

Keeping the Internet **a Trusted Place**



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CONSUMERS DON'T TRUST THE MEDIA. HOW DID WE GET HERE?

A GROWING DISTRUST IN THE INTERNET

Fifteen years ago, the Internet was the most trusted and empowering source of information. People no longer needed to filter information through experts. They could go online and do first-hand research themselves. If they disagreed with the editorial point of view of their local news organization, they could easily find other sources they liked better.

By providing an unprecedented level of access to information, the Internet played an important role in democracy. However, consumer trust in the Internet has eroded steadily since the first heady days of the Internet, and media outlets have shared in its decline.

Today, Gallup reports that **60% of people say they have little-to-no trust in the media to report news fairly or accurately**, and a BuzzFeed analysis shows **fake news increasingly outperforms the top stories at the 19 major news outlets**.



Meanwhile, as publishers and marketers work to create relevant user and brand experiences, consumer mistrust in advertising is growing. Why? In some cases, industry leaders themselves tell consumers not to believe in advertising, as Medium CEO Ev Williams did when he cited a broken advertising system as the reason why he's laying off half of his work force.

These trends are alarming, and they can have negative consequences for everyone in the media, advertising, and digital technology industries. It is imperative that we take an honest look at how these problems emerged so we can turn them around.

What happened to the Internet, and to media outlets and brands that use it to reach and engage people? As it turns out, the same platform that provides a world of information at our fingertips is also the world's most efficient distributor of misinformation. That misinformation distribution is worth examining in detail.

This paper looks at how fake news, easy money, and careless advertising have undermined consumer trust in the Internet. **More importantly, it offers solutions the advertising industry can take to make it right.**

II.

