Subscriptions & Data Plans. DigiFarm.com



INDUSTRY NEWS RESOURCES SPECIAL COVERAGE PRODUCTS & SUPPLIERS PUBLICATIONS PFD SUMMIT STORE HELP SUBSCRIBE

**Sponsored Content**

## Release the Power of Precision

February 4, 2019 | Posted in [Industry News](#)

Todd Farver was riding in the combine with one of his clients near Ankeny, Iowa recently when the two had a chance to reflect on the dramatic improvement in crop yields seen in this particular corn field.

Placing nutrients exactly where they are needed, is our goal.

TOP ARTICLES

- [Topcon Agriculture](#)
- [Are You Being 'Better than Google?'](#)
- [Taranis Partners with Climate Corp. for](#)

Figure 1: A disclosure (highlighted red box) placed at the top of the *Precision Farming Dealer* sponsored content piece

"Time is always money so the ability to have a single software platform we can pull down and change fields so quickly, to get the zones and everything right where I need them, is huge," he said. "And the fact it's able to link up to MyJohnDeere means I can send them prescriptions wirelessly and they just have to open it up."


Farver is also saving significant time by creating crop plans for numerous fields at one time. "Before there was so much repetition but now I don't have to do one field after another." Also, once he creates the prescriptions he can send them through to the farmer directly through [Trimble Ag Software](#).

For Farver, finding the right software has simplified life, improved customer satisfaction, and taken farming to a whole new level.

Learn actionable sales strategies from the most influential "Dealership Minds" in the industry – of every color, size and experiences – during this one-of-a-kind event July 30-31 in Peoria, IL. You'll discover leading dealer-to-dealer sales strategies during this 2-day networking and idea sharing event.

[View Event →](#)

**MORE EVENTS**

**LYNX**   
Strip-Till Made Easy  
[www.LynxAg.com](http://www.LynxAg.com) | [sales@LynxAg.com](mailto:sales@LynxAg.com)

**Trimble**

This content is brought to you by [Trimble Ag](#).

One of the biggest challenges facing dealerships and service providers today is moving data between software platforms, adjusting or creating large volumes of prescriptions, and sharing data back with their farmer customers. Welcome to Advisor Prime, the premier web-based solution featuring an intuitive, streamlined workflow for creating and sharing management zones and variable rate prescriptions. By using Advisor Prime, you'll reduce data entry errors created by repetitive field-by-field procedures, cut out hours of processing time, and eliminate steps in transferring data back to the farmer.

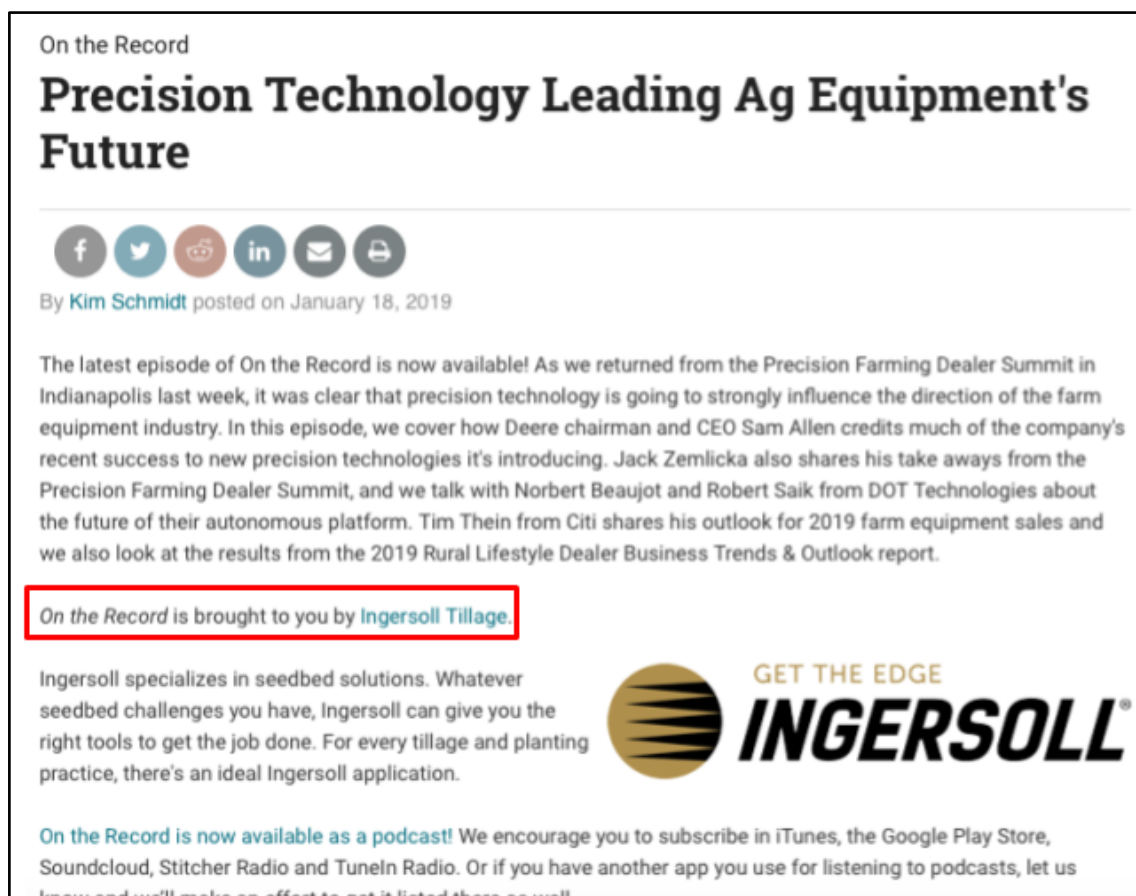
**REQUEST A DEMO**

**TOP DIRECTORY LISTINGS**

**Ivy Tech Community College,**


Figure 2: A disclosure placed at the bottom of the *Precision Farming Dealer* sponsored content piece with a message from the sponsor, Trimble

The “Release the Power of Precision” article on the *Precision Farming Dealer* blends in seamlessly with other articles on the website and the sponsorship disclosures are the only evidence of it being a native advertisement. It might be possible for a reader to lose sight of such disclosures since there are other traditional ads on the article page as well. Since the more prominently visible disclosure is placed at the end of the article, it is possible that the reader may not pay close attention to it and think of it as an unrelated ad on what otherwise appears to be regular editorial content.



On the Record

## Precision Technology Leading Ag Equipment's Future




By [Kim Schmidt](#) posted on January 18, 2019

The latest episode of On the Record is now available! As we returned from the Precision Farming Dealer Summit in Indianapolis last week, it was clear that precision technology is going to strongly influence the direction of the farm equipment industry. In this episode, we cover how Deere chairman and CEO Sam Allen credits much of the company's recent success to new precision technologies it's introducing. Jack Zemlicka also shares his take aways from the Precision Farming Dealer Summit, and we talk with Norbert Beaujot and Robert Saik from DOT Technologies about the future of their autonomous platform. Tim Thein from Citi shares his outlook for 2019 farm equipment sales and we also look at the results from the 2019 Rural Lifestyle Dealer Business Trends & Outlook report.

