

# Digital Content Next

Legal and Legislative Committee  
September 13, 2016

Dial-in: 866.740.1260  
Code: 4731000

## Agenda

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- FTC Workshop on Drones
- Review of Online Trust Alliance's Native Advertising Survey



# **Federal Trade Commission**

## **Fall Technology Series: Drones**

October 13, 2016  
Constitution Center  
400 7th St SW, Washington, DC 20024

## FTC Fall Technology Series: Drones

# Do Drones Raise Unique Privacy Concerns?

### ■ Present Capabilities

- Aerial photography & videography
- Precision agriculture
- Critical infrastructure inspection
- Disaster management & humanitarian aid
- Delivery
- Mapping & surveying



### ■ Future of Drone Technology

- Commercial is projected to be the fastest growing total market for drones
- Construction the largest global end-market; precision Ag the largest US
- Commercial use is also likely to spawn offshoot markets in areas such as drone insurance

### ■ Privacy Concerns

- Privacy-related issues that UAVs may raise are not unique from those raised by many other technologies and circumstances
  - Collection and use of information
  - Retention of sensitive PII
  - Dissemination of information

## FTC Fall Technology Series: Drones

# How Should Privacy Concerns Be Addressed?

### ■ Ensuring Privacy, Transparency, and Accountability

- Voluntary Best Practices developed through NTIA Multistakeholder Process
  - Inform Others of Your Use of UAS
  - Show Care When Operating UAS or Collecting and Storing Covered Data
  - Limit the Use and Sharing of Covered Data
  - Secure Covered Data
  - Monitor and Comply with Evolving Federal, State, and Local UAS Laws

### ■ Ideal Privacy Framework

- Compliance with existing privacy laws
- Identification, adoption, and full disclosure of privacy policies and procedures

### ■ Future Regulation

- Our existing legal framework regarding privacy is adequate to protect citizens from privacy issues related to small UAVs.
- Any and all future privacy-related policies should be sufficiently flexible, reasonable, and high-level in order to avoid impeding upon innovation, safety, and First Amendment rights.

# Questions

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Online Trust Alliance

# Native Advertising Assessment

## The 3 D's of Transparency

### Disclosure, Discoverability & Delineation



September 13, 2016



Craig Spiegle

Executive Director & President

Madelon Smith

VP, Strategic Initiatives

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# Who is OTA?

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Mission to enhance online trust and empower users, while promoting innovation and the vitality of the internet.

- Goal to help educate businesses, policy makers and stakeholders while advancing best practices to enhance the protection of users' security, privacy and identity.
- Collaborative public-private partnerships, benchmark reporting, meaningful self-regulation and data stewardship.
  - U.S. based 501(c)(3) tax-exempt charitable organization.
  - Global focus & charter.
  - Supported by dues, donations and grants.



# OTA Global Collaboration



# Native

- Exponential growth
- In state of testing
- Moving towards programmatic
  - Automation with customization
- Content discovery / marketing platforms
  - Outbrain
  - Taboola
  - Newsmax
  - Others



# Native Research Goals

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- Create a baseline of today's practices
- Recognize and highlight transparency best practices maximizing disclosures, discoverability and delineation
- Provide prescriptive advice to ad-tech, advertisers and publishers
- Define set of “acceptable” disclosure terms
- Set the foundation for self-regulation / code of conduct

# Limitations

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- A “slice in time” – practices have changed on several sites.
- Methodology – Reflect input from a broad range of stakeholders, yet open for improvement.
- Important to note there are sub segments of native and sponsored content.
- Sponsored may or may not reflect any advertiser influence of the editorial.
- Scoring has attempted to be as measurable as possible, yet some may debate some of the assessment may be subjective.
- Did not include mobile.

# Methodology

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- Native units on homepage of the Top 100 content sites (April 2016)
- Focused on three common defined native units:
  - In-Feed Units, Recommendation Widgets, Promoted Listings
- Weighted Scoring:
  - **Disclosure (60%)** – Terms used for disclosure
    - Framework: Recommended, Neutral, Unacceptable
  - **Discoverability (30%)** – Presentation of text, is it clear & conspicuous
    - Color, size, style, contrast and borders/shading/highlighting of the text
  - **Delineation (10%)** – Separate from editorial
    - Borders, shading for the unit, use of brand logo
- Grading:
  - Top Trust Scorer (80%+)
  - Needs Improvement (56%-79%)
  - Fail (55% and below)



# Top 100

abcnews.go.com	dallasnews.com	latimes.com	theguardian.com
about.com	deadspin.com	dailymail.co.uk	hollywoodreporter.com
accuweather.com	freep.com	mashable.com	weather.gov
al.com	discovery.com	mic.com	nypost.com
bizjournals.com	disney.com	mirror.co.uk	theonion.com
aol.com/news	drudgereport.com	mlive.com	thestreet.com
ap.org	edmunds.com	msn.com	telegraph.co.uk
bankrate.com	elitedaily.com	nationalgeographic.com	theblaze.com
bbc.com/news	engadget.com	nbcnews.com	thedailybeast.com
bleacherreport.com	espn.go.com	nymag.com	time.com
bloomberg.com	everydayhealth.com	nytimes.com	tmz.com
boston.com	examiner.com	nj.com	topix.com
bostonglobe.com	ft.com	npr.org	upworthy.com
businessinsider.com	forbes.com	nydailynews.com	usnews.com
bloomberg.com/businessweek	fortune.com	pbs.org	usatoday.com
buzzfeed.com	foxnews.com	perezhilton.com	vice.com
cbsnews.com	fusion.net	politico.com	vox.com
cheezburger.com	gawker.com	reddit.com	wsj.com
chicagotribune.com	gizmodo.com	refinery29.com	washingtonpost.com
chron.com	news.google.com	reuters.com	wunderground.com
cnbc.com	huffingtonpost.com	salon.com	weather.com
cnet.com	independent.co.uk	sfgate.com	webmd.com
cnn.com	jezebel.com	slate.com	wired.com
consumerreports.org	kotaku.com	techcrunch.com	yahoo.com/news
dailycaller.com	lifehacker.com	theatlantic.com	zdnet.com

