The labelling of influencer advertising

A report on what labels and other factors help people understand when influencers are posting advertising content

ASA

Contents

Executive Summary

Background

- The Committees of Advertising Practice (CAP) author the UK Advertising Codes and the Advertising Standards Authority (ASA) independently administers them to ensure advertising remains responsible; benefitting people, business and society in general.

- This report examines whether the ASA's current approach to its enforcement of the CAP Code's requirement that ads be "obviously identifiable" as it relates to influencer advertising posts on social media platforms is in the right place

- This report reviews the existing domestic and international regulatory landscape, the current academic evidence on the topic and the results of public research conducted by the ASA as part of this project.

Key findings

- The academic literature explains that consumers are likely to have difficulty in differentiating advertising content that is presented in a similar style to the editorial content in which it sits. This presents a particular challenge to influencer advertising which, by its nature, looks like the influencer's normal posts.

- The academic literature suggests that the wide variety of different labels currently in use, their placement and their visibility, make it more difficult for people to develop critical awareness needed to identify advertising.

- Labels that are clearly visible and well understood do raise the likelihood of people positively identifying material as advertising. However a significant percentage of participants in our public opinion research were not able to identify influencer advertising posts as "definitely an ad" even where the ASA's current position on labelling is followed. These low levels of recognition were also found in the wider academic literature.

- In our research, even brand ads which included product shots, brand names, logos, discounts and call to action (a 'Shop now' button) were not identified as definitely advertising by a notable proportion of participants. This demonstrates the challenge of obviously differentiating all types of advertising content from other content on social media platforms.

- The findings demonstrate that the ASA's current approach of requiring a suitably prominent reference to #ad (or similar) is necessary **as a minimum**. However, they findings also present questions about what other factors might assist people in identifying content as advertising which will require further consideration.

Section 1: Introduction

Background

As far back as 1964, the ASA's annual report stated, "A reader has a right to know whether he is reading independent editorial opinion, or a news item, or advertising matter. For advertisements to appear as either editorial or news matter is clearly misleading". Drawing a clear line between advertising and editorial content is as important today as it was then, but now the explosion of online marketing channels raises significant new challenges.

Traditional modes of publishing now sit alongside vast international online platforms where people and brands alike publish their own content. This has seen the creation of the *influencer*; individuals who command their own audiences numbering from the hundreds to, in some cases, over a hundred million[1]. Influencers may have already built, or concurrently be building, their public profile through traditional means (film or television) but more often they have found their fame purely online. Crucially, they speak directly to these online audiences generally without the editorial control that exists in traditional forms of media by, for example, publishers.

Influencers post about their daily lives and mention, often or occasionally, the products and brands which they purport to like. These mentions can be accompanied by hyperlinks to online locations where the audience is able to find out more about the particular product or brand, for example a hyperlink to a brand's Instagram or their Twitter handle.

This change in the media landscape has created new opportunities for advertisers looking to reach certain demographics, particularly younger people. Brands might send influencers products for free in the hope that they get a mention in a post or they might come to a more formal arrangement which requires certain types of content to be posted in exchange for payment.

The UK Advertising Code and the law

The UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (the CAP Code) requires that:

> *2.1 Marketing communications must be obviously identifiable as such.*
>
> *2.3 Marketing communications must not falsely claim or imply that the marketer is acting as a consumer or for purposes outside its trade, business, craft or profession; marketing communications must make clear their commercial intent, if that is not obvious from the context.*
>
> *2.4 Marketers and publishers must make clear that advertorials are marketing communications; for example, by heading them "advertisement feature".*

In practice, this means that where an influencer is posting about a brand because they've been paid to do so (including payment in kind) and the brand exerts some level of control

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[1] At the time of writing, the individual with the most Instagram followers is Cristiano Ronaldo with 171 million. www.instagram.com/cristiano/

over the content, the ASA regards the post as an ad which must comply with the requirement that it is **obviously identifiable** as an ad.

The CAP Code requires this so that the audience knows when the post they are seeing is at the bidding of the brand and is not, for example, impartial, organic content. Knowing this allows people to know when 'they're being sold to' and by whom, which informs their decision as to whether or not to act on it.

CAP writes these rules and the ASA enforces them with reference to the Consumer Protection from Unfair Trading Regulations 2008[2] (CPRs). Schedule 1 of the CPRs contains a list of practices which are always unfair and includes the following practice in that list:

> *11. Using editorial content in the media to promote a product where a trader has paid for the promotion without making that clear in the content or by images or sounds clearly identifiable by the consumer (advertorial).*

The Competition and Markets Authority, among other statutory bodies, enforces the legal provisions of the CPRs. The CPRs' scope covers practices wider than the marketing communications that are defined and covered by the CAP Code. In September 2018 CAP and the CMA published joint guidance[3] on the circumstances in which they considered that influencer posts needed to include labels and what those labels should be.

In January 2019, the CMA announced[4] that it had secured formal commitments from 16 celebrity influencers that they would state clearly if they had been paid to, or received gifts or loans for, products which they endorsed through their social media channels. Warning letters were sent to other celebrities whose 'disclosure' practices had concerned the CMA. Alongside that announcement the CMA published its own guidance for influencers on transparency.[5]

Project background

The diverse ways in which advertisers and influencers formally or informally contract with each other online has led to the use of a diverse range of labels to identify the nature of the resultant post.   In 2018 the ASA launched a project to find out more about what types of labels allow people to understand that they are in receipt of advertising content. This has involved several stages of work:

- a call-for-evidence[6] in April 2018, inviting submissions on the issue of how people understand labels or other identifiers which are intended to indicate that online content is advertising;
- a review of the wider literature;
- a review of ASA casework and CAP guidance;
- a review of international regulatory approaches to the issue, and
- the commissioning of the ASA's own research.