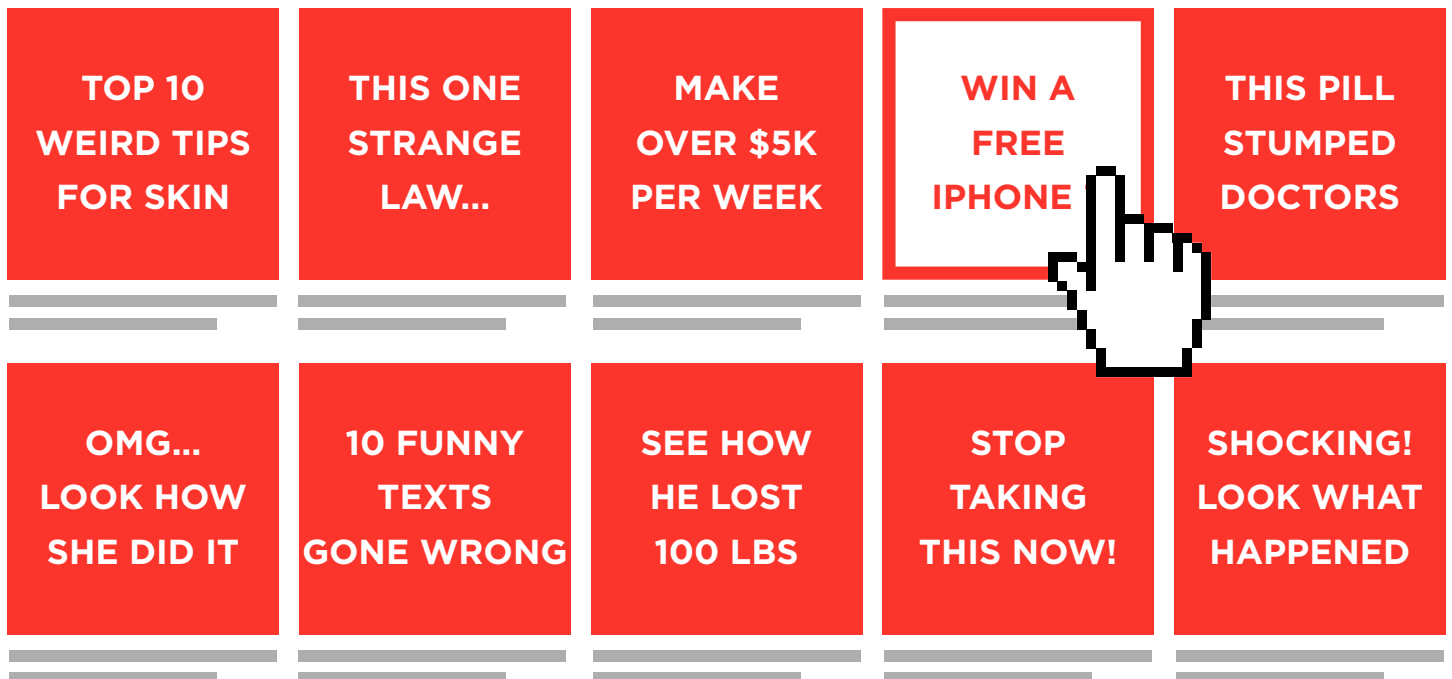
THE RISE OF FAKE NEWS

On December 4, 2016, Edgar Maddison Welch walked into a Washington, DC pizza parlor armed with an AR-15 assault-style weapon. His goal: to “self-investigate” a story he read online involving kidnapped children. Shots were actually fired, though thankfully no one was hurt.

Why did Mr. Maddison take it upon himself to rescue these non-existent children? Because he read about it on the Internet.

WHAT IS FAKE NEWS?

Fake news is comprised of false stories and claims that are spread by media sites and designed to prompt readers to click on links to the content. These stories typically leverage topical events, such as the presidential election or celebrity gossip, and appeal to consumers because they border on the believable. They feature “click-bait” headlines such as:



When readers click on these headlines, they’re taken to a website — usually owned and operated by the fake news creator — that is littered with advertising that comes from advertising SDKs integrated into the site from Google, Facebook’s Audience Network, and many others. It’s a compelling source of revenue for both website creators and advertising vendors.

THE FAKE NEWS FORMULA

Fake news stories thrive when they become viral. That can have serious and even terrifying consequences, as we saw with the pizza parlor shooting. How do fake stories go viral?

The process looks something like this:



A fake news story is 'juiced' with clicks and interactions using real advertising, and of course millions of bots.



This flurry of activity quickly tricks machine-learning algorithms at social networks like Twitter and Facebook, which position the fake news as trending. These companies have considerable clout among consumers. As a result, they are likely to trust stories that these properties label as trending.



People begin to share the fake news on social media, as well as through email, SMS, and so on. This constant sharing serves to keep the fake news propped up for days as "Top Trending."

Throughout the process, unsuspecting consumers click on the fake news stories and are taken to websites that earn revenue by displaying advertising — often from premium brands. This is the motivation behind the creation and spread of fake news.

These schemes are aided to a large degree by the campaign KPIs set by advertisers. Too often, publishers are paid for simply displaying an ad in a viewable location, and that's it. As we will see in the next chapter, selecting better KPIs for campaign optimization will starve the purveyors of fake news of the money that funds this business model.

American News, a heavily shared fake news website.

The screenshot shows the homepage of 'AMERICAN NEWS'. The main article is titled 'Chelsea Gets Slammed With Brick To The Face After Bashing Trump'. Below the article is a video player with a play button and a view count of 29,888. To the right, there is a 'MOST POPULAR' section with several thumbnail images and headlines. At the bottom, there is a 'TRENDING TODAY' section with a grid of small article thumbnails, and a 'RECENT POSTS' section on the right side.



FACEBOOK AND GOOGLE TAKING STEPS TO CURB FAKE NEWS

As a practice, fake news erodes advertiser trust and consequently puts millions of dollars in ad revenue at risk. It's no surprise, then, that Internet giants Facebook and Google are taking steps to crack down on fake news.

In March 2017, Facebook announced a new warning label for news stories that are "disputed" by a third-party fact checker such as Snopes or PolitiFact. It also allows consumers to alert Facebook when suspicious stories appear in their news feeds.

On a macro level, the company plans to deploy software that monitors user behavior to determine the legitimacy of content. For example, if lots of people read an article but opt not to share it, it's a sign it may be fake news.

Lastly, Facebook is attempting to close down the financial model that lets fake news flourish. According to Scientific American, "Its engineers have eliminated the ability for the fakers to create websites that impersonate actual news sites, for example. And the company will analyze sites that draw ad dollars from Facebook traffic, and will cut them off if they're in the business of fake news fraud."