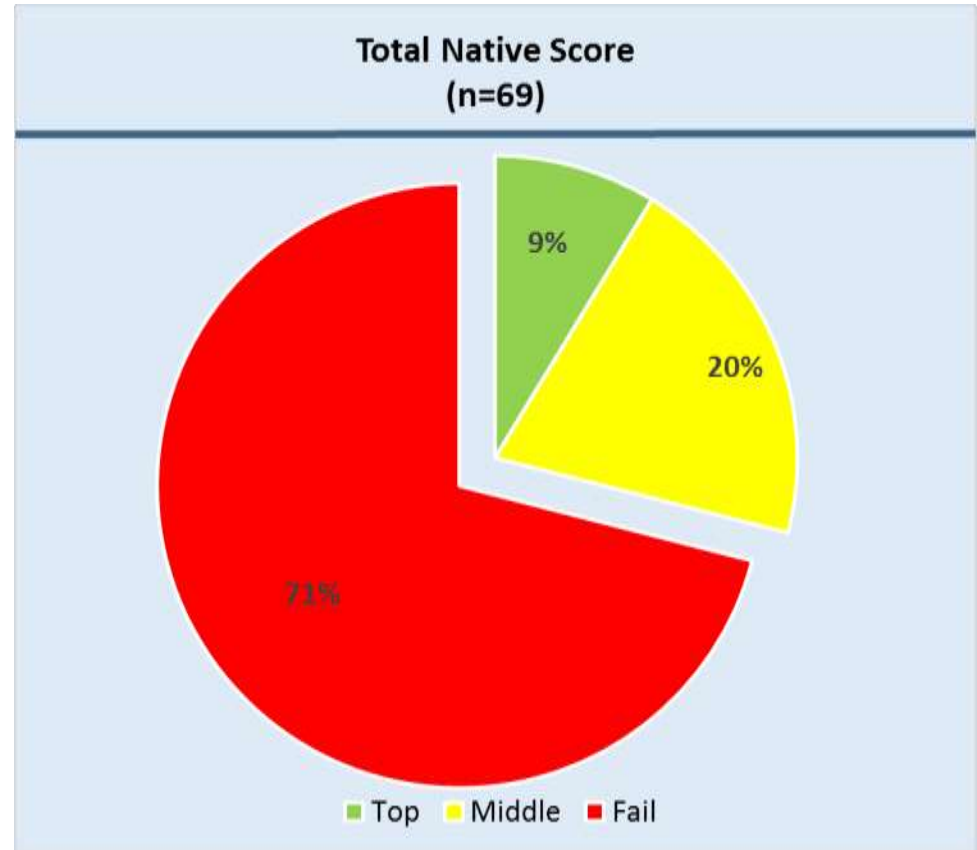
Source: OTA analysis of average monthly unique site visitors January – April 2016 used for the 2016 Online Trust Audit, <https://otalliance.org/initiatives/2016-methodology>.

# DCN Sites Audited (74)

DCN Members Audited		
A & E Networks	Edmunds.com	Robb Report
ABC News	Engadget	SF Gate
About.com	ESPN	Slate
AccuWeather Forecast	Everyday Health	TechCrunch
American City Business Journals	Financial Times	The Atlantic
AOL News	Forbes	The Marshall Project
AP	Fortune	The New Republic
BBC.com	Fox News	The New York Post
Bleacher Report	Fusion	The Onion
BillyPenn	Harvard Business Review	The Street
Bloomberg News	Huffington Post	The Telegraph
Business Insider	IJ Review	The Texas Tribune
Business Week	LA Times	Time
CBS News	National Geographic	TMZ
CNBC	NBC News	Wall Street Journal
CNET	New York Magazine	Weather Underground
CNN	New York Times	Wired
Chicago Tribune	NewsBeat Social	USA Today
Chron	Newsday	Vocativ
Consumer Reports	NPR	Voice of San Diego
Daily Caller	Nylon	Vox
Dallas Morning News	PBS	Washington Post
Detroit Free Press	Purch	Weather.com
Discovery Communications	Reddit	WebMD
Disney Interactive	Refinery29	

