NO NEWS IS BAD NEWS

Ads In News And Other Types Of Content
SEVERAL YEARS AGO, THE NEED FOR BRAND SAFETY SHOOK THE INDUSTRY

Controversy of the Year: Brand Safety

Brand Safety

- In the full read:
  - 72% of CMOs felt pressure from brand safety issues
  - Reuters
  - YouTube's top 5% advertisers are in issue to brand safety reviews
  - 77% of brand marketers believe brand safety impacts ROI
  - 90% of marketers are implementing or planning brand safety strategies

This year, for the first time, one of the world's biggest advertisers (all grouped) lost $2bn (caused due) the use of their brands since they were linked to their digital ads. Brand safety is about more than ads on YouTube-showing up next to content sharing hate speech and violence, although McDonald's, L'Oreal, and others realized this time that such a situation is widespread.

Brand Safety Issues Are Widespread

Frequency with which your brand's has been impacted by brand safety issues

The types of brand-unrelated content that marketers said they or their clients encountered in 2020:
BUT,

SHOULD BRAND SAFETY CONCERNS EXTEND TO QUALITY NEWS?
BUT...

How do they actually respond to ads in news?

PEOPLE SAY...

They like brands more when they advertise in the news*

Source: “The News Trust Halo”, IAB
OUR MISSION

01
Uncover the true impact of advertising within news

02
Define guardrails for advertising within news
METHODOLOGY

// Experimental Design //

RECRUITED MOBILE USERS
Participants recruited from a nationally representative mobile panel
n=4,892

RANDOMIZATION
Participants randomized into exposed and control groups
Exposed: Brand Ad
Clean Control: Ad for non-competitive brand

EXPERIENCE
Initial survey with demographic questions
Participants watch a video or view an article of their choice on their assigned platform. Appropriate ads served based on test or control group

BRAND LIFT
Post-exposure survey to measure impact on traditional branding metrics and to obtain qualitative feedback
## EXTENSIVE SCOPE

Variables tested...

<table>
<thead>
<tr>
<th>Content Genres</th>
<th>News Genres</th>
<th>Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>News</td>
<td>Entertainment</td>
<td>News Websites (ABC News, ESPN, GMA, 2 other mainstream news sources)</td>
</tr>
<tr>
<td>Non-News (content by premium publishers and user generated content)</td>
<td>Sports</td>
<td>Leading Social Media (News &amp; Non-News)</td>
</tr>
<tr>
<td></td>
<td>Human Interest</td>
<td>Video Aggregator (Non-News)</td>
</tr>
<tr>
<td></td>
<td>Race &amp; Culture*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Politics</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hard News**</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ad Formats</th>
<th>Brand Verticals</th>
<th>Creative Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Roll Video</td>
<td>Finance</td>
<td>Product Focused</td>
</tr>
<tr>
<td>Display</td>
<td>Food (Restaurant)</td>
<td>Perception Focused</td>
</tr>
<tr>
<td></td>
<td>Fashion</td>
<td></td>
</tr>
</tbody>
</table>

---

*Race and Culture: News which includes ideas, behaviors, beliefs, and traditions shared by people from different backgrounds

**Hard News: Hard news is typically used to refer to topics that are usually timely, important and consequential, such as the pandemic, international affairs and business news.
EXTENSIVE SCOPE

Fresh news content, regularly updated

*Opposing viewpoints refers to political news that could be interpreted as positive or negative depending on the individual’s opinion.
SECTION 1

The Truth About Ads In News
ADS IN NEWS WORK JUST AS WELL AS IN NON-NEWS

Impact of Ads by Platform | Delta (Exposed – Control)

- News on Publisher Websites
- News on Social Media
- Non-News on Video Aggregator

<table>
<thead>
<tr>
<th></th>
<th>Brand Favorability</th>
<th>Research Intent</th>
<th>Website Intent</th>
<th>Purchase Intent</th>
</tr>
</thead>
<tbody>
<tr>
<td>News on Publisher Websites</td>
<td>+7%↑</td>
<td>+6%↑</td>
<td>+5%↑</td>
<td>+4%↑</td>
</tr>
<tr>
<td>News on Social Media</td>
<td>+4%↑</td>
<td>+2%</td>
<td>+1%</td>
<td>+1%</td>
</tr>
<tr>
<td>Non-News on Video Aggregator</td>
<td>+8%↑</td>
<td>+5%↑</td>
<td>+4%</td>
<td>+2%</td>
</tr>
</tbody>
</table>

Publisher websites, Exposed n=2460, Control n=2460; Social Media, Exposed n=1821, Control n=1821; Video Aggregator, Exposed n=316, Control n=316

↑ = significant difference between exposed and control groups at =>90% confidence
# IN FACT, ADS WORK IN ALL TYPES OF NEWS

