

ICC GUIDANCE ON NATIVE ADVERTISING

Commission on Marketing and Advertising



ICC Guidance on Native Advertising

As online advertising has expanded, ad formats that allow the user to experience ads (organically as part of the content) have evolved. This type of paid-for content marketing is known as “native advertising.” While native advertising is not new, it is rapidly growing as web properties seek new ways to monetize and enhance the user experience.

While the mere appearance of a brand or product does not necessarily mean that the content is advertising, there are some principles that are vital to ensure transparency and consumer trust, each of which is addressed in the Consolidated ICC Code of Advertising and Marketing Communications Practice (the ICC Code).

1. **Consumers should be able to recognise when something is an ad.** This principle is covered in Articles 9, B1, and D1 as follows:

Article 9: Identification: Marketing communications should be clearly distinguishable as such, whatever their form and whatever the medium used. When an advertisement appears in a medium containing news or editorial matter, it should be so presented that it is readily recognisable as an advertisement and the identity of the advertiser should be apparent (see also article 10).

Marketing communications should not misrepresent their true commercial purpose. Hence a marketing communication promoting the sale of a product should not be disguised by the marketer or sponsor as, for example, market research, consumer surveys, user-generated content, private blogs or independent reviews.

Article B1 (in part): Sponsorship should be recognisable as such.

Article D1 (in part): The commercial nature of product endorsements or reviews created by marketers should be clearly indicated and not be listed as being from an individual consumer or independent body.

2. **The identity of the advertiser should be easily ascertainable.** This principle is covered by Articles 10 and 12, as follows:

Article 10 (in part): The identity of the marketer should be apparent.

Article B12: Media Sponsorship (in part): Sponsored media properties should be identified as such by presentation of the sponsor’s name and/or logo at the beginning, during and/or at the end of the programme or publication content. This also applies to online material.

3. **Disclosures should be prominent and understandable to consumers.** This principle is covered in section 3 as follows:

Article 3: Honesty: Marketing communications should be so framed as not to abuse the trust of consumers or exploit their lack of experience or knowledge. Relevant factors likely to affect consumers’ decisions should be communicated in such a way and at such a time that consumers can take them into account.

As with many advertising issues in a complex and evolving landscape, application of these principles in a given instance requires judgment and respect for content that is entertainment and news-focused. The approach of the ICC Code – providing general principles applicable to all forms of marketing communications and all media – covers the overarching compliance issues while allowing for innovation.

The International Chamber of Commerce (ICC)

ICC is the world business organization, a representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world.

The mission of ICC is to promote open international trade and investment and help business meet the challenges and opportunities of globalization. Its conviction that trade is a powerful force for peace and prosperity dates from the organization's origins early in the 20th century. The small group of far-sighted business leaders who founded ICC called themselves "the merchants of peace".

ICC has three main activities: rule setting, dispute resolution, and policy advocacy. Because its member companies and associations are themselves engaged in international business, ICC has unrivalled authority in making rules that govern the conduct of business across borders. Although these rules are voluntary, they are observed in countless thousands of transactions every day and have become part of the fabric of international trade.

ICC also provides essential services, foremost among them the ICC International Court of Arbitration, the world's leading arbitral institution. Another service is the World Chambers Federation, ICC's worldwide network of chambers of commerce, fostering interaction and exchange of chamber best practice. ICC also offers specialized training and seminars and is an industry-leading publisher of practical and educational reference tools for international business, banking and arbitration.

Business leaders and experts drawn from the ICC membership establish the business stance on broad issues of trade and investment policy as well as on relevant technical subjects. These include: banking, commercial law and practice, competition policy, corporate responsibility and anti-corruption, customs and trade facilitation, the digital economy, environment and energy, intellectual property, marketing and advertising, taxation, and trade and investment policy.

ICC works closely with the United Nations, the World Trade Organization and intergovernmental forums including the G20.

ICC was founded in 1919. Today its global network comprises over 6 million companies, chambers of commerce and business associations in more than 130 countries. National committees work with ICC members in their countries to address their concerns and convey to their governments the business views formulated by ICC.