# Reality Check – A Call To Action

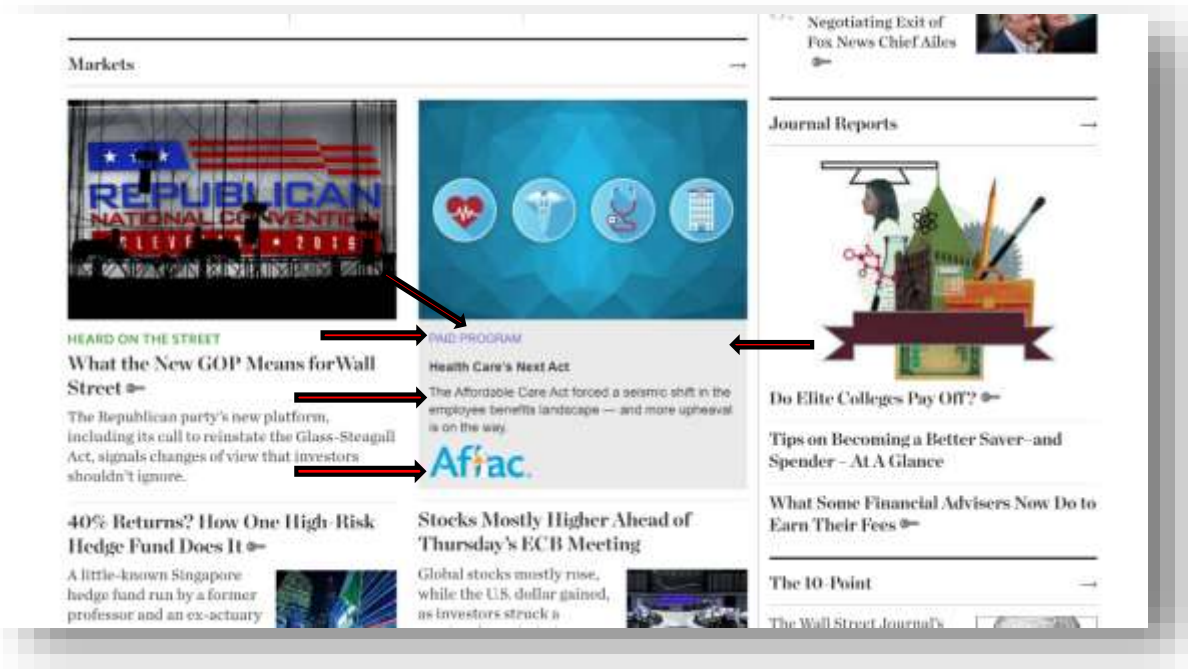
- 69% of top publishers have native ad units on home pages (58% DCN)
- Nearly three-quarters fail (71%)
- 9% received top trust scores (80%+)
- 20% need improvement





# Example of Excellence

- ✓ “Paid Program” recommended terminology
- ✓ Highly visible placement
- ✓ Use of different font
- ✓ Good copy contrast
- ✓ Color brand logo
- ✓ Delineated from editorial with shading
- ✓ Added disclosure when clicking on the link

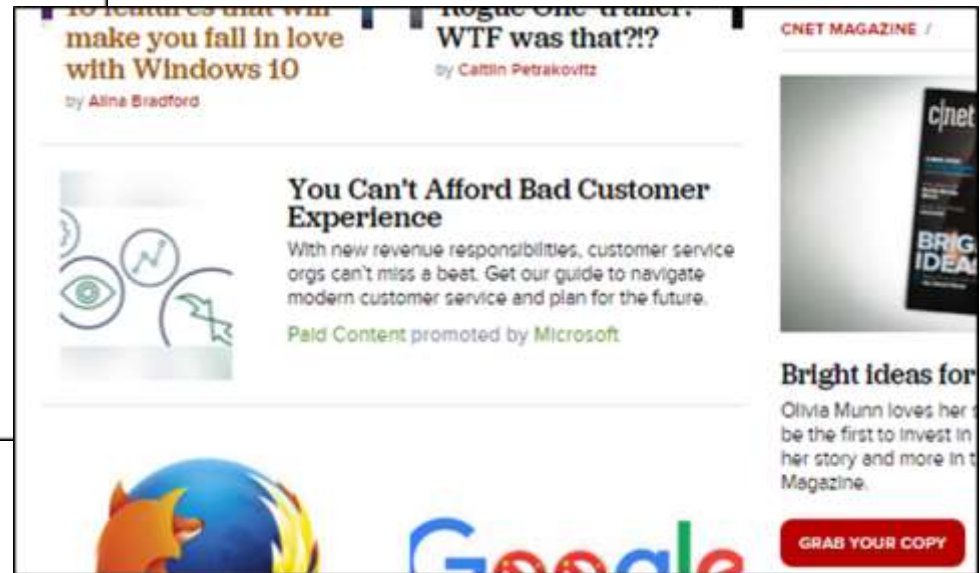
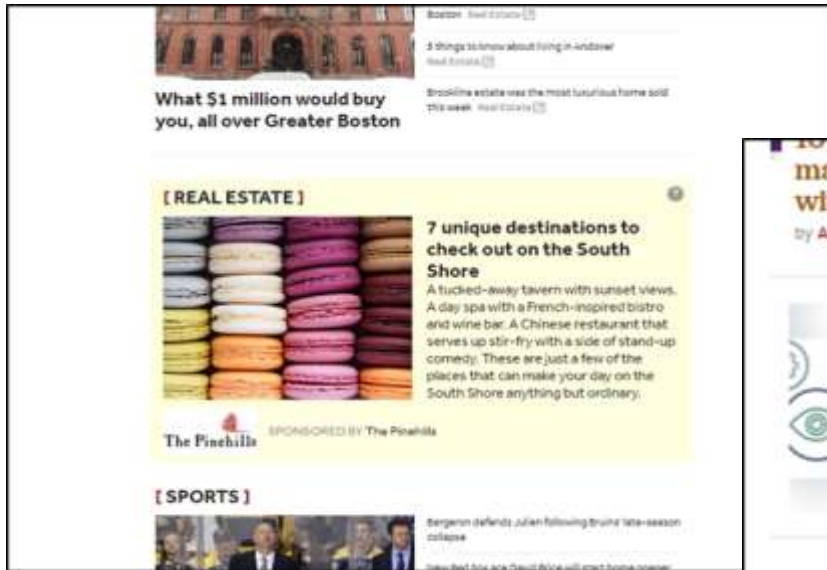


