

Native and Non-Native Advertising on Facebook: A Content Analysis

Cynthia B. Hanson, chanson@highpoint.edu

Abstract

One of the advantages of digital advertising is its ability to target individuals, not just demographically, as with traditional print and broadcast media, but based on behavior. For example, with Facebook's Social Graph and Social Exchange programs, advertisers can target based on user and friend activity on Facebook, as well as user activity outside of Facebook (Toner 2013). The result is that ads are individualized—no two people are likely to see exactly the same ads. This type of highly targeted advertising can be beneficial to advertisers and perhaps even consumers, but poses an obstacle to certain types of advertising research: how do we know who is advertising what to whom? The purpose of this research, therefore, was to examine, from the perspective of a fairly narrow audience—college students—the prevalence and nature of sponsored messages on Facebook.

Literature Review

Facebook advertisers can place messages within the news feed of the desktop and mobile applications, or, in the desktop platform only, to the side of the news feed. Sponsored messages in a user's news feed fall into the category of "native advertising," defined by Couldry and Turow (2014, p. 1716) as "textual, pictorial, and/or audiovisual material that supports the aims of an advertiser (and is paid for by the advertiser) while it mimics the format and editorial style of the publisher that carries it." Although the term native advertising is associated with digital media, paid advertising designed to resemble unpaid content is not new; in fact, while some authors reserve the term native for digital advertising (Bakshi 2015), others have begun to use it to include older forms of advertising-editorial blends such as infomercials and advertorials (Hoofnagle and Meleshinsky 2015). In contrast, ads that are shown to the side of the news feed, clearly separate from posts from friends, would fall into the category of traditional display or "banner" ads, and would not be considered native advertising.

In academic research looking at advertising on web sites, Tutaj and van Reijmersdal (2012) reported that subjects found native advertising in the form of sponsored content more informative, amusing and less irritating than banner advertising, and Becker-Olsen (2003) found that sponsored content, when compared with banner advertising, led to more positive company attitudes and greater cognitive elaboration. Furthermore, while some have suggested that ad-editorial blends may lessen the credibility of the publications in which they appear (Sandler & Secunda 1993, Kim, Pasadeos, & Barban 2001), Howe & Teufel (2014) found that the presence of native advertising on a web site had no significant effect on perceptions of credibility.

The concern with ad-editorial blends is that they gain at least some of their effectiveness from deception; specifically, deceiving consumers—either completely or momentarily—as to the source of the message. Again, there is some evidence to support this. Howe & Teufel (2014) found that participants who were exposed to native advertising were less likely to report having seen advertising than those who were exposed to banner advertising, Hoofnagle & Meleshinsky (2015) found that 27% of 600 consumers tested thought an online advertorial in a blog was written by a reporter or editor, and Tutaj & Reijmersdal found that subjects exposed to native advertising in the form of sponsored content on a news web site scored lower on recognition of advertising format, understanding of persuasive intent, and skepticism than subjects exposed to banner advertising.

Research Questions

Given the scarcity of research on advertising on Facebook, and the potential issues that native advertising entails, the following research questions were formulated:

- R1 What is the prevalence of native (news feed) and non-native (side bar) sponsored messages on Facebook, and does it differ by gender or platform?
- R2 What is the prevalence of the various types of sponsored messages in the news feed, and does it differ by gender or platform?
- R3 What is the profile of advertisers on Facebook in terms of product category, age, and prominence?

Methodology

Sixty-three undergraduate student subjects from three upper-level business courses participated in the study. Google Chrome Full Page Screen Capture was used to capture the desktop web sites and Awesome Screen Shot was used to capture the mobile sites. In total, fifty-two subjects (29 male, 23 female) provided a useable screenshot from at least one of the two Facebook platforms, resulting in 72 screenshots and 168 sponsored messages for analysis.

Results

For the desktop platform, the majority (61.43%) of the sponsored messages for males were in the news feed, while the majority (55.22%) of sponsored messages for the females occurred to the side ($\chi^2 = 3.17, p = .05$). All sponsored messages in the mobile application are in the news feed as there is no side bar. In total, 53.28% of the sponsored messages in the desktop platform occurred in the news feed and 46.72% occurred in the side bar.

Approximately 12% of all posts in users' news feeds were sponsored posts, with no significant difference across conditions ($\chi^2 = .46, p = .93$). Of the sponsored messages in the news feed, 58.65% mentioned users' friends (friends had like the brand), 30.77% were Suggested Posts, and 10.56% carried no designation other than Sponsored. Among news feed ads with recommendation labels, there was a marginally significant gender difference ($\chi^2 = 2.55, p = .07$), with females more likely to see Friends Like (67.50% vs. 53.13%) and males more likely to see Suggested Post (37.50% vs. 20.00%), but there were no other significant differences in news feed ads by gender or platform.