Meanwhile, Google is working to combat fake news on many fronts. Its quality raters (contractors who help evaluate the quality of search results) can now tag content as "Upsetting-Offensive." Although these quality raters don't directly affect search results that consumers see, their data helps Google improve its search algorithms.

Google has also said it would restrict ad serving on pages that misrepresent, misstate, or conceal information.



ADDITIONAL SOURCES OF MISTRUST IN MEDIA AND THE INTERNET

Fake news isn't the only scourge undermining consumer trust. Publishers, advertisers, and ad tech companies also unwittingly contribute to its demise.

ERRORS IN FACT-CHECKING

Consumers rightly expect premium media outlets to vet sources and check facts. Recently, however, we have seen many examples of fact-checking gone wrong:



A Time magazine reporter erroneously Tweeted that President Donald Trump removed a bust of Martin Luther King, Jr. from the Oval Office. President Trump has cited that Tweet as proof that mainstream news outlets cannot be trusted.



In May 2016, The New York Times reported that Bernie Sanders supporters, unhappy with the outcome of the primary election, threw chairs at party leaders at the Nevada Democratic Convention. That turned out to be a false, second-hand report that numerous news outlets failed to fact-check.



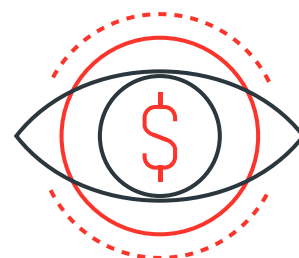
The Washington Post wrongfully reported that Russians had hacked into the nation's electrical grid system via Burlington Electric. The truth? An employee had actually logged into his Yahoo account from a computer that wasn't connected to the grid, but was still monitored by detection software.

These kinds of slip-ups in the editing process cause consumers to question their trust in the media, and they are one of the many factors supporting the growth of fake news.

EASY MONEY

Publishers earn money when consumers view pages with ads on them. It's understandable that they are keenly interested in keeping them on their pages for as long as possible. Numerous premium sites are partnering with content discovery platforms, such as Outbrain and Taboola, to help publishers drive incremental engagement and earn more revenue.

The publishers do not create the articles that content discovery platforms provide on their sites. Content is selected by the platform based on user response. Content is typically isolated from the premium publisher's content, and labeled "From Around the Web," or a similar description.



Here's an example of how publishers face potential risk: In early 2017, an article on the benefits of antioxidants ran in the Health section of a premium, household brand publisher's site. To the right of the article was a host of "related" stories recommended by Outbrain, including one describing how older men can tighten their skin.

Rather than being taken to another reputable skincare tips article, we landed on a site for an anti-wrinkle product. We in the industry are well-aware of these revenue models and the publisher's financial incentive for placing third-party links on its site. But what about the vast majority of people who don't work in digital advertising? What are they to assume? It's easy to see how many would come to the conclusion that publishers are turning a blind eye to hucksterism because there's money to be made in it.

Taking it one step further, what does that say about a reputable brand whose ad appears just above the sponsored stories? How will proximity to the anti-wrinkle "article" affect a consumer's view of the brand? Should that placement be considered brand-safe?

TRENDING TODAY

Sponsored by Revcontent

The image shows a grid of 16 trending article thumbnails. A central red dot has several red arrows pointing to specific thumbnails: the 'Old Trick to Lift Sagging Skin' article, the 'Triple Your Accuracy With This Weird Shooting Technique' video, the '7-Time Lotto Winner Reveals His Simple Secret' article, and the '27 Celebrities Who Went So Broke and Ugly' article. The thumbnails include: 1. 'If You Own a Home You Are Entitled to \$4,240' (Donald Trump and a man). 2. 'Old "Trick" to Lift Sagging Skin is Absolutely Genius' (hand with red arrow). 3. 'The Prostitute With A Heart Of Gold? - Wild West Myths Debunked' (two women). 4. '1 Odd Method 'Restores' Your 20/20 Vision. Try This Tonight' (woman's face). 5. 'Legal Marijuana Stocks Are Going Viral' (marijuana). 6. 'America, Meet Your New #1 Cash Crop' (marijuana leaf and US flag). 7. 'Triple Your Accuracy With This Weird Shooting Technique Used By Seal Snipers' (hand holding a gun). 8. 'NISSAN' video player showing a car. 9. 'We Found It! What Do Post Baby Belly And "Accidents" Have In Common?' (woman and baby). 10. 'Limited Time Offer : Get A Free XT808 Tactical Flashlight Only Pay S&H' (flashlight). 11. '27 Celebrities Who Went So Broke and Ugly - It's So Embarrassing' (celebrity faces). 12. '7-Time Lotto Winner Reveals His Simple Secret' (woman with money).