# Added “Enhanced Disclosure”

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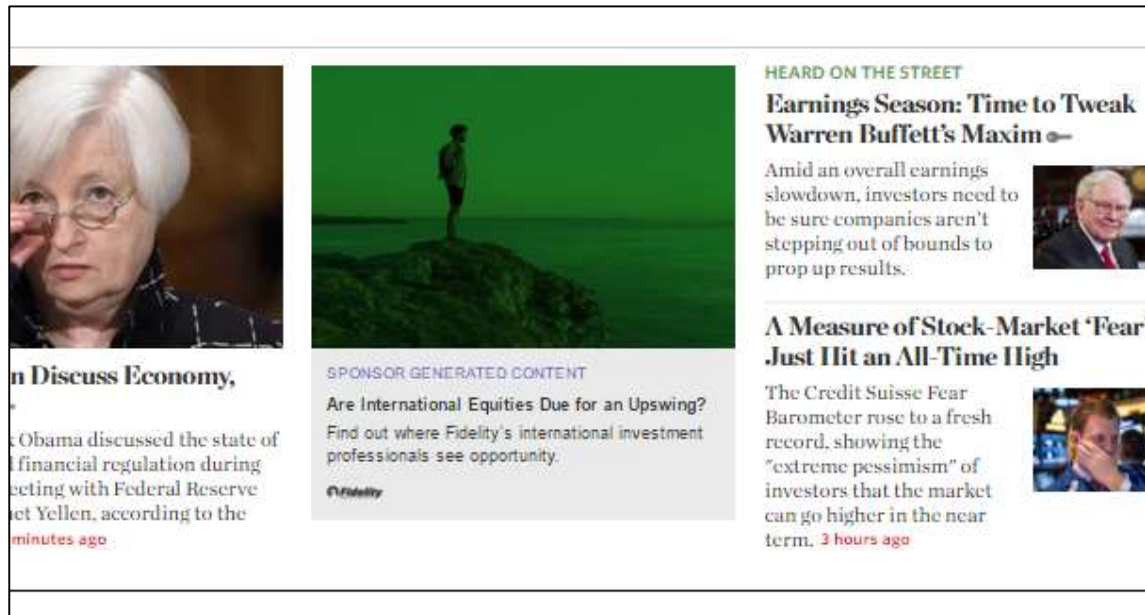


# Top Trust Scores (80%+)



- Use of recommended terminology
- Good readability
- Clear delineation of ad unit

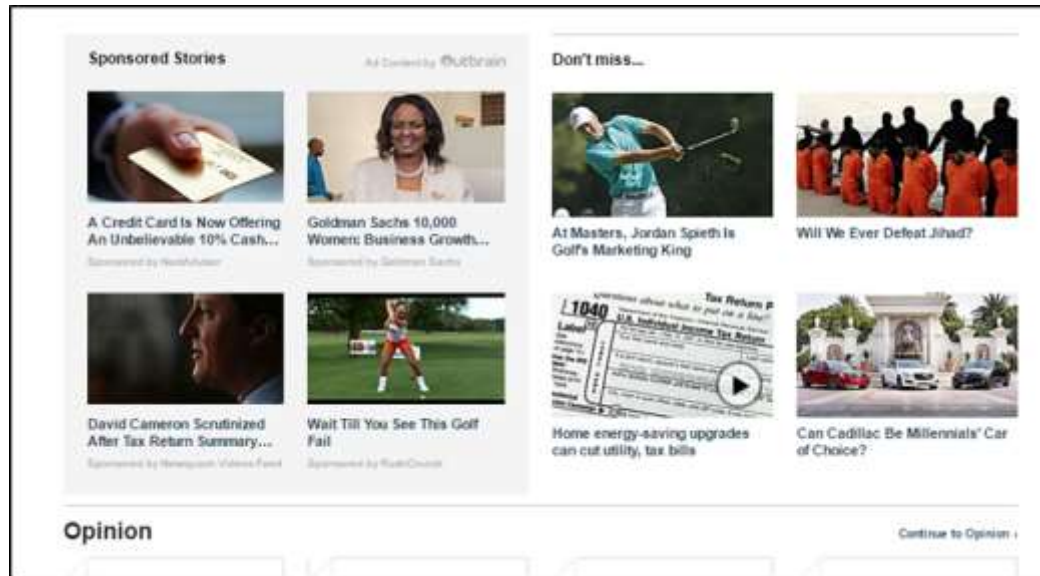
# Needs Improvement



- Although unit shows good disclosure readability (contrast, typeface, size, etc.) and shading for delineation from editorial, terminology is only neutral – limits this unit's score

# Mid-Scoring Carousel\*

- A relatively positive example using recommended terminology at top and for each unit, plus shading



- Higher contrast disclosures would have scored 80%+
- Possible confusion from co-branding “Outbrain”

\* Carousel units have multiple content within a block, row or column, often provided by a third-party content service

# Failing

- “Powered by” in white type on the shaded background – unacceptable terminology, extremely low visibility
- No delineation, in fact almost camouflaged



- 71% of native units observed failed to score above 55%
  - Single biggest contributor was unacceptable terminology and discoverability issues (size, contrast, color, etc.)