**On the Record is brought to you by [Ingersoll Tillage](#).**

Ingersoll specializes in seedbed solutions. Whatever seedbed challenges you have, Ingersoll can give you the right tools to get the job done. For every tillage and planting practice, there's an ideal Ingersoll application.

 **GET THE EDGE**  
**INGERSOLL®**

On the Record is now available as a podcast! We encourage you to subscribe in iTunes, the Google Play Store, Soundcloud, Stitcher Radio and TuneIn Radio. Or if you have another app you use for listening to podcasts, let us know and we'll make an effort to get it listed there as well.

Figure 3: Native Advertising Disclosure (highlighted red box) on *Ag Equipment Intelligence's* On The Record newscast

While these disclosures largely satisfy the FTC's requirements for disclosing native ads, content like this disrupts the flow of information and leverages the credibility of the publisher as discussed earlier. It remains unclear whether consumers realize that they are ads or if that affects their perception of the advertiser and publisher. I hope to address such points during the interviews.

I began by showing participants the ad and asking general questions about it such as the following:

1. What do you think of the design?
2. Is it an effective ad?
3. Would you do anything differently?
4. Do you think people realize it is an ad?
5. How has digital media changed all of this?
6. Do ads today have to walk more of a fine line between "not being an ad" and "being an ad" to be effective?

As discussed earlier, since disruption is a relatively neutral term that is already associated with digital native advertising, I tried to get the participants to talk about how native advertising is disrupting their work and their industry at large. I believe this is the best way to answer some of the ethical questions that surround native advertising and understanding the thought process behind how native advertising is designed, how designing the sponsorship disclosure is approached and where native advertising can be situated in the new media economy. From my own analysis, I found that it is difficult to classify native advertising as strictly paid, owned or earned media: it can be either, or a combination of all three. In my interviews, I refrained from using terms like "new media

economy,” “paid media,” “earned media,” “owned media” and even “native advertising” to some extent and instead focused on getting participants to discuss their work using the terminology they’re more familiar with instead.

I also refrained from specifically mentioning the FTC and hoped that the participants would bring up the agency and discuss the importance of being compliant with their guidelines. I was also afraid that my bringing up the subject of regulation directly may cause participants to become defensive and respond less candidly about their work. Moreover, my interest is primarily about the production of native advertising at Lessiter Media, and less about the FTC’s regulation. I assumed that if the participants were aware of the FTC’s requirements and complied with them (as it appears in the examples above), they would likely want to discuss it or take credit for it.

The primary objective of this study was to understand various perspectives about the production of native advertising, I recruited participants to get the most well-rounded insights about the production of native advertising at Lessiter Media. The duration of the interviews did not exceed 30 minutes and they were audio-recorded, transcribed and summarized for further discussion of perspectives gathered from the participants. The following employees were interviewed:

1. Executive Editor
2. Senior Account Executive (Sales)
3. President
4. Vice President, Audience Development

Participants were selected based on the degree to which they were involved in the production of native advertising. Since my research involves human subjects, I first obtained

necessary approvals from the Institutional Review Board (IRB) and my study was granted Exempt Status under Category 2. While the need to protect the rights of participants in any study is critical from an ethical standpoint, such administrative processes can sometimes result in delays in carrying out fieldwork in a timely manner, particularly in the context of academic research. It is also worth noting that there are several well-documented limitations when it comes to qualitative research of this nature. As with all exploratory qualitative research, the sample size tends to be relatively small and therefore leads to difficulty in generalizing the findings beyond the participants involved.<sup>105</sup>

## **5. Findings**

I first interviewed participant 1, the Executive Editor of *Farm Equipment* and *Ag Equipment Intelligence* magazines. The Executive Editor is primarily a journalist and is heavily involved in creating and curating editorial content produced by the magazines. The Executive Editor also hosts *Ag Equipment Intelligence's* On the Record webinar and podcast.

An important observation from the interview with participant 1 was the rather direct involvement of Lessiter Media's editorial staff in the production of native advertising. To quote the participant's response to how they approach the production of sponsored content: "I approach it like I'm writing any other story. Now, we'll give a little more love to the sponsor than I would normally." This clearly highlights the level of influence that advertisers have in the production of native advertising and that for the most part, it is approached like any other editorial content. As far as any involvement of the advertiser in the production of sponsored content goes, the participant believes "whoever the sponsor is, they have zero connection to anything that ends up in it." The participant also added that it

is “very traditional media church and state kind of separation” of the advertiser and the sponsored content.

In terms of the thought process that goes into designing the sponsorship disclosure, the participant said that a deliberate effort is made to be transparent and that sponsored content is labeled as such, providing information about who the sponsor is. However, when asked more directly if it matters whether the audience realizes that it is an ad, participant 1 replied, “I don’t know that they do,” because the article did bear a striking resemblance to other editorial content and delivered comparable value to the reader. The participant believes that the sponsored article on *Precision Farming Dealer* “looks like this could have been just any article we had,” and that it is “pretty close to equal or, or equal to what we're putting out anyways” not just in terms of style and format but also in terms of the editorial effort that goes into its production.

I then inquired that since it matches the quality of regular editorial articles, why not produce more sponsored content, to which participant 1 replied that for one, “it’s a matter of selling it.” It is also a matter of the “real estate” for advertising available. In other words, the amount of sponsored content being produced is a function of how much of it is being sold and how much real estate is available. By real estate, it can be assumed that the participant is referring to the amount of ad inventory that is available for selling to advertisers for any given publication – this likely includes the space available on a page for traditional banner ads, sponsorship logos blocks and native advertising.

The participant also added that too much sponsored content makes it “less valuable.” It is worth noting that to a large extent the production of native advertising at Lessiter Media is a relatively new development. Participant 1 believes that over the last few

years, since they first started producing sponsored content, its perception has changed, and it is not considered as “taboo.” The participant also said that when the sponsored content is not produced by Lessiter Media’s editorial staff, they make sure it looks like it wasn’t produced by them.

In other words, it is only when sponsored content is produced by their editorial staff that they are comfortable with it passing off or blending in with other editorial content. This highlights the importance of their editorial reputation and integrity. The amount of native advertising being produced is also taken into account and they don’t want too much of it out there. It appears that having such a balance and subtlety is an important consideration during the production process. In fact, the participant admitted that they do wrestle with the question of “are we getting like a little too heavy on sponsored stuff?” However, the participant followed this by adding that “it’s all good content still. It’s all stuff we’re generating. So, it’s not like it’s these advertisers filling our pages really.”

