Key insights from research on native advertising

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Not me ;(-)
Almost every news website contains native advertisements
2016

BUT… There is diversity in content, disclosures, and success…
And... Why does native advertising actually work?

“Native advertising is NOT to mislead, confuse or camouflage.”

“Native advertising is just an effort to confuse readers to think that they’re getting something other than an ad”

“It is more engaging”

“It is deceptive”
2016: Most academic research focused on advertising recognition.

Label recognition: e.g. “sponsored content”

Advertising recognition / ‘Persuasion Knowledge’

Inferences of manipulative intent & Reactance

More critical processing and negative evaluations

→ Which other factors play a role?

Only Sometimes!
TRUST
Native Advertising.

How can we implement this in an effective manner, without deceiving the readers?
RESEARCH

3 key principles

1. TRANSPARENCY
2. RELEVANCE
3. FOCUS
1. Transparency
A wide variety of disclosure labels…

- Partner content
- Branded Content
- ADV
- Brandvoice

… NAI: 11% of the publishers do not label their native ads…
Experiment among news readers of HLN.be:

No negative effect of readers’ initial label and ad recognition

BUT: readers who did not notice the label

More feelings of deception

More negative evaluations
What happens when you increase the **transparency** of the disclosure label?

A live test on “De Telegraaf”

**Label A: Partnercontent**

(“Partner content”)

**Label B: Aangeboden door Reaal**

(“Provided by Reaal”)

(Special thanks to **Sabrina de Reus, TMG**)
# Recognition and Brand memory

<table>
<thead>
<tr>
<th></th>
<th>Partner content</th>
<th>Provided by Reaal</th>
<th>Provided by Reaal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad recognition</td>
<td>66,0%</td>
<td>78,0%</td>
<td>77,6%</td>
</tr>
<tr>
<td>Recall of the disclosure label</td>
<td>22,6%</td>
<td>34,0%</td>
<td>49,0%</td>
</tr>
<tr>
<td>Brand memory</td>
<td>34,0%</td>
<td>50,0%</td>
<td>63,3%</td>
</tr>
</tbody>
</table>
## Evaluations

<table>
<thead>
<tr>
<th></th>
<th>Partner content</th>
<th>Provided by Reaal</th>
<th>Provided by Reaal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Perceived transparency</strong></td>
<td>2.53 a</td>
<td>5.00 b</td>
<td>5.62 b</td>
</tr>
<tr>
<td><strong>Credibility of the news website</strong></td>
<td>3.62 a</td>
<td>4.50 b</td>
<td>4.67 b</td>
</tr>
<tr>
<td><strong>Clarity of the advertising brand</strong></td>
<td>3.76 a</td>
<td>4.79 b</td>
<td>5.29 c</td>
</tr>
<tr>
<td><strong>Attitudes towards the advertising brand</strong></td>
<td>3.16 a</td>
<td>4.44 b</td>
<td>4.55 b</td>
</tr>
</tbody>
</table>

*7-point scales. Significant difference between cells with a different letter (p <.05)
The increase in perceived transparency, explained the more positive evaluations of the advertiser and news website.
Choose transparency.

- Provide an explicit label containing the name of the advertiser
- Other study: provide additional information about authorship (e.g. “created by our content studio”)
- Other studies: importance of (1) proximity, (2) contrasting color, (3) logo
- Publishers: always test your disclosure label!
2. Relevance
The importance of relevance

Label and Advertising recognition → More or less feelings of manipulation and reactance → More positive or more negative evaluations

Utility of the content
De tweede generatie smartwatches is gecombineerd. Luister nu binnenkort alsnog met een "lite horloges" model! Het is nog even afwachten of het zo ver is, want de introductie van deze smartwatches verlengt de maatstaf. Toch voerparken stemvelders dat de veerkracht met de lancering van de nieuwe generatie smartwatches, waaronder de Samsung Gear S2 smartwatch, flink gaat stijgen.