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[2] http://www.legislation.gov.uk/uksi/2008/1277/contents/made
[3] https://www.asa.org.uk/news/new-guidance-launched-for-social-influencers.html
[4] https://www.gov.uk/government/news/celebrities-pledge-to-clean-up-their-act-on-social-media
[5] https://www.gov.uk/government/publications/social-media-endorsements-guide-for-influencers
[6] https://www.asa.org.uk/news/our-call-for-evidence-recognition-and-labelling-of-online-ads.html

Scope

This report considers the labelling of influencer advertising posts on social media. When referring to labels, in most instances the report is referring to the advertising labels added by influencers to their posts rather than the standardised labelling methods which online platforms have started to make available ("platform labelling"). Platform labelling is a relatively new phenomenon and is not currently consistent between platforms either in wording or presentation. Nor is platform labelling consistently used by influencers; many favour including their own label only in the post.

This research has focused on social media posts that do not include video. However the learnings from this report almost certainly cross-apply to both platform labels and video.

Section 2: International regulatory approaches to ad labelling

The ASA regulates marketing communications, which includes advertisements, direct and promotional marketing. Much of the media in which those marketing communications appear is specific to the UK, from national publications to broadcasts on local and national channels. However, online platforms are seldom specific to one country. A single post by one person can have a global reach and be seen by people in multiple countries with potentially different understandings of the labels used to identify content as advertising.

As a result, the ASA is one of many national regulatory authorities with an interest in how ads on these online platforms should be labelled.

2.1 International regulatory principles and activity

The International Chamber of Commerce's (ICC) Code of Advertising and Marketing Communication Practice[7] has served as the cornerstone for most self-regulatory advertising systems around the world. The Code aims to promote a baseline of consistency on advertising standards between different advertising regulatory regimes. Article 9 of the Code states:

> "*Marketing communications should be clearly distinguishable as such, whatever their form and whatever the medium used. When an advertisement appears in a medium containing news or editorial matter, it should be so presented that it is readily recognisable as an advertisement and the identity of the advertiser should be apparent (see also article 10).*
>
> "*Marketing communications should not misrepresent their true commercial purpose. Hence a communication promoting the sale of a product should not be disguised as for example market research, consumer surveys, user-generated content, private blogs or independent reviews.*"

In May 2015, the ICC published its Guidance on Native Advertising[8], which applied these principles to the online environment. The ICC's approach is reflected in the European Advertising Standard Alliance (EASA) Best Practice Recommendation on Digital Marketing[9] which provides advice on the distinction between marketing communications and editorial content. Section 2.2.6 of the Recommendation states that:

> "*A clear distinction between marketing communications and editorial content on social media is essential… The consumer must be able to clearly understand that a message is a marketing communication and, in no case, must an advertisement falsely claim or create the impression that a marketer is a consumer and thus create confusion. Marketers using emerging types of social media should remember that these principles will still apply.*
>
> "*The identification of a marketing communication can be achieved through several means, e.g. design, arrangement, content, position/placing within a site or through an*

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[7] https://iccwbo.org/publication/icc-advertising-and-marketing-communications-code/
[8] https://iccwbo.org/publication/icc-guidance-on-native-advertising/
[9] http://www.easa-alliance.org/products-services/publications/best-practice-guidance

identifier. The appropriate way of identifying marketing communications will depend on the context."

Section 2.2.7 related to 'User-Generated Content' (UGC) specifically, and also states that:

"*If marketers or brand owners approach users to generate content in exchange for payment or other reciprocal arrangements, and have control of the content, then this would need to be clearly identified as marketing communication.*"

There is a broad international regulatory consensus, then, that online marketing communications and sponsored content must be identifiable to consumers. However, the application of this requirement has varied and many EASA members have put in place more detailed provisions. For example in **France**, ARPP has published detailed recommendations[10] which provide detailed and specific advice on a wide variety of forms of digital advertising including on communications by influencers and brands. For each of these, the guidance provides definitions, states the criteria these communications must fulfil in order to qualify as advertising, and how they should be identified as ads. For 'native advertising', the guidance states "*It is recommended to highlight the sponsored nature of a content by means of an explicit indication of the type " advertising ", " sponsored by ", " in partnership with " ... This indication must be legible or audible and intelligible so that the advertising character is immediately noticeable.*"

In **Germany** the WBZ guidance[11] requires that:

[consumers] must be able to recognize at first sight and without any doubt the commercial purpose of an action. Only if this purpose is clearly recognizable the ad does not have to be marked separately." Specifically, it states that "it is not enough to position the advertising notice below the reading area after clicking on the "more" link", and the placement of this label "within multiple hashtags [is] only allowed if #Werbung is in the beginning.

In November 2016, the Advertising Standards Authority for **Ireland** published a Guidance Note[12] on 'Recognisability of marketing communications', with dedicated sections on 'Social media' and 'Independent Reviews, including Blogger and Vloggers'. The guidance states that for social media posts where the context or accompanying hashtag does not make clear that it is a marketing communication, "*it is incumbent on the advertiser to ensure that clear guidance is given so that clear 'flags' are used, for example #ad*". In the **Netherlands** the Stichting Reclame Code (SRC)*'s Social Media Advertising Code*[13] contains a detailed section on how influencers (referred to as 'Distributors') should disclose their commercial relationships with advertisers.