## Impact of Ad by News Genre

**Delta (Exposed – Control)**

<table>
<thead>
<tr>
<th></th>
<th>Entertainment</th>
<th>Sports</th>
<th>Human Interest</th>
<th>Race &amp; Culture</th>
<th>Politics</th>
<th>Hard News</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand Favorability</strong></td>
<td>+4%↑↑</td>
<td>+8%↑</td>
<td>+5%↑</td>
<td>+7%↑</td>
<td>+5%↑</td>
<td>+6%↑</td>
</tr>
<tr>
<td><strong>Research Intent</strong></td>
<td>+5%↑</td>
<td>+1%</td>
<td>+6%↑</td>
<td>+5%↑</td>
<td>+2%</td>
<td>+3%</td>
</tr>
<tr>
<td><strong>Purchase Intent</strong></td>
<td>+6%↑</td>
<td>+2%</td>
<td>+3%</td>
<td>+7%↑</td>
<td>-1%</td>
<td>+4%↑</td>
</tr>
</tbody>
</table>

Entertainment, Exposed n=613, Control n=613; Sports, Exposed n=633, Control n=633; Human Interest, Exposed n=594, Control n=594; Race & Culture, Exposed n=587, Control n=587; Politics, Exposed n=933, Control n=933; Hard News, Exposed n=921, Control n=921

↑↑ = significant difference between exposed and control groups at >=90% confidence

↑ = significant difference between exposed and control groups at >=80% confidence
NEWS CONTENT IS UNIQUELY VALUED AND TRUSTED

The news also piques people’s interest above and beyond non-news content.

Perceptions of News Content

News indexed to non-news (100)

- Shared Valuable Info: 130
- Was Trustworthy: 119
- Was Interesting: 112

News, n= 4281; Non-news, n=611
POSITIVE OPINIONS OF NEWS CONTENT AID AD PERCEPTIONS

Ads that appear in news are perceived as having more valuable information and are more trustworthy than when appearing in non-news.

Perceptions of Ads in News | Delta (News – Non-News)

- +9% ↑ Open to seeing at the time
- +8% ↑ Ad felt relevant to me
- +6% ↑ Shared valuable info
- +4% ↑ Trustworthy

↑ = significant difference between exposed and control groups at >90% confidence

Exposed only, News, n= 8563; Non-news, n=1221
NOT ALL NEWS IS “GOOD” NEWS, BUT EVEN NEWS PERCEIVED AS DEPRESSING DRIVES BRAND IMPACT

Perceptions of News Content

Impact of Ads in Depressing News
Delta (Exposed – Control)

Brand Favorability
+7%

Would Recommend Brand
+5%

The content was depressing

News indexed to non-news (100)

Above

222

222

All Audience: News, n=4281; Non-news, n=611
Ads in depressing news: Exposed, n=877; Control, n=877
↑ = significant difference between exposed and control groups at >=90% confidence
ON ABC, ADS IN DEPRESSING NEWS ENCOURAGE INTENT TO TAKE ACTION

Impact of Ads in Depressing News by Platform | Delta (Exposed – Control)

- ABC News
- Other Popular News Sources

<table>
<thead>
<tr>
<th>Purchase Intent</th>
<th>Delta (Exposed – Control)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+10%↑</td>
<td></td>
</tr>
<tr>
<td>+3%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Would Recommend Brand</th>
<th>Delta (Exposed – Control)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+9%↑</td>
<td></td>
</tr>
<tr>
<td>+3%</td>
<td></td>
</tr>
</tbody>
</table>

Those who thought content was depressing: ABC News, Exposed n=288, Control n=288. Other News Sources, Exposed n=212, Control n=212;
↑ = significant difference between exposed and control groups at >=90% confidence
PEOPLE ARE MUCH LESS LIKELY TO THINK BRANDS ENDORSE CONTENT ON NEWS WEBSITES

Perception of advertisers’ endorsement of content by platform
The Influence Of The News Source

SECTION 2
CREDIBILITY OF THE NEWS SOURCE MATTERS — ESPECIALLY TO THE AFFLUENT

Opinion that Brands Should Vet News Source Before Advertising

% Strongly/Somewhat Agree

- Should vet: 57%
- Neutral: 31%
- Should not vet: 12%

Results by Household Income

% Strongly/Somewhat Agree

- More than $100K: 61%
- $35K - $100K: 58%
- Less than $35K: 52%

Total n=9785
Q: Companies are trying to use new technology to engage with people in different ways. They may try to create an immersive experience, provide more convenient ways to shop, or make their message more relevant to you. Which of the methods described below do you think would be beneficial to you as a consumer? Select all that apply.
THE NEWS SOURCE YOU RUN YOUR AD ON MATTERS MORE THAN THE NEWS CONTENT ITSELF

Impact of News Source & Content Perceptions on Brand Metrics

- News Source is...
  - Trustworthy, High quality and Respected

- News Content was...
  - Trustworthy, +16%
  - Interesting, +11%
  - High Quality, +9%

Survey Q: How would you rate these news websites on the following?

