Native Advertising and Sponsorship Disclosures

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Abstract

Native advertising, one of sponsored contents, is flourishing across media and expected to grow more. Native ads are cohesive with the page content, assimilated into the design, and consistent with the platform behavior. Because of these characteristics, it is often difficult for viewers to recognize and comprehend the persuasive intent of native ads. How to convey sponsorship disclosures has been a key issue among policymakers and scholars. However, despite its growing visibility and importance in the marketplace, research on native ads is still quite limited. The purpose of this study is to examine the way sponsorship disclosures of native ads are displayed. As an exploratory study, a content analysis of native ads was undertaken for 50 major media outlets in the United States. The Native Ad Guidelines by the Federal Trade Commission (FTC) were utilized to evaluate sponsorship disclosures, while the Persuasion Knowledge Model (PKM) was used as a theoretical framework. A total of 50 top traffic US media outlet websites were selected based on Alexa Ranking. Results revealed problems in terms of placement, proximity, prominence, and clarity of sponsorship disclosures. With regard to language, a variety of labeling was being used to indicate the sponsored contents including media’s own neologisms. Results point to the need for more proper and specific guidelines as well as more active self-regulatory attempts for the industry’s native ads. In particular, native ads republished by social network services, such as Facebook, call for more close attention in preventing native ads from misleading consumers.

Key Words: Native advertising, Sponsored contents, Sponsorship disclosure, Advertising regulations, Federal Trade Commission guide

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