The largest categories for sponsored messages were apparel (30.95%), leisure/entertainment (15.48%), and technology (13.69%). The dominance of apparel messages was driven by the female sample: clothing represented 53.25% of all sponsored messages for females and only 12.09% of messages for males ($\chi^2 = 31.16, p < .001$). The only other significant difference in product category by gender was for "other": a larger percent of the messages for males fell outside of the coding scheme (25.27% vs. 7.79%; $\chi^2 = 7.74, p = .005$). A marginally significant larger percentage of the mobile ads were for leisure-entertainment (25.89% vs. 11.69%; $z = 1.76, p = .078$). There were a total of 117 different advertisers across the 168 sponsored posts, for an average of 1.44 posts per sponsor. No advertiser had more than five ads across the entire sample. Fifty-seven percent of the advertisers were founded in 2000 or later, and 11% were in the top 100 of US advertisers, as measured by Adbrands (Adbrands.net 2015). There were no significant differences in sponsor age or US ad spending by platform.

Conclusions and Future Research

Most of the sponsored messages on Facebook identified in this study would be classified as native advertising, as they were found in the news feed and resembled, in content and format, posts from friends. Given the growth of mobile, where all Facebook advertising is in-feed, we could expect the trend towards more digital native advertising to continue. As native advertising can easily be mistaken for a non-commercial message, further study is needed to determine the level of deception and the adequacy of current labeling and disclosure; e.g., is the term "sponsored" clear and meaningful to typical users? Should there be other indications, in color or format, of the nature of the message? The results also suggest that mainstream, established brands are not utilizing Facebook as an advertising medium to the extent that less established brands are. This, along with the relative youth of Facebook as an advertising medium, may account for the fact that Facebook remains relatively uncluttered with advertising compared to more traditional media. Both of these results seem to indicate room for further growth in Facebook advertising. Using this study as a baseline, future studies could monitor growth in Facebook advertising and track changes in advertiser profile as it evolves as an advertising medium.

References

- Adbrands.net (2015) Top US advertisers in 2015 by expenditure. Retrieved from http://www.adbrands.net/us/top_us_advertisers.htm.
- Bakshi, A. (2015) Why and how to regulate native advertising in online news publications. *Journal of Media Law*

and Ethics. 4 (3/4). p. 4-47.

Becker-Olsen, K. L. (2003) And now, a word from our sponsor. *Journal of Advertising*. 32(2). p. 17-32.

Couldry, N., & Turow, J. (2014) Advertising, big data, and the clearance of the public realm: Marketers' new approaches to the content subsidy. *International Journal of Communication*. 8. p. 1710–1726.

Hoofnagle C. J., & Meleshinsky, E. (2015) Native advertising and endorsement:schema, source-based misleadingness,and omission of material facts. *Technology Science*. December 15. p. 1-23.

Howe, P., & Teufel, B. (2014) Native advertising and digital natives: The effects of age and advertisement format on news website credibility judgments. #ISOJ *The Journal of the International Symposium on Online Journalism*. 4(1). p. 78-90.

Kim, B., Pasadeos, Y., & Barban, A. (2001) On the deceptive effectiveness of labeled and unlabeled advertorial formats. *Mass Communication and Society*. 4(3). p. 265-281.

Sandler, D. M., & Secunda, E. (1993) Point of view: Blurred boundaries—where does editorial end and advertising begin? *Journal of Advertising Research*. 33(3). p. 73-80.

Toner, L. (2013) The history of facebook advertising. Retrieved from <http://blog.hubspot.com./marketing/history-facebook-adtips-slideshare#sm.009gmtnm1102dni11ei24coj8uvwg>.

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

Keywords: *advertising, content analysis, Facebook, native advertising, social media, sponsored messages*

Relevance to Marketing Educators, Researchers and Practitioners: This paper is of relevance to educators teaching current practices in social media marketing, to researchers studying the prevalence and growth of ad-editorial blends, and to practitioners interested in utilizing Facebook to promote products to college-aged students.

Author Information:

Cynthia B. Hanson (Ph.D., University of Maryland) is an Associate Professor of Marketing in the Phillips School of Business at High Point University. Her research interests are advertising and consumer behavior and her work can be found in a variety of journals, including the *Journal of Consumer Affairs*, *Advances in Consumer Research*, and the *Atlantic Marketing Journal*. She currently serves on the editorial board of the *Academy of Marketing Studies Journal*.

TRACK: Internet/Social Media Marketing