The participant plans to conduct a readership survey for *Farm Equipment* magazine to gauge consumer responses about how sponsored content is perceived or recognized as being sponsored. The participant has never done a similar survey before but believes that it may be worth asking if readers care whether the content they are consuming is sponsored. The participant said that personally when they encounter sponsored content in the local news, they can usually tell that it was produced or heavily influenced by the advertiser but doesn’t mind giving it a couple of minutes of their time. Sponsored content delivered via email newsletters is “well-read.” To quote the participant, “Anecdotally I’d say it doesn’t matter to readers, but I wouldn’t really know.”

I then interviewed participant 2, the Advertising/Sales Senior Account Executive. This participant is involved in managing advertising accounts for various sponsors that advertise at Lessiter Media, including sponsored content. Participant 2 is not involved a great deal in the actual production of advertising but rather in account management and business development and brings a different perspective than participant 1 who is involved in the production of editorial and sponsored content more directly.

Participant 2 emphasized the need for native advertising to be subtle and that when it comes to the production of sponsored content at Lessiter Media, they “don't want to turn it into a billboard for the sponsors.” The participant believes that if native advertising is subtle, does not come across as an intrusion and potentially provides value, the consumer wouldn't mind engaging with it. Subtlety remains important for the sponsorship disclosure too. According to participant 2, it doesn't need to be flashy, but it needs to be there. When asked if the audience realizes that the article is an ad, the participant replied it doesn't matter as long as it is subtle and if they're not making it about the sponsor. The participant also said “I think we all understand that we're constantly bombarded with marketing,” which alludes to my earlier discussion about the new media economy and the increase in levels of paid media that Franks refers to. This makes it easier for sponsored content to blend in with other content that is not advertising.

Participant 2 believes that providing value to the consumer is important and that it was this value that made sponsored content effective. According to the participant, native advertising needs to be “tasteful,” and that if done right (tastefully and subtly), sponsored content that provides value can get relatively higher engagement for the advertiser. A traditional banner ad could be viewed thousands of times but not be as engaging as a

sponsored content piece with relatively fewer views. For instance, the participant believes that the engagement that an advertiser would get with less than a thousand impressions for sponsored content is comparable to that of around 50,000 impressions for a banner ad. While this might have been slightly exaggerated or unsubstantiated, it is consistent with the consensus among participants that sponsored content is more engaging than traditional print or banner ads. When asked about the thought process involved in wording the sponsorship disclosure and if any best practices were followed, the participant replied that it is left up to the editorial staff, thereby confirming their role in the production of native ads. The participant also mentioned that there are “some FCC rules and regulations about it.” I will discuss this in the following section.

As mentioned earlier, I refrained from asking any direct questions about how native advertising has disrupted the new media economy or anything to that effect. However, during the course of the interview, participant 2 talked about how the production of sponsored content has disrupted the overall production workflow at Lessiter Media, without using the term disruption itself. For example, the participant described that while the editorial staff is involved in the production of sponsored content, they also have regular editorial content to produce. Similarly, other departments like digital media, sales, etc. have their own respective duties and while the editorial staff has de facto responsibility for the production and fulfillment of sponsored content, they rely on other departments to produce it.

From my interview with participant 3, the President of Lessiter Media, I was able to learn more about the production of sponsored content from the perspectives of both editorial and advertising, due to the participant’s direct involvement in both. Participant 3

believes that the consumer would likely want to know “fairly quickly” who the sponsor of any given article was if there was one. Even for a regular article, if a consumer suspects that the content may be sponsored, they might consider scrolling down to confirm their suspicion. While the FTC was not explicitly mentioned during the interview, the participant’s response aligns with their assertion that consumers have a right to know if the content they’re viewing has been sponsored. I did mention the word disrupt in the context of how the placement of the sponsorship disclosure disrupts the flow of information consumption for the audience and found that it is preferred that the disclosure blend in seamlessly within the editorial content.

Participant 3 also believes that while the idea is for a sponsored article to blend seamlessly with other editorial content, it should be done “without fooling the reader.” This clearly highlights that the priority at Lessiter Media is not to deceive their audience but rather to create compelling native advertising that addresses the needs of their audience and advertisers alike. It is interesting to note the contradiction here – that production of native advertising creates a unique scenario where the interests of the audience and the advertisers can compete and conflict with each other at times. In other words, a good native ad cannot blend in with other content and be as effective without fooling the consumer at least a little, even if this is not the publisher’s primary intent. Like any content publisher in the new media economy, advertising revenue is an important component of their business model. While native advertising is contributing a larger share of this revenue for many content publishers, participant 3 stresses that as journalists, providing valuable content remains key.

Participant 3 also believes that if the sponsorship disclosure was shifted all the way up, it would be “obtrusive” and “would get in the way.” However, the participant added that “getting it above the fold as we used to talk about in the print world not bury the sponsor message way at the bottom. Embedded in the first one-third of the copy or something.” The participant also said that they “never really did any of it in print” until recently and that only after seeing that “it has been accepted in the publishing world” that they proceeded to do “a couple in print.” Participant 3 also echoed participant 1’s response about the frequency of producing sponsored content being directly proportional to sales and the logistics of selling the advertising real estate available.

I then asked if it is due to the audience that Lessiter Media didn't like doing it in print and the thought process that went behind making the decision to have more sponsored content in digital as compared to print. To this, participant 3 said that the “journalistic purists” that they are, they hadn’t thought that way about the potential of sponsored content and that it was only after doing “some of these in digital” and finding that “they can be very well-read. They can be considered great content regardless of whether it's sponsored or not.” Participant 3 also said that they are just “allowed them to put their name against it,” or in other words telling the readers that you're getting this because of the support of a particular advertiser. This is also consistent with participant 1’s assertion that the advertiser is not involved in the production of sponsored content at Lessiter Media and that it was largely under the purview of the editorial department.

As suggested by participant 1, participant 3 believes that while sponsored content has “maybe opened some eyes to see things we can do here,” that they’re still not doing a lot of it.” Additionally, participant 3 was also aware of “banner blindness” and that

traditional banner ads are “no longer effective” and is the reason why many advertisers are willing to invest more in sponsored content with embedded messaging. This is consistent with participant 2’s claim about sponsored content being comparatively far more engaging than banner ads. To quote participant 3 about whether people realize that sponsored content is advertising, “I think they have to be paying attention to realize that it is,” even if it has been labeled satisfactorily. The participant also added that the consumer might figure out that it is sponsored after reading it but would presumably engage with it like regular editorial content at first.

About *Ag Equipment Intelligence’s* sponsored newscast, participant 3 also said that it is unbiased, reiterating the assertion made by participant 1. Participant 3 said that not having any traditional advertising or sponsored content on *Ag Equipment Intelligence* other than On the Record puts them in the unique position of being able to remain critical of major advertisers within the industry like John Deere if needed. The subscription-only revenue model helps them stay independent because not relying on advertising dollars means they don’t have to chase metrics like website traffic that are otherwise important in the new media economy. It allows them to report news about their potential advertisers in an unbiased manner. It also places a higher premium on the audience’s attention and helps provide high-value content sans any distraction of flashing interstitial banner ads or as the participant said: “we don’t need to put blinking things on there.”