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[10] https://www.arpp.org/nous-consulter/regles/regles-de-deontologie/communication-publicitaire-digitale/
[11] http://www.easa-alliance.org/sites/default/files/WBZ_Leitfaden_zur_Kennzeichnung_von_Werbung_auf_Instagram_%5B2%5D.pdf
[12] https://www.asai.ie/wp-content/uploads/ASAI-Guidance-Note-on-Recognisability-in-advertising-V1-Nov-16.pdf
[13] https://www.reclamecode.nl/nrc/reclamecode-social-media-rsm/

In the **United States** the Federal Trade Commission (FTC) has done considerable work in this area. Between 2014 and 2015, it commissioned research[14] on "consumer recognition of paid search advertising and "native advertising" on media websites". This informed their subsequent guidance, Native Advertising: A Guide for Businesses[15] which describes scenarios when disclosure is necessary and includes dedicated sections on 'Proximity and placement', 'Prominence', and 'Clarity of meaning'. The last of these sections gives examples of specific labels that the guide stated were either "likely to be understood" or were "ambiguous and potentially could mislead consumers".

In 2017 the FTC contacted[16] 90 different influencers and brands, reminding them of FTC guidelines that any "*material connection*" between the influencer and advertiser should be clearly and conspicuously disclosed. Specifically, the letters advised that:

> *"…consumers viewing posts in their Instagram streams on mobile devices typically see only the first three lines of a longer post unless they click "more," and many consumers may not click "more." Therefore, you should disclose any material connection above the "more" button. In addition, where there are multiple tags, hashtags, or links, readers may just skip over them, especially where they appear at the end of a long post."[17]*

In September of the same year, the FTC re-contacted 21 of the influencers they had already written to. These follow-up letters identified specific posts that did not sufficiently clearly convey the material connection between the influencer and the brand. In addition to the guidance above, these enforcement letters advised that a disclaimer such as "Thank you…[brand name]" was likely to be inadequate, on the grounds that "it does not sufficiently explain the nature of your relationship; consumers could understand "thank you" simply to mean that you are a satisfied customer."

In addition to these enforcement letters, the FTC charged two prominent social media influencers[18] with "deceptively [endorsing] the online gambling service CSGO Lotto, while failing to disclose they jointly owned the company", as well as paying other influencers to promote the site without disclosing that their posts had been paid for. The settlement order stated the requirement for "clear and conspicuous disclosures of any unexpected material connections with endorsers". They followed up on this with updated Endorsement Guides[19] with additional text explaining how the rules apply to social media.

The above summaries are by no means exhaustive. The International Council for Ad Self-Regulation maintains a longer index[20] of rules and guidance relating to the disclosure of ads by influencers from (self-)regulatory organisations around the world.

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[14] https://www.ftc.gov/news-events/press-releases/2017/12/ftc-publishes-staff-report-exploratory-research-examining
[15] https://www.ftc.gov/tips-advice/business-center/guidance/native-advertising-guide-businesses
[16] https://www.ftc.gov/news-events/press-releases/2017/04/ftc-staff-reminds-influencers-brands-clearly-disclose
[17] https://www.ftc.gov/system/files/attachments/press-releases/ftc-staff-reminds-influencers-brands-clearly-disclose-relationship/influencer_template.pdf
[18] https://www.ftc.gov/news-events/press-releases/2017/09/csgo-lotto-owners-settle-ftcs-first-ever-complaint-against
[19] https://www.ftc.gov/tips-advice/business-center/guidance/ftcs-endorsement-guides-what-people-are-asking
[20] https://icas.global/advertising-self-regulation/influencer-guidelines/

Section 3: CAP guidance and ASA rulings

Over the years, the ASA has developed case law on the labelling of influencer advertising. Lessons from ASA rulings have been consolidated and presented in CAP Guidance to provide influencers, brands and other marketing intermediaries with pre-publication advice as to where the ASA draws the line on the acceptability of labels used to denote content as advertising. This section summarises CAP guidance and ASA case history, and points out their limitations.

Current guidance

In September 2018, CAP published guidance that extrapolated from ASA rulings how influencer ads should be labelled. In summary, it states:

- The ASA favours labels that are straightforward and simply say what the post is. For example:

    o Ad / Advert / Advertising / Advertisement / Advertisement Feature.

- Other labels are riskier, and although it will always depend on the wider content and context, there are some that should be <u>avoided</u> because the ASA has previously found that they do not go far enough to make it obvious that content is advertising. These are:

    o Sponsorship
    o Sponsored content
    o Spon / #Spon / #Sp
    o In association with
    o Thanks to [brand] for making this possible
    o Just mentioning the brand

- Labels need to make it obvious that content is advertising. Labels (or other identifiers) needs to be upfront (before people click/engage on the content), prominent, appropriate for the channel and suitable for all the different types of devices on which content might be viewed.

ASA rulings

To a large extent the ASA's rulings are guided by the specific examples drawn to its attention by the complaints it receives. This report looks at the 14 published rulings on influencer ads since the beginning of 2014; and what the ASA regards as acceptable or unacceptable means of labelling influencer content as advertising.[21]

Unlabelled and inadequately signposted posts

Many of the case which the ASA has assessed concern influencer ads that have not included an overt label intended to indicate that the content is advertising.

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[21] The ASA ruled on five influencer advertising cases prior to 2014. However for the purposes of practicality and relevance we have confined this retrospective to a five year period.