If You Own a Home You Are Entitled to \$4,240

Old "Trick" to Lift Sagging Skin is Absolutely Genius

The Prostitute With A Heart Of Gold? - Wild West Myths Debunked

1 Odd Method 'Restores' Your 20/20 Vision. Try This Tonight

Legal Marijuana Stocks Are Going Viral

America, Meet Your New #1 Cash Crop

Triple Your Accuracy With This Weird Shooting Technique Used By Seal Snipers

NISSAN

We Found It! What Do Post Baby Belly And "Accidents" Have In Common?

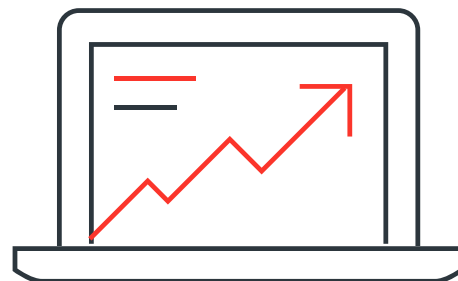
Limited Time Offer : Get A Free XT808 Tactical Flashlight Only Pay S&H

27 Celebrities Who Went So Broke and Ugly - It's So Embarrassing

7-Time Lotto Winner Reveals His Simple Secret

HOW CARELESS ADVERTISING FUNDS FAKE NEWS

Advertisers and tech vendors rely on metrics such as impressions, click-through rate, and views that are designed to prove a certain technology did what its developer said it would do. If it's an ad server, success is measured by the number of impressions served. If it's a demand-side platform, it's click-through rate, or perhaps viewability. This practice funds fake news sites because the same KPIs that prove a technology works also indicate strong performance for the fake news engine.



Consumers are often fooled into clicking on an ad when they meant to advance to the next photo in an online gallery. Accidental clicks cost advertisers money, but pad the pockets of the fraudsters. These clicks may have excited the advertiser or agency that helped the brand place those ads because the clicks feed into the exact vanity metrics they are tracking — like views. But let us assure you, it is a waste of media spend.

IV.

HOW TO RESTORE TRUST IN THE INTERNET

Below are concrete actions the industry can take to minimize fake news and re-establish trust among consumers. (We will leave the issues raised by poor fact-checking to the media editors.)

1. ESTABLISH BUSINESS KPIs AS CAMPAIGN GOALS

Successful campaigns are those that deliver results you can easily explain to a CEO: number of test drives scheduled, newsletter sign-ups, survey completions, and so on. As marketing evolves towards a discipline that encompasses the full customer experience — from awareness to conversion — so should the metrics that brands use to measure ad effectiveness.

2. IMPLEMENT MARKETING ATTRIBUTION SYSTEMS

The industry over-relies on ad tech vanity metrics because they're easy to measure. It's infinitely harder to implement a marketing attribution system that can tie online marketing to offline sales. But that's precisely what marketers need to do. Fake news sites and photo galleries don't deliver conversions. If media spend was tied to business metrics — like sales — by specific types of engagement, advertising dollars would stop flowing to fake news sites.



3. BUY AND OPTIMIZE MEDIA BASED ON ENGAGEMENT LEVELS

Ultimately, media planners and their agency and tech partners need to ensure media buys are executed and modified based on consumer engagement. When an ad's value is measured by its ability to generate authentic connections with viewers — as shown through social shares, landing page click-throughs, or survey responses — media planners naturally avoid media buys that include fake news sites.

4. END THE LUCRATIVE BUSINESS MODELS OF FAKE NEWS

Fake news will continue as long as there is money to be made in the lucrative business model it relies on. The model is built on advertising purchased programmatically and paid on a CPM basis. As long as marketers accept this premise, the more purveyors of fake news will be allowed to operate.

Additionally, the industry needs to insert humans back into the process of quality verification. We've come to believe that machines are better at buying media and assessing its quality than people. This is why the industry has thoroughly embraced automation and the algorithms that power it.