It was also interesting to note that the production of native advertising in print was approached differently than online sponsored content. Participant 2 alluded to this as well, that when native advertising is done in print, it begs for “higher quality.” The same higher standard likely applies to the production of other editorial content too, because as a

medium, print can be more permanent and less forgiving of errors, unlike on digital platforms where content can often be edited or promptly taken down even after it has been published. According to Participant 3, “it seems like we're taking more latitude on the digital side,” which highlights the changing attitudes towards native advertising in the new media economy. However, since my study focuses on online native advertising, I did not discuss sponsored content in print in greater detail. Participant 3 believes that in the future, Lessiter Media will produce more sponsored content that they currently do. When asked if this would be at the expense of traditional ads, the participant hoped that it wouldn't be the case but recognized that it might be a bit unrealistic to expect advertisers to “make the dollars available for both.”

The participant for the fourth interview was Vice President of Audience Development. This participant oversees the audience development team that comprises of marketing and digital media teams. Since the audience of all of Lessiter Media's publications is highly niche, I thought that in addition to the editorial and advertising perspectives, the marketing team leader would provide interesting insights into the production of native advertising at Lessiter Media. My interview with participant 4 took an unexpected turn when he invited two marketing managers in the room shortly before the interview began and I ended up interviewing all 3 of them together. While the interview was generally informative, I was not able to get satisfactory answers to my original questions. Many of their responses lacked the degree of specificity I was hoping for since the audience development team is not heavily involved in the production of native advertising at Lessiter Media to a great extent. This was perhaps the biggest takeaway from this final interview.

Overall, the responses to largely similar questions about the production of sponsored content at Lessiter Media were consistent among all 4 participants and they did not contradict one another. Since the questions were largely open-ended and not unnecessarily confrontational, the participants provided relatively candid responses. It is worth mentioning, however, that the several weeks I spent working at Lessiter Media before the interviews helped earn their trust to some degree as well.

## **6. Discussion**

The literature review, subsequent analysis of native advertising at Lessiter Media and the interviews attempted to seek answers to the questions that were originally introduced at the beginning:

1. What is native advertising and why is it disruptive?
2. What is being disrupted and how?
3. How do advertising practitioners feel about native advertising and the ethical questions it poses?
4. What is the role of regulatory authorities like the FTC when it comes to native advertising transparency?

I believe I was able to address these questions during the interviews and on subsequently analyzing the participants' responses, I was able to adequately find answers to the questions. Notwithstanding the many challenges associated with defining native advertising discussed earlier, the literature review and subsequent analysis of different examples did help clarify what native advertising is, at least in the context of the new media economy and this study. Native advertising can best be described as a form of advertising

that is produced in an environment often similar to that of regular editorial content that is designed to mimic or blend in with non-advertising content. It takes many forms and is especially effective in the new media economy where users are increasingly able to control the content they consume and can render many traditional forms of advertising ineffective. This has transformed the traditional advertising industry and consequently the publishing industry that relied on traditional advertising for revenue.

Large publishers like the *New York Times* and even relatively smaller publishers like Lessiter Media are embracing native advertising and consider it an opportunity to keep their businesses afloat in the wake of declining print subscriptions and traditional advertising revenues. The rise of mobile technology and online content consumption has also significantly changed the landscape of the traditional advertising and publishing industries. These disruptions create conflicts that manifest in interesting ways at different stages of the content production process. Like the rise of mobile technology, native advertising is perceived as both a threat and an opportunity. It threatens publishers like Lessiter Media and many others who have historically relied heavily on traditional advertising and revenue models.

Native advertising has disrupted the production workflow at Lessiter Media. In a way, no one individual or team has ownership of sponsored content production as a whole, despite the amount of native advertising being produced and its importance for Lessiter Media from a business standpoint. This creates a conflict for those involved in producing native ads because they don't always consider it as their primary job. The result is that native ads don't always measure up to their editorial standards or end up being produced without a great deal of attention paid towards designing a sponsorship disclosure that fully

complies with the FTC's requirements. Lessiter Media is perhaps not the only publisher in the new media economy experiencing this sort of workplace tension when it comes to the production of native advertising. This lack of direct accountability for taking complete ownership of native advertising production is symptomatic of an industry-wide struggle to come to terms with what can best be described as "disruption." This is also perhaps why "disruption" is so widely associated with the discourse of native advertising - it likely manifests in different forms during the production of different types of ads for different publishers.

Disruption is hence a fitting term to describe the effect of native advertising in the new media economy. It perfectly captures the conflict that native advertising creates in the production workflow and the dichotomy of opportunities and threats that it affords to businesses. Native advertising has not only disrupted the traditional media economy from a financial standpoint, but it has also disrupted the economy of trust within it. The editorial trust that publishers like the *New York Times* and Lessiter Media built over decades is simultaneously worth more than it ever did because of the increasing number of content publishers online scattered across the internet to suit individual needs and preferences. On the other hand, it is also worth less than it ever was, because of the proliferation of native advertising online and the extent to which publishers are willing to compromise on editorial credibility in exchange for native advertising revenues.

Editorial credibility itself is a valuable currency in the new media economy and can be considered as important as other capital assets. The depletion of perceived editorial credibility from their audience threatens publishers like Lessiter Media. Native advertising exacerbates this issue by leveraging the audience's trust garnered from maintaining

editorial credibility over long periods of time. In fact, native advertising has disrupted the very idea of editorial credibility: it claims to be both advertising and editorial content simultaneously in the case of Lessiter Media and perhaps neither strictly advertising or editorial content in the case of publications like *The New York Times*.

Understanding the production of native advertising at these publishers can help explain why this is. At Lessiter Media, the editorial staff is responsible for producing native advertising. This is in stark contrast to publications like *The New York Times* where the editorial staff is not involved in the production of any native advertising and this is clearly mentioned in their sponsorship disclosures. Of course, this is not to say that the advertiser produces the content. As discussed earlier in the literature review, it is an entirely different team within the publication that produces native content. Lynch refers to this as “in-house content studios.” However, at Lessiter Media, there is no such “in-house content studio” and the editorial staff produces native advertising just like any other editorial content, for the most part.

Such scenarios prompt us to ask how those involved in the production of native advertising feel about ethical conflicts that surround native advertising. I have already referred to my limited understanding of ethics in a scholarly capacity and this question not being central to my research, but it does not make the question any less important. From the interviews, I was able to understand the how sponsorship disclosures are designed at Lessiter Media. By complying with the current disclosure norms, publishers feel like they have satisfied the ethical requirements, but it is unclear whether consumers feel the same way.

It is worth noting that a prominent disclosure likely benefits both the audience as well as the advertiser since it would be somewhat self-defeating if the sponsor was not mentioned or their message was not delivered to the audience. While this is evident from the disclosures themselves, it is likely also because it could potentially damage the perceived credibility of *Precision Farming Dealer* as a trusted source of news for their highly niche audience, if an article came across as clearly biased but did disclose that it was sponsored. The disclosures, therefore serve multiple purposes in addition to regulating native ads.