In a case concerning a post by the television presenter AJ Odudu promoting Alpro the ASA found that the presence of the brand and campaign hashtags (#Alpro and #GoOn) and the brand's twitter handle (@Alpro_UK) were not enough in themselves to make it obvious that the post was advertising. The ruling suggested that a specific label, such as #ad, should have been included. [22]

In two cases the ASA investigated posts by people who declared in the biography on their profile page that they were 'brand ambassadors'. In both cases the ASA found this was insufficient to make clear that specific posts were ads.[23]

In 2017 the ASA found that a snap on Snapchat by Marnie Simpson was not obviously identifiable as an ad despite it promoting her own product range.[24]

Promotional marketing

In some cases the ASA has been asked to consider influencer ads which contain promotions of various sorts.

- In June 2018 the ASA considered a post on Aliyah Maria Bee's Instagram account (@aliyahmariabee's) which featured an image of Aliyah holding a pot of Coco Shine teeth whitener. The caption stated "Morning y'all so recently I've been using this teeth whitener and I'm very happy with my results. It's super affordable make sure you guys go check out @cocoshineau (DISCOUNT CODE: ALIYAH40 for 40% off)".[25]

- Later in the year the ASA made two rulings on Instagram activity by reality television star Louise Thompson. The first concerned an Instagram story, which featured a video of her showing a brush product with an on-screen caption which stated "Obsessed with my glowspin! Swipe up for $100 off using my code 'louiseglow Swipe up awesome @vanityplanetstore".[26] The second concerned a post promoting Daniel Wellington watches offering "15% off using the code 'LOUISE'".[27]

Despite the inclusion of discounts or a retailer's offer code bearing the name of the influencer, the ASA determined that these posts and others like them[28] had not done enough to make it obvious that the content was advertising rather than, for example, genuinely independent editorial content.

The theme throughout these rulings is that while the presence of, sometimes quite prominent, commercial references such as competitions, a specific brand mention, a brand's social media handle, a campaign hashtag and even an offer code personalised to the influencer, might indicate a commercial relationship, they are not sufficient, in the ASA's view, to meet

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[22] Alpro (UK) Ltd; 21 Sept 2016
[23] See   Warpaint Cosmetics (2014) Ltd; 3 October 2018
         Platinum Gaming Ltd t/a Unibet; 7 November 2018
[24] Unleashed PR Ltd t/a I Spy Eyes / 25 October 2017
[25] Coco Shine; 27 June 2018
[26] Vanity Planet; 12 September 2018
[27] Daniel Wellington AB 25 July 2018
[28] See: Nomad Choice Pty Ltd t/a Flat Tummy Tea; 5 April 2017
         Diamond Whites / 25 October 2017
         Convits Ltd / 3 January 2018

the test in the CAP Code: that it should be obvious to the audience when content is advertising.

Labels and other identifiers that the ASA has found to be inadequate

In some cases the ASA has taken a view on whether specific labels and other types of identifier intended by the poster to indicate that the content is advertising have achieved that aim.

One such case looked at five YouTube videos in which popular vloggers participated in a race to see who could eat an Oreo cookie the quickest. All the videos included various references to Oreo's involvement or the campaign. For example one vlogger talked about how he had been contacted by Oreo by email asking him to do the lick race. Some of the videos included the text, "Thanks to Oreo for making this video possible" (or variations of it) in the video description box and/or as part of the video itself.

The ASA found that, while those references might suggest to viewers that Oreo had been involved somehow, they were not sufficient to make clear that Oreo had both paid for and had control over the content of the videos. Further, the ASA took the view that in the context of videos any label or other identifier (spoken or visual, for example) that was intended to indicate that the content was advertising would need to be included before viewers watched the video.[29]

In November 2015 the ASA ruled on a post on the Instagram account of Millie Mackintosh which promoted the drink J2O Spritz and showed images of her doing yoga. It featured on-screen text which included the hashtag #sp at the end. The ASA found that hashtag to be problematic for two reasons. The first was that consumers were unlikely to understand that the abbreviation #sp was intended to mean "sponsored". Secondly, even if they had done so, the ASA considered that sponsorship would be understood to imply brand payment, but not brand control.[30]

The ASA took a similar view on the unabbreviated word "sponsorship" and the phrase "thanks to our sponsors" in a case concerning videos promoting cycling computers.[31]

Summary of ASA casework

ASA casework, by its nature, has only considered a small number of examples, particularly when one considers the range of platforms, types of content and the vast number of approaches which influencers might use to indicate that content is advertising.

However after its careful consideration of a number of individual ads, its rulings have clarified that terms such as #ad, ad, advert, advertising, advertisement, advertisement feature etc. unambiguously convey to the audience the 'advertising' nature of the content, whereas other labels that it has investigated, do not.

The label #ad has been and is widely used, including internationally. It is also generally easy to include somewhere in a post irrespective of the platform. However, numerous other labels are widely used organically by influencers. In addition, platforms such as Instagram have

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[29] Mondelez UK Ltd - 26 November 2014
[30] Britvic Soft Drinks / 18 November 2015
[31] Wahoo Fitness (UK) Ltd / 7 March 2018

recently introduced the "paid partnership" and "paid promotion" labels, which can be applied by brands and influencers to their posts and Instastories. The ASA has yet to take a view on the effect of those labels on their own.

