

Consumers Can't Tell Native Ads From Editorial Content

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Consumers have difficulty distinguishing between native **advertising** and editorial content, according to a new [study](#) by researchers at Grady College in Georgia, published in the December issue of the [Journal of Advertising](#).

The study, titled “Going Native: Effects of Disclosure Position and Language on the Recognition and Evaluation of Online Native **Advertising**,” investigated how consumers react to the size and placement of native ad disclosure statements in online news articles.

In the first experiment, the researchers asked subjects to read online content with two stories, one editorial and one presenting native **advertising**. They displayed 12 different versions of the ad, with varying types of disclosure labels (“**advertising**,” “sponsored by,” “**brand** voice,” and “presented by”), as well as different positions for the disclosure label including at the top, middle, and bottom of the page.

The subjects were made to read the native ad first, followed by the real news story, then asked to distinguish which was which.

Overall, only 17 out of 242 subjects -- under 8% -- were able to identify native **advertising** as a paid **marketing** message in this experiment. The experiment also revealed that consumers are seven times more likely to identify paid content as a native ad when it is marked with terms like “**advertising** or “sponsored content” than if it carries terms like “**brand** voice” or “presented by.”

In the second experiment, the researchers used eye-tracking technology to determine the most visible positions for placement of disclosure labels in articles. Here the researchers found that placement in the middle of the page was more than twice as visible as placement at the top of the page, as 90% of subjects saw the former compared to just 40% of the latter.

Some 60% noticed the label at the bottom of the page. But even when they noticed the disclosures, subjects didn’t necessarily make the connection. Just 18.3% identified native ads as paid messages in the second experiment.

These findings should come as no surprise, considering that native **advertising** is intentionally

presented in a format that resembles surrounding editorial content -- but they have particular relevance in light of the Federal Trade Commission's recent unveiling of new standards for native ads, intended to prevent advertisers from deceiving consumers.

Last week, the FTC released [guidance](#) warning that **digital** native ads that appear in news feeds of publishers' sites, **social** media posts, search results and email potentially can be deceptive, unless advertisers clearly disclose that the ads are, in fact, ads. The new guidance directs companies to label native ads that potentially could be mistaken for editorial content with terms like "advertisement," "paid advertisement," or "sponsored **advertising** content."

The FTC specifically criticized labels like "promoted" or "promoted stories," stating that those terms "are at best ambiguous and potentially could mislead consumers that **advertising** content is endorsed by a publisher site."

The agency added that even terms like "promoted by," followed by the name of the advertiser, could be misinterpreted "to mean that a sponsoring advertiser funded or 'underwrote' but did not create or influence the content."

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