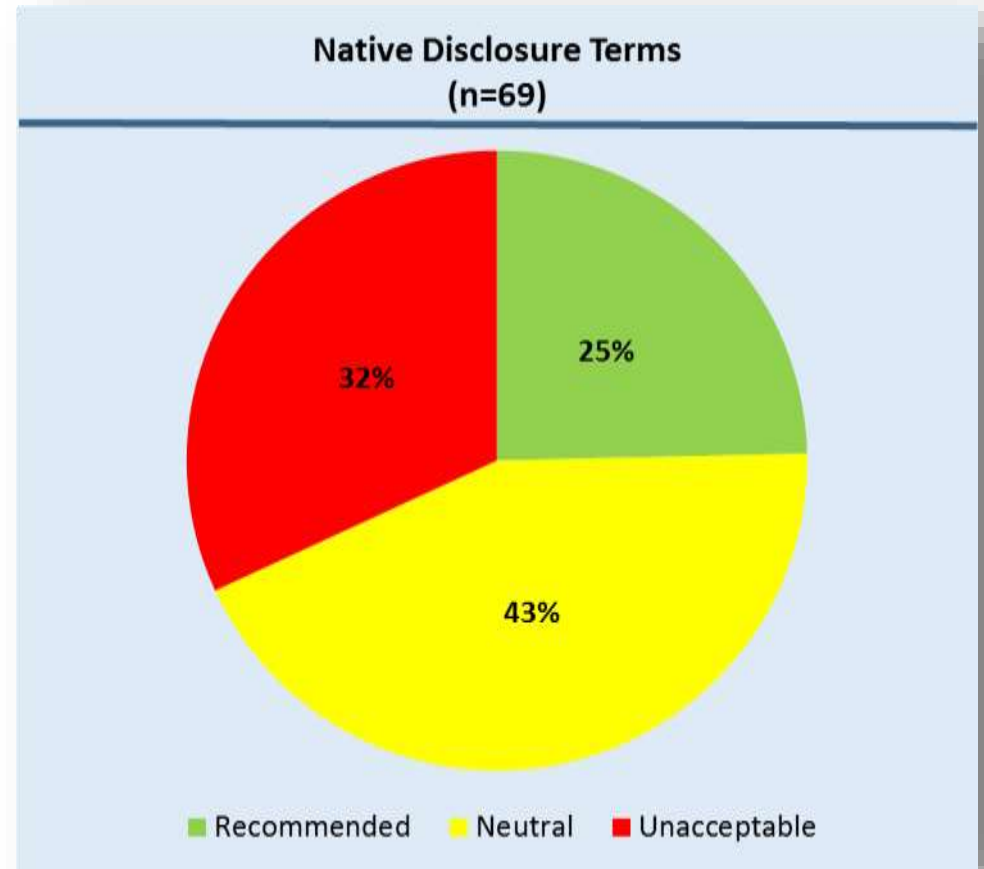
# Disclosure Terminology

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- 69 native, 43 different terms/phrases, 33 unique
- Framework established to classify disclosure terms/phrases
  - **Recommended** (or acceptable) – all disclosure terms using forms of “paid” or “ad/advertising”; forms of “sponsored by” or “brought to you by” clearly identifying the sponsoring brand.
  - **Neutral** – terms that stated sponsorship but did not clearly identify the sponsoring brand. Includes terms such as “promoted” which may be less intuitive to consumers.
  - **Unacceptable** - Terms which are unclear, confusing or potentially misleading such as “suggested”, “recommended for you” and vague terms like “special coverage.”

# Disclosures observed

	All	DCN
Rec	25%	26%
Neutral	43%	33%
Unaccep	32%	42%





# Terminology Framework

Recommended		Neutral		Unacceptable	
Term includes clear indication of advertising and/or name of consumer brand		Term may omit brand or is less clear about the paid/advertising nature of the content		Term missing, unclear and/or misleading; names content service (Taboola, Outbrain) without listing consumer brand	
<u>Term(s) Used</u>	<u># Uses</u>	<u>Term(s) Used</u>	<u>#Uses</u>	<u>Term(s) Used</u>	<u>#Uses</u>
Ad Content by *	1	Presented by (brand)	4	Around The Web + Sponsored links by *	3
Ads by (brand)	2	Promoted by (brand)	4	Branded Content	1
Advertisement	1	Sponsor Content	1	by *	1
Advertiser Content	1	Sponsor Content + Promoted by (brand)	2	Forbes BrandVoice, Connecting marketers...	1
Brought to you by (brand)	1	Sponsor Generated Content	1	From Our Partners	1
From our Advertisers	1	Sponsor Story	1	In Partnership with (brand)	1
From Our Sponsors	1	Sponsored	9	Listed by *	1
Paid Content	1	Sponsored + In association with (brand)	1	No Term Used	3
Paid Content promoted by (brand)	1	Sponsored Content	3	Partner Content	1
Paid Partner Content	1	Sponsored Content + Presented by (brand)	1	Partner Message	1
Sponsor Content Provided By (brand)	1	Sponsored Post	1	Powered by (brand or *)	2
Sponsored by (brand)	4	Sponsored Story + Presented by (brand)	1	Promoted Stories + Recommended by *	1
Sponsored Stories + Ad Content by *	1	USNews BrandFuse + Sponsor Content Presented by (b	1	Recommended For You + Sponsored Links by *	1
				Special Coverage	1
				Sponsored Links by *	1
				Sponsored on (site) + promoted by (brand) **	1
				We Recommend	1
<b>Total Terms/Phrases</b>	<b>13</b>	<b>Total Terms/Phrases</b>	<b>13</b>	<b>Total Terms/Phrases</b>	<b>17</b>
<b>% Terms/Phrases Observed (43)</b>	<b>30%</b>	<b>% Terms/Phrases Observed (43)</b>	<b>30%</b>	<b>% Terms/Phrases Observed (43)</b>	<b>40%</b>
<b>Frequency</b>	<b>17</b>	<b>Uses Observed</b>	<b>30</b>	<b>Uses Observed</b>	<b>22</b>
<b>% Native Observed (69)</b>	<b>25%</b>	<b>% Native Observed (69)</b>	<b>43%</b>	<b>% Native Observed (69)</b>	<b>32%</b>