Additionally there has been an increase in affiliate marketing: a type of performance-based marketing where an influencer might place ads, discount codes and links online and is rewarded by the business for each new customer attracted by their marketing efforts, usually with a pre-agreed percentage of each sale. This activity is often accompanied by labels such as "#af", "#collab" and "#affiliate". While these have not been tested in ASA rulings, given the strong line the ASA Council has previously taken on terms like 'sp' and 'sponsorship' it is reasonable to assume that, if they were to be tested through investigation, the ASA would be likely to conclude that they did not adequately convey the advertising nature of the post.

Section 4: Existing evidence

Introduction

This section sets out the findings of a review by the ASA of available research and includes, where relevant, materials submitted in response to a public call for evidence in 2018[32]. It outlines current internet and social media usage and the extent of public understanding about how influencers use their accounts to advertise brands. It considers existing theories on how ads are processed by their audience and provides the findings from recent research on labelling. It concludes with a review of the factors that are identified as important for increasing the ability of consumers to know when they are being advertised to.

The growth of influencer marketing brings with it the challenge of making sure such advertising is clear and transparent for consumers. Research looks at the extent to which social media users recognise and understand current influencer disclosure practices and the reasons for this.

At present, social media posts are commonly identified as advertising by the influencer writing a label within the body of the post itself or, sometimes, by them making use of a standardised label made available by the platform (which might appear separately). The analysis here focuses primarily on the former.

Internet and social media use

During the last ten years the media landscape has changed dramatically. This section sets out the internet and social media use among those aged 16+ and those aged 12-15 in order to illustrate the role online media plays in people's lives.

Online usage. Ofcom's most recent report on adults' media usage (which includes 16-17 year olds) found that 87% are online. This increases among younger age groups – reaching 99% for the 16-24s and 25-34s, 96% for 35-44s, and 93% for those aged 45-54.[33] 99% of those aged 12-15 go online.[34]

Time online. Ofcom's report shows that the amount of (self-reported) time spent online has more than doubled since 2007. In 2018, respondents estimated spending 25.3 hours a week online, compared with 16.9 hours a week in 2013 and 12.1 hours in 2007.[35] Weekly volume of use is highest among those aged 16-24, at 35.5 hours.[36] This compares to 20.5 hours for 12-15 year olds.[37]

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[32] A list of respondents to the call for evidence is set out in Annex C

[33] Ofcom, Adults' Media Use and Attitudes Report 2019 (2019), https://www.ofcom.org.uk/__data/assets/pdf_file/0031/149872/Adults-media-use-and-attitudes-report-2019-chart-pack.pdf , slide 14

[34] Ofcom, Children and Parents Media Use and Attitudes Report 2018 – Research Annex (2019), https://www.ofcom.org.uk/__data/assets/pdf_file/0028/134866/Children-and-Parents-Media-Use-and-Attitudes-Report-2018-Research-Annex.pdf , slide 23

[35] Ofcom (2019, Adults), slide 16

[36] Ofcom (2019, Adults), slide 17

[37] Ofcom (2019, Children), slide 5

Social media accounts. More than two-thirds of UK adults have a profile or account on a social media or messaging site, or app (70%). This represents 80% of internet users. Younger age groups are more likely to have a social media account – 94% of internet users aged 16-24, 92% of 25-34s and 87% of 35-44s. The proportion of internet users aged 55-65 with a social media account rose from 60% in 2017 to 72% in 2018.[38] 67% of those aged 13 have a social media account, rising to 83% for those aged 15.[39]

Facebook continues to be the most commonly used social media site. 88% of adults with a social media or messaging account said they use Facebook – this has fallen from 91% in 2017.[40] There were no significant differences in the percentage of each age group that have a Facebook account, although using Facebook only was more likely among those aged 55+.[41] 72% of those aged 12-15 with a social media account use Facebook – which equates to 50% of all 12-15s.[42]

Instagram is used by 38% of adults with a social media account, with a quarter of adults using Snapchat (25%) or Twitter (25%).[43] Compared to the average, 16-24s were more likely to have an account on Instagram (62%), Snapchat (59%) and Twitter (35%). Those aged 25-34 were more likely to have an account on Instagram (50%) or Snapchat (42%).[44]

For 12-15s with a social media account, 65% said they use Instagram (representing 45% of that age group), 62% used Snapchat (43% of age group) and 17% used Twitter (12% of that age group).[45]

Main social media account. Over half of adults (those aged 16+) with a social media account considered Facebook to be their main profile (58%) – although this has fallen from 70% in 2017.[46] Few nominated Instagram (5%), Snapchat (4%) or Twitter (4%) as their main account. There were some differences by age, socio-economic group and gender. Those aged 16-24 were more likely than average to nominate Snapchat (17% vs. 4%) as their main profile/ account.[47]

Among social media users aged 12-15, an equal proportion chose Facebook and Snapchat as their main account (31%), with 23% nominating Instagram and 2% choosing Twitter.[48]

Self-reported knowledge and understanding of ad recognition

The research on knowledge and understanding finds some disparity between how much respondents report they understand about advertising online and what their actual knowledge is.

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[38] Ofcom (2019, Adults), slide 32
[39] Ofcom (2019, Children), slide 43
[40] Ofcom (2019, Adults), slide 34
[41] Ofcom (2019, Adults), slide 35
[42] Ofcom (2019, Children), slide 44
[43] Ofcom (2019, Adults), slide 34
[44] Ofcom (2019, Adults), slide 35
[45] Ofcom (2019, Children), slide 44
[46] Ofcom (2019, Adults), slide 36
[47] Ofcom (2019, Adults), slide 36
[48] Ofcom (2019, Children), slide 45. YouTube was nominated by 7% and Whatsapp by 5%.