↑ = Values were modelled using logistic regressions to determine the impact of website and content perceptions on brand metrics. All regression coefficients significant at ≮ 90% confidence.
Drivers of Purchase Intent Across News Genres

<table>
<thead>
<tr>
<th>News Source is...</th>
<th>News Content was...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trustworthy, High Quality &amp; Respected</td>
<td>Interesting</td>
</tr>
<tr>
<td>Hard News</td>
<td>✓</td>
</tr>
<tr>
<td>Politics</td>
<td>✓</td>
</tr>
<tr>
<td>Race &amp; Culture</td>
<td></td>
</tr>
<tr>
<td>Human Interest</td>
<td></td>
</tr>
<tr>
<td>Sports</td>
<td></td>
</tr>
<tr>
<td>Entertainment</td>
<td></td>
</tr>
</tbody>
</table>

In Human Interest and Race & Culture news, content that piques consumer interest fosters greater impact on purchase intent.

Values were modelled using logistic regressions to determine the impact of website and content perceptions on brand metrics. All regression coefficients significant at >= 90% confidence.
TRUST IN ABC NEWS SOURCES IS PARTICULARLY HIGH

Trustworthiness by News Source | % Strongly or Somewhat Agree

ABC News Sources (A) | 78% B
Other Popular News Sources (B) | 68%
IN POLITICS & HARD NEWS, ADS OUTPERFORM ON ABC

Impact of Ads in Politics & Hard News by News Source | Delta (Exposed – Control)

- ABC News
- Other Popular News Sources

- Brand Favorability
  - ABC News: +7%
  - Other Popular News Sources: 3%

- Brand is High Quality
  - ABC News: +7%
  - Other Popular News Sources: 3%

- Would Recommend Brand
  - ABC News: +5%
  - Other Popular News Sources: 3%
THE GUARDRAILS

SECTION 3
Guardrails For Advertising In News
While video ads in news are effective, display drives curiosity.

Impact of Ad Format In Sports & Entertainment News | Delta (Exposed – Control)

- Video Ad
- Display Ad

- Brand Favorability: +7%↑
- Research Intent: +7%↑↑
- Purchase Intent: +5%↑

↑ = significant difference between exposed and control groups at >=90% confidence
↑↑ = significant difference between exposed and control groups at >=80% confidence
WITH HARD NEWS, DIRECT, TO THE POINT MESSAGING WORKS BEST

Impact of Creative Strategy in Hard News | Delta (Exposed – Control)

- **Product Ad**
- **Perception Ad**

<table>
<thead>
<tr>
<th>Brand Impact...</th>
<th>Brand is...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Favorability</td>
<td>+10%↑</td>
</tr>
<tr>
<td>Research Intent</td>
<td>+5%↑</td>
</tr>
<tr>
<td>Purchase Intent</td>
<td>+7%↑</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authentic</th>
<th>High Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2%</td>
<td>+2%</td>
</tr>
</tbody>
</table>

Surgeon general warns misinformation an ‘urgent threat’ to public health

Product Focused Ad, Exposed n=471, Control n=921; Perception Focused Ad, Exposed n=450, Control n=921
↑ = Significant difference between exposed and control groups at >=90% confidence
CONVERSESLY, WITH NEWS ABOUT RACE & CULTURE, A STORYTELLING APPROACH WORKS BETTER

**Impact of Creative Strategy in Race & Culture News** | Delta (Exposed – Control)

<table>
<thead>
<tr>
<th></th>
<th>Product Ad</th>
<th>Perception Ad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Favorability</td>
<td>+3%</td>
<td>+11%↑</td>
</tr>
<tr>
<td>Research Intent</td>
<td>+3%</td>
<td>+7%↑</td>
</tr>
<tr>
<td>Purchase Intent</td>
<td>+4%</td>
<td>+10%↑</td>
</tr>
<tr>
<td>Feel connected to the brand</td>
<td>+5%↑↑</td>
<td>+9%↑</td>
</tr>
<tr>
<td>Brand shares my values</td>
<td>+1%</td>
<td>+7%↑</td>
</tr>
<tr>
<td>Brand is Trustworthy</td>
<td>+4%</td>
<td>+11%↑</td>
</tr>
</tbody>
</table>

↑= significant difference between exposed and control groups at =>90% confidence

Disparity in police response:
Black Lives Matter protests and Capitol riot
CONSIDER A MORE THOUGHTFUL APPROACH IN NEWS CATEGORIES

Recommended Creative Strategy Across News Types

<table>
<thead>
<tr>
<th></th>
<th>Entertainment</th>
<th>Sports</th>
<th>Human Interest</th>
<th>Race &amp; Culture</th>
<th>Politics</th>
<th>Hard News</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perception Strategy</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Product Strategy</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td></td>
<td></td>
<td>✔️</td>
</tr>
</tbody>
</table>
Brands should support quality journalism, recognizing that there is a difference between unsafe content and news on trusted websites.

Identify and deliver media against reliable news sources to drive better ad effectiveness. The reliability of the source has more of an impact on ad effectiveness than the news content itself.

Optimize ad strategies that over index on your marketing goals, as the same ad performs differently across news genres.