

# FTC Attempts to Sharpen the Blurred Lines of Native Ads at Workshop

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Yesterday, the FTC held a workshop to discuss legal issues surrounding the blending of ads with other content in digital media — sometimes called “native advertising” or “sponsored content.” From a marketing perspective, one benefit of this strategy is that ads may look more like content and, therefore, attract more consumer attention. But many regulators and consumer groups are concerned that native ads may be presented in such a way that consumers won’t be able to distinguish between ads and other content.

The FTC has consistently taken the position that consumers should be able to easily make this distinction. In many cases, that requires that an advertiser disclose that content is sponsored or paid-for by the advertiser. However, the FTC noted that, while that requirement is generally applicable across all media, context does matter. For example, consumers may be more likely to understand the paid nature of advertising in “traditional” print and television media than they are in “new media,” such as blogs.

Given these differences, developing clear guidelines across the board is a challenge. At the workshop, panelists representing various groups discussed the merits and pitfalls of native ads and their regulation. Almost everyone agreed transparency was important, but how to achieve that was an open question. While some consumer groups argued that native ads should be labeled with words such as “Sponsored” or “Advertisement,” some law professors presented research that cast doubt on whether those labels are effective or understood by consumers.

Although native advertising isn’t new, it’s becoming more prevalent and sophisticated, which is part of what prompted yesterday’s workshop. It’s too early to predict what will come of the workshop, but the FTC will attempt to issue guidelines for advertisers that engage in this practice. In the meantime, we expect to see more enforcement actions — such as the ones we discussed [here](#), [here](#), and [here](#) — to continue. Accordingly, if you run native ads, work closely with your counsel to stay on the right side of the blurred line.