Recognising ads. A survey for the BBC found that 82% of respondents thought it was not always clear when an influencer had been paid to promote an ad.[49] Ofcom found that 85% of internet users aged 16+ were very or fairly confident that they could recognise advertising online.[50] However, only 63% of search engine users could correctly identify sponsored links on Google as advertising.[51] When a similar question was asked to those aged 12-15, 49% identified the paid-for results as ads.[52]

Trust. When asked about search engine listings, 20% of those aged 16+ said that if results are listed by the search engine, the websites will be accurate / unbiased.[53] When 12-15s were asked about whether results listed by search engines can be trusted, 31% answered that websites listed by Google could be trusted. A further 9% of 12-15s said they didn't think about whether the websites could be trusted.[54]

Endorsements. Ofcom asked adults (aged 16+) who watch content on video-sharing sites about vloggers endorsing or promoting brands on sites like YouTube. They were offered three choices of response and asked which one might explain why vloggers might say favourable things about a particular product or brand. Three in four users of such sites (74%) were aware that the vloggers might be being paid by the company to say favourable things.[55] Children who go online were asked a similar question. 65% of 12-15s were aware that a vlogger may say good things about a product or a brand because they were being paid to do so.[56]

A survey for the BBC found that 48% of respondents believed that most social media influencers only promote products they genuinely like.[57] 27% of respondents to a YouGov survey reported they had bought a brand/product because it was recommended by a celebrity or influencer online.[58]

Labels and rules. Research by Prizeology (2018) concludes that there is low understanding about influencer marketing:[59]
- 61% of respondents believed that influencers do not have to state when they have been paid to talk about a product (49% of those aged 18-34).[60]
- 49% said they were not aware of the relevant language or tags that show there is product placement (33% for 18-24s).[61]
- However, when asked about the use of #ad, 59% said that this meant influencers had been paid to promote the product. This rose to 69% for the 18-24 age group.

[49] BBC / Savvy (2019), https://blog.getsavvy.com/shoppers-mistrust-influencers-says-savvy-survey-bbc/
[50] Ofcom (2019, Adults), slide 101
[51] Ofcom (2019, Adults), slide 106
[52] Ofcom (2019, Children), slide 70
[53] Ofcom (2019, Adults), slide 107
[54] Ofcom (2019, Children), slide 66
[55] Ofcom (2019, Adults), slide 103
[56] Ofcom (2019, Children), slide 71
[57] BBC / Savvy (2019)
[58] YouGov, 'Social Media Influencers' (2019)
https://d25d2506sfb94s.cloudfront.net/cumulus_uploads/document/iox1o10864/YG-Archive-Influencers-Internal-040319.pdf
[59] Prizeology, *Under the Influence: UK consumer attitudes to social media influencer marketing* (2018a)
https://www.prizeology.com/whitepaper/influencer/ and accompanying methodology paper (2018b)
[60] Prizeology (2018b), p6
[61] Prizeology (2018b), p10

A YouGov survey found 89% agreed that celebrities/influencers should make it clear when something is a paid ad, while 76% agreed with the statement that the rules around online advertising are not currently strong enough.[62]

Influencer marketing – the theory

There are various theories in the academic research as to why influencer marketing and native advertising (which is designed to look that the organic / editorial material in which it is place) more generally, is so widely and increasingly used by brands to reach their target audiences. These explanations are closely tied to the potential commercial benefits associated with audiences being unable to recognise when they are being advertised to.

Schema theory explains how we process information based on previous experiences. We take cues from a situation and then look for an appropriate schema (a cognitive framework or concept that helps organise and interpret information that can help us determine how to act).[63] When advertising is made to look like editorial, there is a strong likelihood that it might activate a schema for editorial content rather than an advertising schema.[64]

When consumers do recognise advertising, they may activate various strategies to resist or avoid advertising. This type of 'advertising schema' is referred to as the persuasion knowledge model. It is described as the 'theoretical gold standard'[65] for understanding how consumers identify and then respond to the persuasion techniques used in ads. Recognising content as advertising activates 'coping skills' such as increased scepticism, critical processing and avoidance.[66] These skills are not activated when the content is not recognised as advertising. The findings of recent studies demonstrating neutral and even positive effects of native advertising were attributed to most participants not recognising that they were viewing ads.[67]

Some of the research considers whether the use of disclosures - explicitly telling consumers that what they are viewing is advertising - can activate what is called situational persuasion

[62] YouGov, 'Social Media Influencers' (2019); https://yougov.co.uk/topics/consumer/articles-reports/2019/03/20/britons-less-likely-trust-sponsored-posts-social-m

[63] Nathaniel J. Evans & Dooyeon Park (2015) 'Rethinking the Persuasion Knowledge Model: Schematic Antecedents and Associative Outcomes of Persuasion Knowledge Activation for Covert Advertising', *Journal of Current Issues & Research in Advertising*, 36:2, 157-176, http://dx.doi.org/10.1080/10641734.2015.1023873

[64] Bartosz W. Wojdynski & Nathaniel J. Evans (2016) 'Going Native: Effects of Disclosure Position and Language on the Recognition and Evaluation of Online Native Advertising', *Journal of Advertising*, 45:2, 157-168, http://dx.doi.org/10.1080/00913367.2015.1115380

[65] Amazeen, M.A., & Wojdynski, B.W. (2018). 'Reducing native advertising deception: Revisiting the antecedents and consequences of persuasion knowledge in digital news contexts', *Mass Communication & Society*. Advance online publication. doi: 10.1080/15205436.2018.1530792