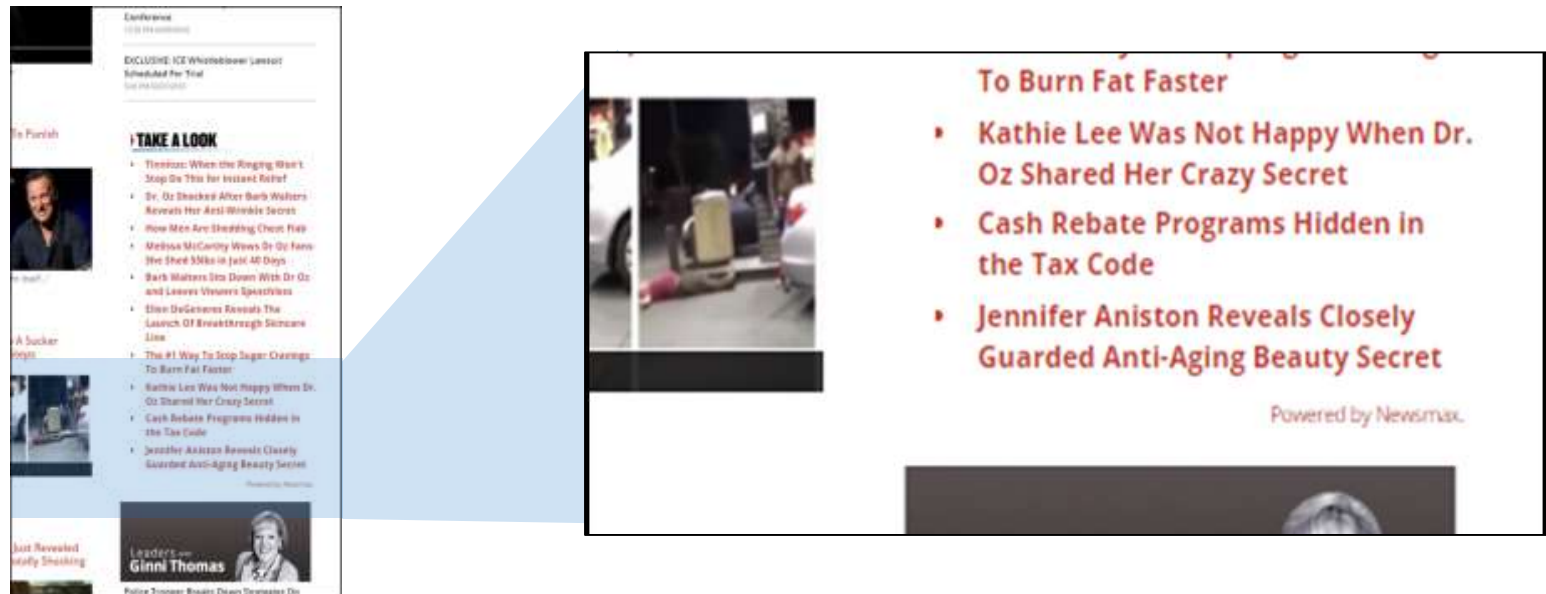
\* Name of content service (Taboola, Outbrain, etc.)

\*\* Disclosure header included site name, but brand appeared only inside copy within content unit, not in the main disclosure

- 30% of terms are clear and acceptable

# Poor Discoverability

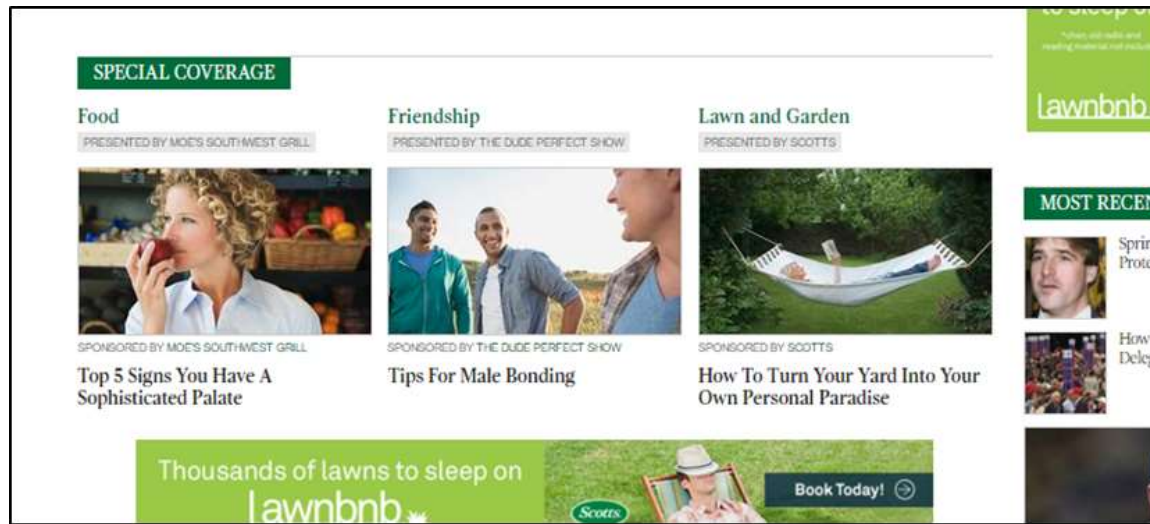
- Bottom of a vertical column carousel unit with 10 separate links (different headlines). Apply to 1 or all?