De prestatiezuinigheid bij voorbaat.

De nieuwe generatie smartwatches heeft een jaar eerder de tijd gehad om te maken met de eerste generatie echte smartwatches. Nieuwe horloges die in verband zijn met een Premium line. Dit laatste kan de maatstaf flink verhogen die in verband staat met de lancering van de nieuwe generatie smartwatches, waaronder de Samsung Gear S2 smartwatch.

Bijzondere hands-on.

Doordat je nu voor de eerste keer het model van de nieuwe smartwatches niet meteen kunt bedienen, toont het model van de nieuwe smartwatches de functionaliteit van de nieuwe Samsung Gear S2 smartwatch. De hands-on bij de Samsung Gear S2 smartwatch is een briljant exemplaar van de gebruiksgemakkelijke doorbraak en de technische feiten en feiten van deze nieuwe Samsung Gear S2 smartwatch.
A high brand presence in the text...

- Attitude towards the ad
- News website credibility
- Evaluations of the advertiser
- Interest to get more information about the subject

Explaining variable: *higher inferences of manipulative intent*
Controlled for readers’ involvement with the subject and readers’ predisposition towards the news website.
Positive brand effects without talking about the brand?

- Mention the brand name in the label *(Sponsored by [brand])*
- Add the logo of the advertising brand
- Add a banner ad next to the native ad
- Stimulate readers to click through to brand page / website (if relevant)
Experiment 2: message sidedness

One-sided native ad:
Stevia on the rise:
A sweetener with many advantages

Two-sided native ad:
Stevia on the rise: What are the advantages and disadvantages?
Results: message sidedness

A two-sided native advertisement → Less feelings of manipulation → Credibility of the advertisement

Credibility of the advertiser

Attitudes towards the advertiser
Experiment 3
The influence of reader involvement

Group A
High interest in technology news

VS

Group B
Low interest in technology news

Native ad about smartwatch technology innovations
Highly involved readers:

- Attitude towards the ad
- Interest to get more information about the subject
- Evaluations of the advertiser
- News website credibility
Increase the **relevance** and value for readers

- Mention your brand name sparingly in the text
- Provide balanced, two-sided information
- Increase reader involvement:
  - Position native ads nearby news articles on similar topics
  - Target native ads
  - Adapt native ads to ‘hot news topics’
3. Focus

(on the reader!)
Let’s meet some news readers…

Usability testing of a news app (think aloud protocol)

Interviews
(wide variety of topics: news, banners, pre-roll video ads, native ads)
Attention depends on information utility

“Sometimes I’m looking for certain information and if the advertisement provides me that information, I am interested in reading it anyway.”
Perceived control

“I can choose whether I click on a native advertisement or not, whereas banner advertisements are annoyingly present in the app.”

“I am always scared that I will click on a banner.”
Advertiser credibility

“This advertisement is provided by a cooperation for home owners, which is interesting to me. But as soon as it is [organization X], I will not read it.”

→ Experimental research also shows influence of advertiser credibility
What is unacceptable to readers?

“When I cannot directly recognize them at such”

“Native ads should not promote things or brands that are bad for society”

“If journalists write native advertisements, readers’ interests will be mixed with the interests of the advertiser.”

Take care of:
→ Separating editorial / (native) advertising department
→ Recognizability
→ No controversial content / brands
Focus

- Maintain the line between editorial / advertising functions
- Help readers ‘to feel in control’ and provide a clear disclosure *upfront*
- Adapt native ads to readers’ interests
- Avoid ‘controversial’ native ads
Transparency, Relevance, Focus…

The Magic Formula?

RESEARCH

(of course ;-))
Thank you!

• NATIVE ADVERTISING?
• QUESTIONS?
• CONTACT?

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• Tutaj, K., & Van Reijmersdal, E. (2012). Effects of online advertising format and persuasion knowledge on audience reactions. *Journal of Marketing Communications*, 18(1), 5-18.