There's no denying machines are better at processing volume, but that doesn't mean humans shouldn't be involved. For instance, ad exchanges should have inventory-quality teams staffed with real people who regularly look at all of the sites that feed impressions into their markets. Are these sites fake? Are they sensationalist? Or do they represent true quality to an advertiser? Only a human can say for sure.



HOW VIRALGAINS IS WORKING TO RESTORE TRUST IN THE INTERNET

ViralGains buys and optimizes premium media placements based on deep video and brand engagement signals that come from our proprietary interactive video player and Sentiment Surveys.

We use a combination of automated machine learning algorithms, in-flight human evaluation of our media buying, and third-party verification tech platforms to make sure we are buying premium-performing inventory that generates the expected results for clients.

THE VIDEO AD JOURNEY

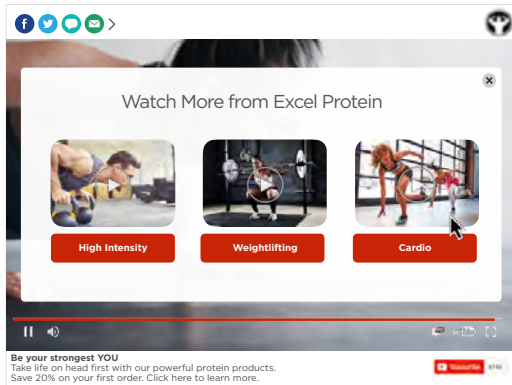
Just as color photography is an upgrade from black and white, video is a step up from text and photos — which is why it is a particularly immersive content experience that can re-connect cautious brands and wary consumers. Video can be an effective tool for establishing meaningful engagements with customers, and can be used as an antidote to declining consumer trust.

We believe creating video ad journeys that engage consumers from the awareness stage through conversion is one way advertisers can defund fake news by optimizing to true engagement.

This method of advertising helps brands restore trust with consumers by providing relevant information based on their place in the purchase funnel. Segmentation tools are one of the key components to the video ad journey. ViralGains' Engagement Cards are one example of such tools. These custom end screens contain surveys or interactive features, like lead-capture forms. They enable brands to qualify consumers, build nuanced personas, and gauge intent. These tools empower marketers to iterate and measure video campaigns based on true business goals, and not vanity metrics.

Here's how it can work:

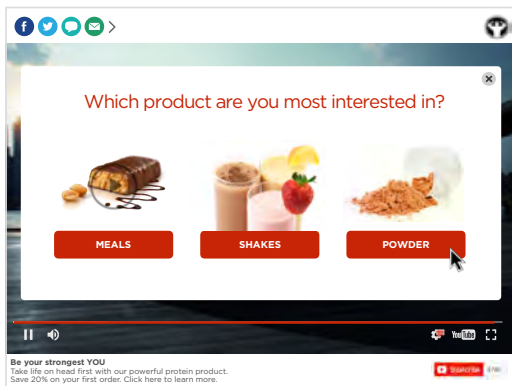




AWARENESS

Encourage consumers to watch more videos from a campaign and turn paid media into earned media.

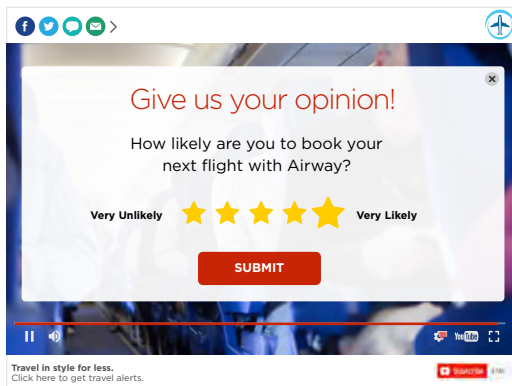
ViralGains' Video Explorer Engagement Card is a great example of how brands can do this.



INTEREST

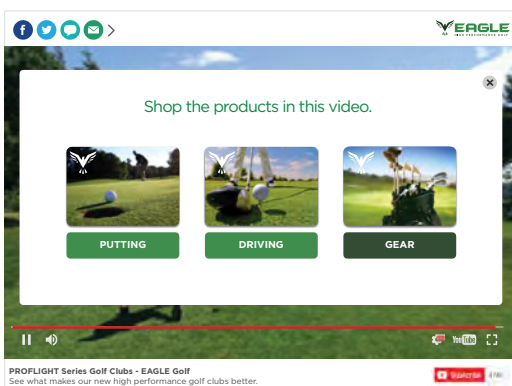
Engagement Cards allow marketers to sub-categorize consumers based on product preference or purchase intent.