- “Powered by” in smaller type with lower contrast
- DCN members generally scored higher in this metric

# Poor Delineation

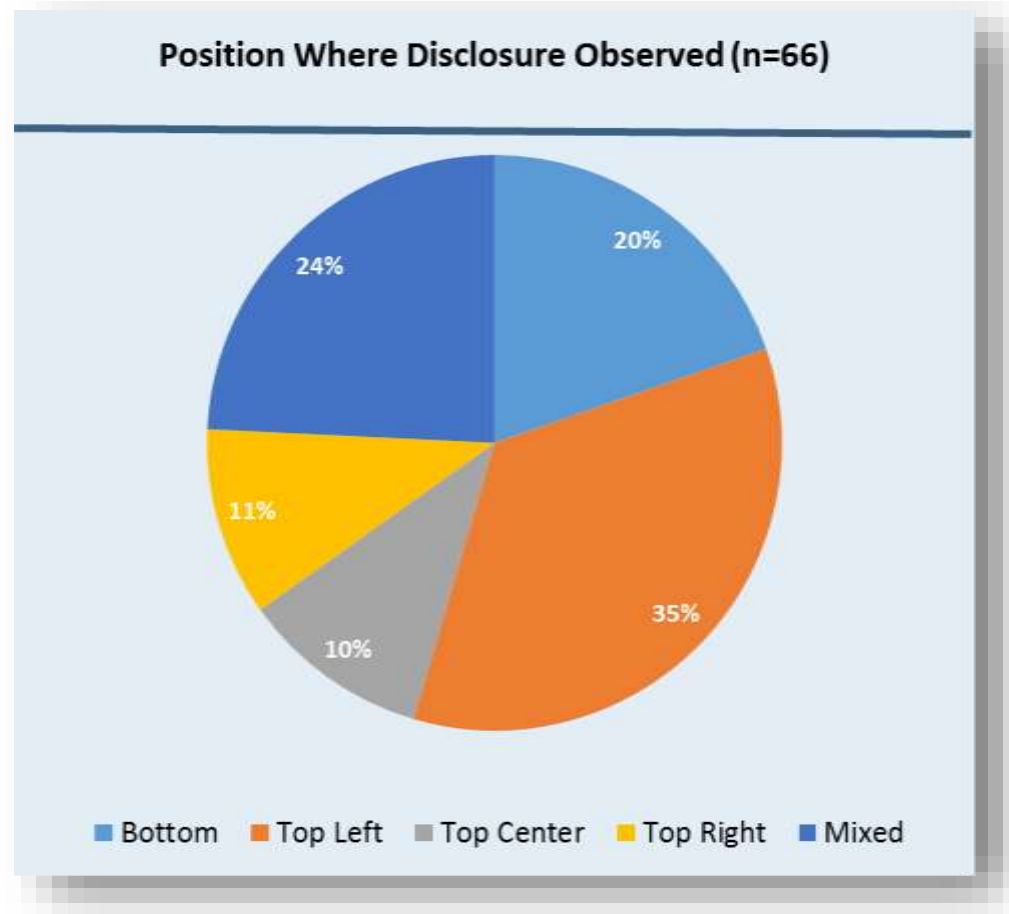
- Native must be taken in context. Even using some best practices, native units can appear “camouflaged” in the editorial



- Main disclosure header – “Special Coverage” – is unacceptable and use of color and font matches editorial on this site. Even with use of shading and brands in individual disclosures, this unit fails overall

# Inconsistent Disclosure Placement

- Not part of current scoring
- Inconsistent and in state of flux
- Usability testing is needed to determine maximum discoverability
- Inconsistent data and lack of consensus
- Suggest need for standardization



# Conclusion

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- Native landscape lacks transparency with wide variations in disclosure, discoverability and delineation.
- Range from clear to confusing to possibly misleading.
- Lack of transparency erodes of consumer trust, fueling use of ad blockers, negatively impacting business models.
- The industry needs to adopt principles maximizing transparency, respecting the consumer experience.
- Need to convene multi-stakeholder working group to drive development of an enforceable code of conduct.

# Recommended Terminology

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- Recommended disclosure terms clearly indicate editorial separation and externally supplied content
  - Any form of Ad/Advertising and/or any form of Paid
  - “Sponsor” wording plus “by” and the consumer brand
  - Clear wording that the content is supplied from the outside sponsor

Ad Content by (brand)

Ads by (brand)

Advertisement

Advertiser Content

Brought to you by (brand)

From our Advertisers

From Our Sponsors

Paid Content

Paid Content promoted by (brand)

Paid Partner Content

Sponsor Content Provided By (brand)

Sponsored by (brand)

Sponsored Stories + Ad Content by (brand)

# Recommendations

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1. Use OTA recommended disclosure terminology, refraining from creating and use of unique and proprietary terms.
2. If the disclosure term is pre-populated by third parties, require they comply with recommended terminology and site branding requirements.
3. Be consistent – use the same disclosures in the same position on the same site and over time.
4. Make disclosures conspicuous, maximizing discoverability.
5. Address discoverability across devices, including mobile.
6. Keep disclosure size readable for all ages; disclosure text be no more than 2 points smaller than headline copy; ideally the same size

# Recommendations (cont'd)

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7. Use recognized design standards – type styles, colors and adequate contrast for visibility. Use of all-bold type and compressed letter spacing decrease readability.
8. Identify consumer sponsoring brands, not the content service.
9. Use color brand logos as applicable.
10. Review the use of supplemental co-branding of content providers and the impact on the user experience. Data suggests the inclusion of added co-branding may distract from providing consumers clear and intuitive disclosures.
11. Delineate all native units (rules, borders and/or shading).
12. Review compliance with accessibility requirements, including but not limited to adding alt-text descriptors for all images served (Publishers, Agencies, Ad Networks, etc.).



# Next Steps

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- Continue to encourage stakeholders to collaborate; isolation risks being self-serving setting a low bar.
- Review other terms and publish “recommended” disclosure terms and combinations.
- Re-run analysis in early October
  - Evaluate progress and recognize sites whose practices maximize the 3 D’s
  - Broaden analysis to address device variations (mobile, tablet, desktop, etc.)
- Incorporate into the 2017 Online Trust Audit analyzing data security, privacy and consumer protection principles of top 1,000 consumer facing sites.