However, this makes the job of regulatory authorities like the FTC extremely challenging when it comes to policing individual violations of their prescribed disclosure norms. Even though the FTC has regularly published guidelines, conducted workshops and also imposed penalties on select offenders who violated disclosure norms, those involved in the production of native advertising are not always aware of the FTC's regulations. This is evident from participant 2's response about the FCC rules and regulations. It is possible that participant 2 is unaware that it is the FTC that is involved in the regulation of native ads and not the Federal Communication Commission (FCC).

Although it is not entirely inconceivable that native advertising might fall under the FCC's purview, it is indeed remarkable that someone in the position that participant 2 is in is unaware of the FTC's regulations about native ads. It raises several questions about Lessiter Media's approach to producing native ads - that the sponsorship disclosure is important because there likely are some federal or industry guidelines about it, but as mentioned earlier, the disclosure is just as important from the advertiser's point of view. It also raises

questions about the FTC's regulation itself and the agency's ability to effectively communicate their requirements to those involved in the production of native ads.

While several questions still remain unanswered about the production, consumption, and regulation of native advertising, it is likely that native advertising will continue to grow in the new media economy. This is consistent with participant 3's response as well as industry predictions – there will likely be more sponsored content that will be produced as native advertising spends grow. However, only time will tell what kind of growth cycle one can expect.

The participants and the industry as a whole are reluctant to agree on whether native advertising is a destructive or creative force but have nevertheless adopted it and believe that it is here to stay. They produce more native advertising because they believe its perception in the industry has changed but they are also the ones responsible for this change. Hence disruption aptly describes the structural transformation that Lessiter Media is undergoing. The fact that it is a neutral term that focuses on transformation without branding it as strictly positive or negative is highly significant. Disruption also accurately encapsulates the contradicting ethical values of native advertising producers, who, at Lessiter Media, happen to be journalists as well. On the one hand, their work can be seen as an opportunistic attempt to sell their editorial credibility in exchange for advertising dollars using a deceptive new marketing technique, but on a closer look, it is evident that they are just another news publishing firm trying to stay afloat in a new media economy that is becoming increasingly adversarial in relation to a print-first, subscription-based business model.

They are likely aware of the ethical questions native advertising creates, but are not oblivious to its effectiveness either. In fact, they are also aware that traditional advertising methods are not as effective. Perhaps this explains why participant 2 emphasized that “we're constantly bombarded with marketing” and that native advertising should be “subtle” and done “tastefully.” They feel the need to sound defensive because they realize that native advertising can be a slippery slope. Advertisers often justify using questionable marketing tactics by arguing that consumers are really smart and that they could never get away with deceptive advertising practices.<sup>106</sup>

One of the main critiques I have from my own experience of using anthropological research methods to understand the work of advertising executives is the lack of direction or a pre-determined set of events one can expect to encounter when researching. Perhaps this holds true more for ethnographies than field interviews or other qualitative research methods that do not rely solely on observation for data collection. Interviews, for instance, can be framed in a way that could provide a general idea of the kind of responses that can be expected. Similarly, the narrative of a focus group can be controlled to some degree by a skilled moderator to reach a consensus. However, ethnographers do not always enjoy as much control over the specific framework of their findings and require a great deal of patience and adaptability to suit the environment they are situated in.

However, it is this lack of clarity that also makes it a more potent research methodology, to begin with. Participants can suspend their disbelief to some degree, allowing them to let their guard down and be relatively candid because they are more trusting of someone who is an “insider” and over time, ethnographers can build such trust with participants they are researching. At Lessiter Media, the months I spent before the

interviews as an intern, building personal relationships with participants that enabled them to speak more freely about company practices in their responses. The importance of this aspect of ethnographic research in the overall process cannot be overstated.

Another challenge commonly associated with ethnographic fieldwork is assuming the right position for oneself. In other words, the ethnographer needs to situate themselves at their research site which can be tricky. For instance, I had to find a place for myself at Lessiter Media that didn't necessarily exist before. While I had tasks and responsibilities assigned to me as an intern, I had to find the vantage point of an objective bystander and space within the organization to be able to research while still working on company projects, without letting the two worlds mix.

My experience of working at a Publicis-owned digital advertising agency from 2014-2017 was also instrumental in shaping my understanding of advertising in general and also the work environment at Lessiter Media. While I chose to exclude any specific observations from my time there, comparative analysis forms the basis of many anthropological studies. It was interesting to compare the contrasting ethical values of content creators at advertising agencies versus those at Lessiter Media who view themselves as journalists first. I use the term content creators to cover a broad category of executives that work across various departments including creative production, editorial, account management, advertising, and sales.

While advertisers are only looking out for the interests of their clients, those involved in the production of sponsored content at Lessiter Media must also reconcile their responsibility to remain impartial to their audience and provide informational content. Not only does this distinction affect the day-to-day activities at Lessiter Media but also the

shared organizational ethos throughout the company. The goal at an advertising agency is often to deliver results whereas, at Lessiter Media, the goal was more about delivering value than results. Such insight into the kind of disruption brought about by digital technology and new advertising techniques can be effectively understood by researching workplaces affected by these changes, particularly during a time when things are changing fast.

## **7. Summary & Conclusion**

More and more traditional advertising messages are now being designed to follow audiences and blend into the content they consume at any given point. As an internet user journeys back and forth between platforms like Facebook and Google, their behavior is monitored to serve them more personalized ads that closely resembles the non-paid content they consume on such platforms. Customers and potential customers can now be reached through increasingly new and targeted means. The internet allows advertisers and brands to engage with highly segmented audiences at various stages of the customer journey. Providing information that the user deems valuable and creating value incrementally through the cumulative effect of several such interactions is now considered the most effective form of advertising. This encompasses a wide range of paid and unpaid brand interactions in the form of content that is created by the brand itself and by the audience that creates user-generated content to amplify the brand's voice significantly.

The inundation of paid media has forced many marketers and brands to invest more in creating owned and earned media. Ultimately, it is hard to tell if paid media is more effective than owned media and it is often a combination of paid, owned and earned media that results in a successful marketing campaign. A wide gamut of advertising techniques like

native advertising, search engine marketing, content marketing, social media promotions, and product integrations, just to name a few, are used to build brand equity in the new media economy. Having a well thought out content strategy across multiple platforms has acquired greater importance in the new media economy.