Brands can apply learnings from consumers' interactions with Engagement Cards to sequential messaging. For instance, if consumers view the "Powder" video in the example multiple times, the next video and Engagement Card could offer a lead capture form where they can redeem in-store coupons for the product.



CONSIDERATION

Sentiment Surveys allow marketers to gain deeper insights by asking how viewers feel about the product, brand, or advertisement. This data helps marketers improve future campaigns based on audience engagement — rather than vanity metrics.



PURCHASE

Product Explorer Engagement Cards drive viewers directly to a relevant website or landing page so they can purchase the product featured in a video, helping marketers tie advertising to sales.

TWO-WAY CONVERSATION

For years the industry has talked about using advertising to start conversations with consumers, but for too long it hasn't happened in any meaningful way. In order to achieve a personalized video experience for the consumer, you need information about them to use for targeting. You can use content to start a two-way conversation with consumers and gather this necessary information. For example, you can place Sentiment Surveys at the end of the video and ask the consumer a wide range of questions, such as:

- How do you feel about the video?
- Do you favor a competitor?

VI.

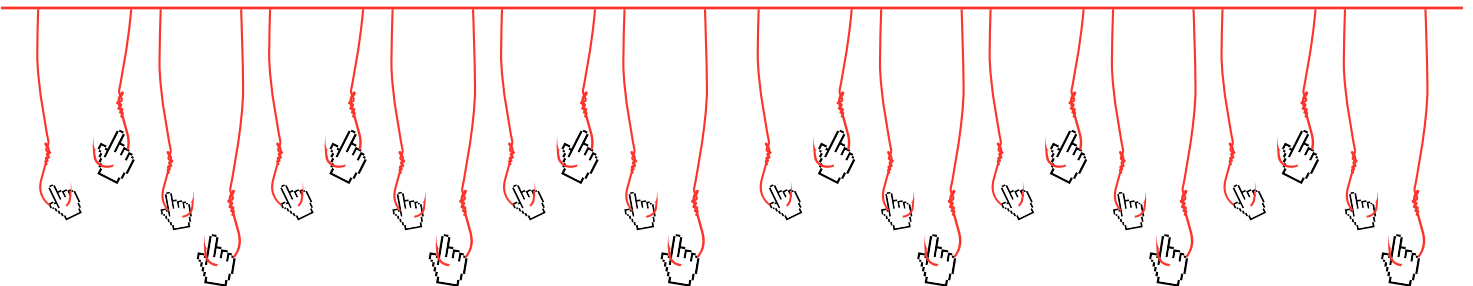
CONCLUSION: ADVERTISING'S ROLE

Can better advertising restore some level of trust in the Internet? We believe it can in several ways.

First, by focusing ad spend on truly optimized media, we will starve fake news sites of the easy money they rely on to flourish. By shifting focus to engagement instead of vanity metrics, advertisers will focus their media buys on legitimate publishers.

Fake news has become a topic of national conversation, and until we do our part to curb it, it will continue on its destructive path.

The good (and real) news is that advertisers and media agencies have the tools at their disposal to prevent their ads from appearing on questionable sites and the metrics to ensure they get the results they're looking for.



VI.

ABOUT VIRALGAINS

ViralGains is a video ad journey platform that enables marketers to engage people with relevant brand stories in the venues and contexts that people most favor. Using the platform to engage in a two-way conversation, brands discover exactly what people want — and how they feel — and build a unique journey that connects highly qualified viewers with relevant messages that generates awareness, motivates intent, and impacts purchase decisions. ViralGains was founded in 2012 and is headquartered in Boston's beautiful Innovation District, with regional offices in New York, Chicago, Detroit, San Francisco, and Los Angeles. For more information, please contact us at www.viralgains.com.

OUR CLIENT ROSTER COVERS 11% OF FORTUNE 500 BRANDS



LEARN MORE

Email us at hello@viralgains.com to learn more about ViralGains' video advertising solutions and request a demo.