[66] Nathaniel J. Evans, Bartosz W. Wojdynski & Mariea Grubbs Hoy (2018)' How sponsorship transparency mitigates negative effects of advertising recognition', *International Journal of Advertising* https://doi.org/10.1080/02650487.2018.1474998

[67] Michelle A. Amazeen & Ashley R. Muddiman (2018,) 'Saving Media or Trading on Trust?', *Digital Journalism*, 6:2, 176-195, https://doi.org/10.1080/21670811.2017.1293488, p179. Referencing research from Howe and Teufel 2014; Tutaj and van Reijmersdal 2012; Wojdynski and Evans 2016.

knowledge (the other form of persuasion knowledge is described as dispositional, and is activated by past experience).[68]

Other parts of the research consider whether signalling the difference between editorial content and editorial-looking ads just by using a label is too subtle for readers to pick up. Dahlen and Edenius made the case that consumers identify ads by comparing them to the surrounding elements, including editorial content: 'that which is not an editorial article is a print ad, and that which is not a TV program is a commercial' (Dahlen and Edinius 2007:35). Advertising and editorial content can serve as differences and opposites that mutually define each other (Dahlen and Edenius 2007:40).[69] In the case of influencer advertising, there has been a blurring of boundaries.[70]

The 'source credibility' model is based on the premise that communication is more effective if the source is trusted. Influencers can be an effective form of marketing if they are regarded as credible, trustworthy and authentic.[71] Consequently, their recommendations are likely to be 'much more persuasive than brand-generated messages, which are perceived as being biased'[72]. One prominent social influencer explained to the House of Lords Select Committee on Communications that, 'the audience trust what you are saying; they trust that you will promote only things you believe in yourself and would use yourself'.[73]

Research experiments

In recent years, there have been various research experiments – mostly, but not exclusively, conducted by academics - to test various disclosure options for native advertising. Some studies have included influencer marketing, but much of this research has centred on native advertising in a news media setting. The examples below include those from influencer marketing and other forms of native advertising, as while the settings may differ, the challenge (how to distinguish between advertising and editorial) and solutions (improving the wording and positioning of a label) often overlap.

Boerman, Willemsen and Van Der Aa conducted research in the Netherlands with 409 participants.[74] The research considered the extent to which the standardised label made by Facebook (the text 'Sponsored' appearing underneath the source's name) indicates that a

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[68] Simone Krouwer, Karolien Poels & Steve Paulessen (2019) 'Moving towards transparency for native advertisements on news websites', *International Journal of Advertising;* https://www.tandfonline.com/doi/abs/10.1080/02650487.2019.1575107?journalCode=rina20

[69] Taken from Kirsten Sparre, 'Labels and beyond: Mapping the ways national Danish news brands signal commercial intent to users in their editorial looking adverts' – https://bit.ly/2IyW7qs

[70] Paul Ferrer Conill (2016) 'Camouflaging Church as State', *Journalism Studies*, http://dx.doi.org/10.1080/1461670X.2016.1165138

[71] Steffi De Jans, Veroline Cauberghe & Liselot Hudders (2019), 'How an Advertising Disclosure Alerts Young Adolescents to Sponsored Vlogs: The Moderating Role of a Peer-Based Advertising Literacy Intervention through an Informational Vlog', *Journal of Advertising*, DOI: 10.1080/00913367.2018.1539363 To link to this article: https://doi.org/10.1080/00913367.2018.1539363 (pp2-3)

[72] Marijke De Veirman & Liselot Hudders (2019) 'Disclosing Sponsored Instagram Posts: The Role of Material Connection with the Brand and Message-Sidedness when Disclosing Covert Advertising', *International Journal of Advertising;* https://www.tandfonline.com/doi/abs/10.1080/02650487.2019.1575108

[73] Select Committee on Communications (2018) *UK advertising in a digital age: HL Paper 116*, para 80 https://publications.parliament.uk/pa/ld201719/ldselect/ldcomuni/116/11605.htm#_idTextAnchor019

[74] Sophie C. Boerman & Lotte M. Willemsen (2017) '"This Post is Sponsored" Effects of Sponsorship Disclosure on Persuasion Knowledge and Electronic Word of Mouth in the Context of Facebook', *Journal of Interactive Marketing*

post is advertising. The research compared a post by a celebrity and a post by a brand. The research found that 56% of participants exposed to a disclosure did not notice it.

Nathanial J Evans et al (2017) conducted a study into the labelling of Instagram posts.[75] This considered the impact of labels within a post, rather than the platform label. Two-hundred-and-thirty-seven university students in the US took part in the research, almost all of whom were Instagram account holders (98.7%). The research tested four variations of labelling for Instagram posts – #SP, #Sponsored, #PaidAd and no disclosure. The research found that #PaidAd was the most effective of the labels in increasing ad recognition and disclosure identification.[76] The research concluded that, to improve advertising recognition, the language of the disclosure needed to clearly convey that the post was an ad.

A similar study by Wojdynski and Evans (2016)[77] looked at disclosure language for a native content news article and the placement of the disclosure. The research took place among 242 adults in the US. The research found that wording that more clearly connoted advertising (e.g. "advertisement" and "sponsored content") led to greater recognition than more ambiguous wording such as "presented by [sponsor] or "Brand Voice". Nonetheless, very few participants recognised the article as advertising – the average across the sample was 7%.