Executing this content strategy across the multitude of media platforms is particularly challenging and requires expertise with several complex tools as well as collaborating with various marketing and creative teams. Ultimately, in most cases, brands want as many consumers as possible to visit their website and a wide range of tactics are used to achieve this goal. Once this goal is accomplished, there's a possibility of the consumer's visit leading to a conversion. A conversion could be an online purchase, brochure download, filling up a contact form, signing up for a newsletter or other subscriptions. In other words, a conversion is any desirable action from the user. In the new media economy, the goal is often to generate participation and conversations among users, commonly referred to as "engagement". What is now understood as engagement is a highly effective and economical form of advertising – because the more engaging content is consumed, the more advertising is often subsequently created by those who consume it when they engage with the content. For example, an engaging piece of content that is shared across multiple networks serves as a compelling endorsement for the message embedded within the content, with very little effort required to distribute that message to people.

This is perhaps where native advertising has inserted itself into the new media economy. It is often more engaging and provides content publishers like *The New York Times* and even those like Lessiter Media with relatively smaller, niche audiences a higher

share of diminishing advertising revenues. While native advertising leverages the trust that such publications have garnered from their respective audiences over a long period of time to command higher engagement than other traditional ads, they are willing to give up some of that credibility in exchange for increased advertising avenues and revenues to help stay afloat. There is reason to believe that native advertising also delivers valuable content to the audience, but the audience already expects value from the content they consume, perhaps even more so in the new media economy where they have more options available to suit their individual tastes and are spoiled for choices.

Regulatory authorities like the FTC require that advertisers include a disclosure with native ads. However, the very multiplicity of native ads that makes it hard to define, also makes it difficult to regulate. Even if a standard definition and disclosure could be developed, they would have to make way for new ones, sooner or later to keep pace with new technology and media ecosystems. However, the disclosure and the discourse surrounding it remains an important part of the discourse about native advertising itself.

Emerging agency structures have developed in the new media economy, not just as independent entities, but also as child companies or distinct units within existing corporate entities. Many legacy news publishers like the *New York Times*, the *Washington Post*, etc. now have dedicated content studios where professional journalists use their storytelling skills to create online advertising content for major brands. The nature of their work is presumably not very different from traditional advertising agencies but the fact that they exist within the walls of reputable news companies raises important ethical questions.

An examination of their day-to-day activities and comparing it to the pre-digital era can provide valuable insight into the changing nature of work that advertising professionals

do and how they feel about their work – that was once akin to creating art on a canvas in the era depicted in *Mad Men* but has now undergone a significant change with the evolution of the internet platforms and the rapid growth of mobile devices. Despite the well-documented transformation of the so-called *Mad Men* to “*Math Men*,” many advertising agencies still remain sites of cultural production.

Like many legacy publishers trying to reestablish themselves in the new media economy, Lessiter Media relies on native advertising to provide valuable content to its digital audience, look after the interests of its advertisers, and make revenue to stay afloat. If the president of Lessiter Media is right and, in the future, more native advertising is indeed produced, they might consider developing a “content studio” dedicated to native advertising production similar to those at *The New York Times* and its ilk. Perhaps the FTC’s regulation requirements will get stricter in the years to come and make native advertising less effective than it is now. Several such scenarios are possible.

With content being delivered through increasingly personalized systems powered by algorithms and big data, comprehensive research about native ads and the new media economy is needed to understand the changing nature of advertising and communication. My study aims to build on this growing body of academic research. While this study may or may not have produced results that can be generalized for a larger population of the industry, it addresses the lack of qualitative research on the production and distribution of native advertising in the new media economy. The research also explores questions that I originally sought to answer, particularly those that attempt to situate native advertising in the new media economy and the idea of disruption in the context of native advertising.

Several questions remain about the ethical conflicts that arise when journalists have to create advertising and marketing content and while it is not necessary that these contradicting values should always reconcile, it is critical to continue studying the blurring line between marketing and news from an academic standpoint. Further research should be carried out to seek answers to these questions.

## **8. References**

“Release The Power of Precision” Precision Farming Dealer, Feb 4, 2019. URL - [https://www.precisionfarmingdealer.com/articles/3768-release-the-power-of-precision?utm\\_source=omail&utm\\_medium=email&utm\\_campaign=deu&utm\\_content=pf&ajs\\_uid&oly\\_enc\\_id&ajs\\_trait\\_oebid=512414699801B6O&fbclid=IwAR3nF\\_TSeObw5tHS3A0fuL8ZWrlfZd1i4ekWIEAJGk9126aN3IV0hsfmUMo](https://www.precisionfarmingdealer.com/articles/3768-release-the-power-of-precision?utm_source=omail&utm_medium=email&utm_campaign=deu&utm_content=pf&ajs_uid&oly_enc_id&ajs_trait_oebid=512414699801B6O&fbclid=IwAR3nF_TSeObw5tHS3A0fuL8ZWrlfZd1i4ekWIEAJGk9126aN3IV0hsfmUMo)

Acuff, Courtney, J. 2016 Mobile: Everyone’s Answer Box. In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era, Vol. 2 California: ABC Clio.

Amazeen, Michelle A. and Bartosz Wojdyski. "The effects of disclosure format on native advertising recognition and audience perceptions of legacy and online news publishers" Journalism, 2018.

Auletta, Ken. Frenemies, New York: Penguin Press, 2018.

Borst, Susan “Outlook 2018: Brand Safety & Transparency are the Game Changers for Native Advertising,” 2018. <https://www.iab.com/news/2018-native-predictions/>

Brown, Ruth, Valarie Jones and Ming Wang, eds. *The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era*, Vol. 1 California: ABC Clio, 2016.

Brown, Ruth, Valarie Jones and Ming Wang, eds. *The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era*, Vol. 2 California: ABC Clio, 2016.

Campbell, Colin and Pamela E. Grimm, "The Challenges Native Advertising Poses: Exploring Potential FTC Responses and Identifying Research Needs" *Journal of Public Policy & Marketing*, 2018. DOI: 10.1509/jppm.17.105

Drumwright, Minette E. and Patrick E. Murphy, "How Advertising Practitioners View Ethics" *Journal of Advertising*, vol. 33, no. 2, pp. 7-24, 2004.

Federal Trade Commission, "Blurred Lines: An Exploration of Consumers' Advertising Recognition in the Contexts of Search Engines and Native Advertising," 2017.

Harms, Bianca, Tammo H.A. Bijmolt and Janny Hoekstra, "Digital Native Advertising: Practitioner Perspectives and a Research Agenda" *Journal of Interactive Advertising*, 2017.

Hayes Jameson, L. 2016 *Building Relationships with Empowered Customers*. In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. *The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era*, Vol. 1. California: ABC Clio.

Interactive Advertising Bureau, "The Native Advertising Playbook," 2013.

Lessiter Media Corporate Site. URL - <https://www.lessitermedia.com>

Lieb, Rebecca. 2016 Real-Time Marketing: The Agility to Leverage “Now”. In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. *The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era*, Vol. 2 California: ABC Clio.

Lipschultz Jeremy, H. and Marc A. Smith. 2016 Social Media Engagement: Advertising Practices, Measurement, Issues, and Constraints. In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. *The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era*, Vol. 2 California: ABC Clio.

Lynch, Lisa L. *Native Advertising: Advertorial Disruption in the 21st-Century News Feed*, New York: Routledge. 2018.