# 2017 Online Trust Audit

- Call for Public Comments

- Security
- Privacy
- Consumer Protection

- Under Review

- Inclusion of additional ad related criteria
- Multi-Factor Authentication
- Vulnerability Disclosure

<https://otallianxe.org/HonorRoll>



## The Online Trust Alliance Requests Public Comment for 2017 Online Trust Audit Methodology

Annual trust assessment recognizes companies' commitment to security & privacy

BELLEVUE, Wash. and SAN JOSE, Calif. – September 14 – The Online Trust Alliance (OTA) today issued a call for public comments on criteria for inclusion in the 2017 Online Trust Audit. Now in its ninth year, the Audit is recognized as benchmark research evaluating responsible privacy and data security practices of over 3,000 consumer facing sites across the public and private sectors. Speaking at the [JAPP's Privacy, Risk, Security Conference](#) session entitled "Making The Grade, Moving from Compliance to Stewardship," OTA will be critiquing 2016 results and inviting suggestions for best practices which further enhance consumer protection, data security and user privacy.

The primary goals of the Audit include:

1. Provide benchmark tracking of industry standards and best practices.
2. Provide prescriptive tools and resources to aid companies in enhancing their practices.
3. Reward and recognize organizations achieving top scores, demonstrating a commitment to online trust and consumer protection.

As the only comprehensive, independent, online trust benchmark study, the Audit evaluates sites on three primary categories including security, privacy, and consumer protection practices. The Audit includes over 50 criteria ranging from site security and privacy policies to prevalence of third party data tracking and sharing to reputation analysis of domains, IP addresses and marketing practices. Sectors include banking, ecommerce, online services, content and public sector government sites.

This year a record 50% of sites achieved scores of 80% or higher, confirming that while the bar is raised every year, the criteria are achievable by organizations of all sizes in all industries. OTA updates the criteria and scoring models annually, incorporating input from industry, NIST, consumer groups and associations, as well as generally accepted and deployed security standards. The 2016 methodology can be found at <https://otalliance.org/initiatives/2016-methodology>, and is supported by data provided through a combination of leading technology providers and OTA's internal assessment tools.

"In order to maintain consumer trust and confidence and spur the vitality of online services, it is imperative that organizations double-down on security and privacy measures," said Craig Spiegle, Executive Director and President, Online Trust Alliance. "The Online Trust Audit recognizes companies embracing data stewardship, transparency and a commitment to consumer protection."

In order to be considered, recommendations for new or revised metrics must:

1. Be vendor neutral and reflect generally accepted industry and business standards
2. Allow for automation (i.e., must not require manual data collection)
3. Be applicable internationally and across all sectors – banking, ecommerce, online services, public sector government sites and news/media

OTA's Internet Trustworthy Working Group is currently evaluating possible additions including adoption of multi-factor authentication, business reputation scoring and email marketing practices. In addition, assessment of sites' publicly discoverable vulnerability reporting mechanisms is under consideration to promote responsible vulnerability disclosures. Comments for the 2017 methodology are due to [admin@otalliance.org](mailto:admin@otalliance.org) by 5 PM PST, Thursday, November 3, 2016. For more information please visit <https://otalliance.org/honorroll>.



# Resources

- Native Report, Industry Resources & Check List  
<https://otalliance.org/Native>
- Anti-Malvertising  
<https://otalliance.org/Malvertising>
- Online Trust Audit  
<https://otalliance.org/HonorRoll>
- IoT Trust Framework  
<https://otalliance.org/IoT>
- Data Breach Readiness  
<https://otalliance.org/Breach>

## APPENDIX B – NATIVE ADVERTISING CHECKLIST

### Maximizing Consumer Trust in Native Content

Key Evaluation Criteria	
<input type="checkbox"/>	Use OTA recommended disclosure terminology, refraining from creating unique and proprietary terms.
<input type="checkbox"/>	If the disclosure term is pre-populated by third parties, require they comply with recommended terminology and the site branding requirements.
<input type="checkbox"/>	Make disclosures clear and conspicuous, maximizing discoverability and readability.
<input type="checkbox"/>	Be consistent – use the same disclosures in the same positions on the same site.
<input type="checkbox"/>	Address readability across screens – use/adapt disclosures for different devices, including mobile devices.
<input type="checkbox"/>	Keep disclosure size readable for all ages – it is recommended that disclosure text be no more than 2 points smaller than surrounding copy.
<input type="checkbox"/>	Use recognized design standards for type style visibility. <ul style="list-style-type: none"><li><input type="checkbox"/> Avoid all bold or all capitalized letters.</li><li><input type="checkbox"/> Test color easily legible.</li><li><input type="checkbox"/> No compressed or "narrow" letter spacing.</li><li><input type="checkbox"/> Use typeface that differs from unit copy (e.g., sans-serif vs serif fonts).</li><li><input type="checkbox"/> Strong contrast with background.</li><li><input type="checkbox"/> Consider common color vision deficiencies for color combinations (e.g., red/green).</li></ul>
<input type="checkbox"/>	Identify the consumer-facing sponsoring brands, not just the content service.
<input type="checkbox"/>	Use color brand logos as applicable.
<input type="checkbox"/>	Review the use of supplemental co-branding of content providers and the impact on the user experience. Data suggests the inclusion of added co-branding may distract from providing consumers clear and intuitive disclosure.
<input type="checkbox"/>	Delineate native units from page content (rules, borders, and/or shading).
<input type="checkbox"/>	Review compliance with accessibility requirements including but not limited to adding alt-text descriptors for all images served (Publishers, Agencies, Ad Networks, etc.).

For updates visit - <https://otalliance.org/native>

# Questions

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