Malefyt, Timothy de Waal ed. *Advertising and Anthropology: Ethnographic Practice and Cultural Perspectives* Bloomsbury: London. 2012.

Ponikvar, Anthony B. “Ever-Blurred Lines: Why Native Advertising Should Not Be Subject to Federal Regulation” *North Carolina Law Review* Vol. 93, Number 4, 2015.

Schmidt, Kim “Precision Technology Leading Ag Equipment's Future” *Ag Equipment Intelligence*, Jan 18, 2019. <https://www.agequipmentintelligence.com/articles/2582-precision-technology-leading-ag-equipments-future?fbclid=IwAR21uC0IFK9BuuVWgEfjyKgWQajiGBwok52MAI6QGUewLZH YHbtTZvmb8Kk>

Schudson, Michael. Advertising, The Uneasy Persuasion: Its Dubious Impact On American Society 1984.

Shultz Don, E. 2016 Ripe for Change – But Resisting It. In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era, Vol. 1. California: ABC Clio.

Wagler, Adam. 2016 The Interaction Is The Message: A Framework for User Experience Approaches with Owned Media. In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era, Vol. 1. California: ABC Clio.

- 
- <sup>1</sup> Anthony B. Ponikvar, "Ever-Blurred Lines: Why Native Advertising Should Not Be Subject to Federal Regulation" *North Carolina Law Review* Vol. 93, Number 4. (2015) 1187. Available at: <https://scholarship.law.unc.edu/cgi/viewcontent.cgi?referer=https://www.google.com/&httpsredir=1&article=4749&context=nclr> Cited henceforth as Ponikvar (2015)
- <sup>2</sup> Interactive Advertising Bureau, "The Native Advertising Playbook" (2013) Available at <https://www.iab.com/wp-content/uploads/2015/06/IAB-Native-Advertising-Playbook2.pdf> Cited henceforth as IAB Playbook (2013)
- <sup>3</sup> IAB Playbook (2013), 1
- <sup>4</sup> IAB Playbook (2013), 6
- <sup>5</sup> Susan Borst, "Outlook 2018: Brand Safety & Transparency are the Game Changers for Native Advertising" (2018) Accessed from <https://www.iab.com/news/2018-native-predictions/>
- <sup>6</sup> Federal Trade Commission, "Blurred Lines: An Exploration of Consumers' Advertising Recognition in the Contexts of Search Engines and Native Advertising" (2017) Accessed from [https://www.ftc.gov/system/files/documents/reports/blurred-lines-exploration-consumers-advertising-recognition-contexts-search-engines-native/p164504\\_ftc\\_staff\\_report\\_re\\_digital\\_advertising\\_and\\_appendices.pdf](https://www.ftc.gov/system/files/documents/reports/blurred-lines-exploration-consumers-advertising-recognition-contexts-search-engines-native/p164504_ftc_staff_report_re_digital_advertising_and_appendices.pdf) Cited henceforth as FTC Staff Report (2017)
- <sup>7</sup> FTC Staff Report (2017), 1
- <sup>8</sup> FTC Staff Report (2017), 1
- <sup>9</sup> Ponikvar (2015), 1190
- <sup>10</sup> Ponikvar (2015), 1191
- <sup>11</sup> Michael Schudson, *Advertising, The Uneasy Persuasion: Its Dubious Impact On American Society* (1984), 14. Cited henceforth as Schudson (1984).
- <sup>12</sup> Schudson (1984), 5
- <sup>13</sup> Schudson (1984), 150
- <sup>14</sup> Schudson (1984), 151
- <sup>15</sup> Schudson (1984), 152
- <sup>16</sup> Schudson (1984), 152
- <sup>17</sup> Lisa L. Lynch, *Native Advertising: Advertorial Disruption in the 21st-Century News Feed* (2018) New York: Routledge. Cited henceforth as Lynch (2018)
- <sup>18</sup> Lynch (2018), 4
- <sup>19</sup> Lynch (2018), 14
- <sup>20</sup> Lynch (2018), 55
- <sup>21</sup> Lynch (2018), 69
- <sup>22</sup> Lynch (2018), 71
- <sup>23</sup> Lynch (2018), 1
- <sup>24</sup> Lynch (2018), 4
- <sup>25</sup> Lynch (2018), 108
- <sup>26</sup> Lynch (2018), 110
- <sup>27</sup> Lynch (2018), 111
- <sup>28</sup> Don E. Shultz. (2016) Ripe for Change – But Resisting It. In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. *The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era*, Vol. 1. California: ABC Clio, 3. Cited Henceforth as Shultz (2016)
- <sup>29</sup> Shultz (2016), 5
- <sup>30</sup> Shultz (2016), 23
- <sup>31</sup> Shultz (2016), 22
- <sup>32</sup> Jameson L. Hayes. (2016) Building Relationships with Empowered Customers. In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. *The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era*, Vol. 1. California: ABC Clio, 76. Cited Henceforth as Hayes (2016)
- <sup>33</sup> Hayes (2016), 79
- <sup>34</sup> Hayes (2016), 80

- 
- <sup>35</sup> Judy Ungar Franks. (2016) Content Strategy in a Paid/Owned/Earned Media World. In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. *The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era*, Vol. 1. California: ABC Clio, 317. Cited Henceforth as Franks (2016)
- <sup>36</sup> Franks (2016), 316
- <sup>37</sup> Franks (2016), 317
- <sup>38</sup> Franks (2016), 333
- <sup>39</sup> Franks (2016), 318
- <sup>40</sup> Franks (2016), 343
- <sup>41</sup> Adam Wagler. (2016) The Interaction Is The Message: A Framework for User Experience Approaches with Owned Media. In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. *The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era*, Vol. 1. California: ABC Clio, 361. Cited Henceforth as Wagler (2016)
- <sup>42</sup> Wagler (2016), 363
- <sup>43</sup> Jeremy Harris Lipschultz and Marc A. Smith. (2016) Social Media Engagement: Advertising Practices, Measurement, Issues, and Constraints. In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. *The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era*, Vol. 2 California: ABC Clio, 14. Cited Henceforth as Lipschultz and Smith (2016)
- <sup>44</sup> Lipschultz and Smith (2016), 10
- <sup>45</sup> Courtney Jane Acuff. (2016) Mobile: Everyone's Answer Box. In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. *The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era*, Vol. 2 California: ABC Clio, 103. Cited Henceforth as Acuff (2016)
- <sup>46</sup> Acuff (2016), 104
- <sup>47</sup> Acuff (2016), 107
- <sup>48</sup> Acuff (2016), 105
- <sup>49</sup> Rebecca Lieb. (2016) Real-Time Marketing: The Agility to Leverage "Now". In Ruth E. Brown, ed. Valarie Jones, ed. Ming Wang, ed. *The New Advertising: Branding, Content and Consumer Relationships in a Data-Driven Social Media Era*, Vol. 2 California: ABC Clio, 185.
- <sup>50</sup> Songming Feng & Mart Ots (2018) "Seeing Native Advertising Production via the Business Model Lens: The Case of Forbes's BrandVoice Unit" *Journal of Interactive Advertising*, 149. Cited Henceforth as Feng & Ots 2018
- <sup>51</sup> Feng & Ots 2018
- <sup>52</sup> Feng & Ots 2018
- <sup>53</sup> Mara Einstein, *Black Ops Advertising* (2016) OR Books, 3. Cited Henceforth as Einstein (2016)
- <sup>54</sup> Einstein (2016), 8
- <sup>55</sup> Einstein (2016), 109
- <sup>56</sup> Einstein (2016), 78
- <sup>57</sup> Einstein (2016), 97
- <sup>58</sup> Einstein (2016), 78
- <sup>59</sup> Ken Auletta, *Frenemies*. (2018) New York: Penguin Press. Cited Henceforth as Auletta (2018)
- <sup>60</sup> Auletta (2018), 45
- <sup>61</sup> Auletta (2018), 4
- <sup>62</sup> Auletta (2018), 37
- <sup>63</sup> Auletta (2018), 80
- <sup>64</sup> Auletta (2018), 82
- <sup>65</sup> Auletta (2018), 161
- <sup>66</sup> Auletta (2018), 178
- <sup>67</sup> Auletta (2018), 273
- <sup>68</sup> FTC Staff Report (2017), 1
- <sup>69</sup> FTC Staff Report (2017), 1
- <sup>70</sup> FTC Staff Report (2017), 2
- <sup>71</sup> FTC Staff Report (2017), 3
- <sup>72</sup> FTC Staff Report (2017), 4
- <sup>73</sup> FTC Staff Report (2017), 25
- <sup>74</sup> FTC Staff Report (2017), 26
- <sup>75</sup> Michelle A. Amazeen, Bartosz Wojdyski. "The effects of disclosure format on native advertising recognition and audience perceptions of legacy and online news publishers" (2018) *Journalism*. Accessed from

---

<https://open.bu.edu/bitstream/handle/2144/27308/Final%20Approved%20Manuscript.pdf?sequence=1&isAllowed=y> Cited henceforth as Amazeen and Wojdysky (2018)

<sup>76</sup> Amazeen and Wojdysky (2018), 4

<sup>77</sup> Amazeen and Wojdysky (2018), 11

<sup>78</sup> Amazeen and Wojdysky (2018), 16

<sup>79</sup> Amazeen and Wojdysky (2018), 22

<sup>80</sup> Amazeen and Wojdysky (2018), 23

<sup>81</sup> Carlson M (2015) When news sites go native: Redefining the advertising-editorial divide in response to native advertising. *Journalism* 16(7): 849-865

<sup>82</sup> Amazeen and Wojdysky (2018), 23

<sup>83</sup> Amazeen and Wojdysky (2018), 24

<sup>84</sup> Michelle A. Amazeen. "News in an Era of Content Confusion: Effects of News Use Motivations and Context on Native Advertising and Digital News Perceptions" *Journalism & Mass Communication Quarterly* 2020, Vol. 97(1) 161–187

<sup>85</sup> Colin Campbell, Pamela E. Grimm, "The Challenges Native Advertising Poses: Exploring Potential FTC Responses and Identifying Research Needs" *Journal of Public Policy & Marketing* (2018) DOI: 10.1509/jppm.17.105 Cited Henceforth as Campbell and Grimm (2018)

<sup>86</sup> Campbell and Grimm (2018), 7

<sup>87</sup> Campbell and Grimm (2018), 21

<sup>88</sup> Campbell and Grimm (2018), 19

<sup>89</sup> Bianca Harms, Tammo H.A. Bijmolt, Janny C. Hoekstra, "Digital Native Advertising: Practitioner Perspectives and a Research Agenda" *Journal of Interactive Advertising*, DOI: 10.1080/15252019.2017.1357513 (2017). Cited Henceforth as Harms, Bijmolt and Hoekstra (2017)

<sup>90</sup> Harms, Bijmolt and Hoekstra (2017), 6

<sup>91</sup> Harms, Bijmolt and Hoekstra (2017), 8

<sup>92</sup> Harms, Bijmolt and Hoekstra (2017), 5

<sup>93</sup> Minette E. Drumwright, Patrick E. Murphy, "How Advertising Practitioners View Ethics" *Journal of Advertising*, vol. 33, no. 2 (2004), pp. 7-24. Cited Henceforth as Drumwright and Murphy (2004)

<sup>94</sup> Drumwright and Murphy (2004), 8

<sup>95</sup> Drumwright and Murphy (2004), 8

<sup>96</sup> Drumwright and Murphy (2004), 9

<sup>97</sup> Drumwright and Murphy (2004), 9

<sup>98</sup> Malefyt, Timothy de Waal ed. *Advertising and Anthropology: Ethnographic Practice and Cultural Perspectives* Bloomsbury: London, (2012), 4. Cited henceforth as de Waal 2012

<sup>99</sup> de Waal 2012, 4

<sup>100</sup> de Waal 2012, 48

<sup>101</sup> Shankar, Shalini. *Advertising Diversity: Ad Agencies and the Creation of Asian American Consumers* Duke University Press: Durham, NC, 2015, 151

<sup>102</sup> Lessiter Media Corporate Site. URL - <https://www.lessitermedia.com>

<sup>103</sup> "Release The Power of Precision" *Precision Farming Dealer*, Feb 4, 2019 URL -

[https://www.precisionfarmingdealer.com/articles/3768-release-the-power-of-precision?utm\\_source=omail&utm\\_medium=email&utm\\_campaign=deu&utm\\_content=pdf&ajs\\_uid&oly\\_enc\\_id&ajs\\_trait\\_oebid=512414699801B6O&fbclid=IwAR3nFTSeObw5tHS3A0ful8ZWrlfZd1i4ekWIEAJGk9126aN3IV0hsfmUMo](https://www.precisionfarmingdealer.com/articles/3768-release-the-power-of-precision?utm_source=omail&utm_medium=email&utm_campaign=deu&utm_content=pdf&ajs_uid&oly_enc_id&ajs_trait_oebid=512414699801B6O&fbclid=IwAR3nFTSeObw5tHS3A0ful8ZWrlfZd1i4ekWIEAJGk9126aN3IV0hsfmUMo)

<sup>104</sup> Kim Schmidt, "Precision Technology Leading Ag Equipment's Future" *Ag Equipment Intelligence*, Jan 18, 2019, URL - <https://www.agequipmentintelligence.com/articles/2582-precision-technology-leading-ag-equipments-future?fbclid=IwAR21uCOIFK9BuuVWgEfjyKgWQajiGBwok52MAI6QGJewLZHYHbtTZvmb8Kk>

<sup>105</sup> Harms, Bijmolt and Hoekstra (2017), 10

<sup>106</sup> Drumwright and Murphy (2004), 12