The research therefore suggests that other characteristics, in addition to language, are also relevant. Wojdynski (2016)[78] tested the effects of four disclosure characteristics - proximity, visual prominence, wording clarity and logo. Visual prominence was shown to increase recognition. Wojdynski et al (2017)[79] published the findings of another experiment using a sponsored news article that found higher levels of visual prominence in the form of size and colour contrast increased advertising recognition, and that language explicitness increased recognition when visual prominence was high. The combination of high visual prominence and high explicitness led to an advertising recognition rate of 40%—which was higher than that in previous, comparable research.

This was reinforced by a further study by Amazeen and Wojdynski (2018).[80] This was an online survey run by YouGov that was based on a news article. It found that only 9% of

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[75] Nathaniel J. Evans , Dr. Joe Phua , Jay Lim & Hyoyeun Jun (2017)
'Disclosing Instagram Influencer Advertising: The Effects of Disclosure Language on Advertising Recognition, Attitudes, and Behavioral Intent', *Journal of Interactive Advertising* http://dx.doi.org/10.1080/15252019.2017.1366885

[76] Participants were asked to answer a single item measure using a 7-point Likert scale (1 = strongly disagree, 7 = strongly agree) to "indicate the extent in which you thought the Instagram post was advertising" (M = 4.97, SD = 1.63) On a seven point scale, the mean for no disclosure was 4.35, the mean for 'SP' was 4.70, the mean for 'Sponsored' was 4.95 and the mean for 'Paid Ad' was 5.58.

[77] Bartosz W. Wojdynski & Nathaniel J. Evans (2016) 'Going Native: Effects of Disclosure Position and Language on the Recognition and Evaluation of Online Native Advertising', *Journal of Advertising*, 45:2, 157-168 http://dx.doi.org/10.1080/00913367.2015.1115380

[78] Bartosz W. Wojdynski (2016) 'The Deceptiveness of Sponsored News Articles: How Readers Recognize and Perceive Native Advertising', *American Behavioral Scientist* 1–17 - https://doi.org/10.1177%2F0002764216660140

[79] Bartosz W. Wojdynski, Hyejin Bang, Kate Keib, Brittany N. Jefferson, Dongwon Choi & Jennifer L. Malson (2017) 'Building a Better Native Advertising Disclosure', *Journal of Interactive Advertising*, http://dx.doi.org/10.1080/15252019.2017.1370401

[80] Michelle A. Amazeen & Bartosz W. Wojdynski (2018), 'The effects of disclosure format on native advertising recognition and audience perceptions of legacy and online news publishers', *Journalism* - https://doi.org/10.1177%2F1464884918754829

participants recognised the native content as advertising. Recognition was more likely with disclosures that were high in visual prominence, that used explicitly clear language, and that were used in conjunction with a sponsor's logo.

The Federal Trade Commission (FTC) conducted an exploratory piece of research that concluded the use of 'common sense disclosure techniques' could 'greatly increase the likelihood that consumers will recognise an ad as an ad'. These include: changes to disclosure language, position, text size and colour, and other visual cues such as the borders or background shading.[81]

Research commissioned by the Internet Advertising Bureau UK (IAB UK)[82] also found that labelling is important but alone is not sufficient in calling out advertising content. The research highlighted three factors that matter – (i) making the content look different to the editorial (clear, visual delineation between commercial content and editorial content – such as coloured backgrounds, hues, boxes); (ii) brand logos can ensure clarity as they are well understood visual shortcuts – but to work they need to be as big and obvious as possible; (ii) banner ads alone aren't sufficient signposting. The research also stated that additional care is needed for high value sectors (e.g. finance).

More recently, Australia's Ad Standards regulator published public opinion research that found the ability of participants to identify social media posts as ads is dependent on markers relating to: contrast; language; imagery; textual markers; disclosure labels; source and product focus.[83]

What the evidence concludes

The research sets out that identifying native and influencer content as advertising is a two-step process.[84] The first step is how to ensure the label is sufficiently obvious to be noticed. The second is how to ensure that when the label is noticed, it can be understood. In short: if the reader cannot notice the label in the first place, it is immaterial whether he or she understands it. Therefore any recommendations must encompass both (a) placement and visibility and (b) the language used in the label.

Recommendations in the research include:

- Visual prominence – a disclosure should have visually striking features (such as use of colour, font, shape) that make it distinctive from other content.

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[81] Federal Trade Commission (2017), *Blurred Lines: An Exploration of consumers' Advertising Recognition in the Contexts of Search Engines and Native Advertising*, p26 - https://www.ftc.gov/reports/blurred-lines-exploration-consumers-advertising-recognition-contexts-search-engines-native

[82] Internet Advertising Bureau UK (2014), *Content and Native Consumer Research* - https://www.iabuk.com/sites/default/files/Disclosure%20Guidelines%20on%20Native%20Distribution%20Formats%202015.pdf

[83] Ad Standards (2019), *Community perceptions of clearly distinguishable advertising* - https://adstandards.com.au/news/reports

[84] Bartosz W. Wojdynski & Nathaniel J. Evans (2016)

- Position - a disclosure should be in an appropriate position so that consumers can clearly see that it is attached to the ad and not to other content on the page.

- Language – clear, explicit language should be used for the disclosure – using words that are easily understood.[85]

- Logo – include a sponsor's logo to support greater recognition of native advertising – to be used in conjunction with disclosures that are visually prominent and use explicit language.[86]

- Consistency - greater standardisation within the industry to help consumers to identify the types of content they are consuming.[87]

However, the research experiments found that - even when testing examples that would be classified as good practice in the context of the above - some or many participants struggled to identify examples of influencer marketing and other forms of native advertising.[88] This reflects the various theories that consider the likely difficulties consumers will have in identifying advertising when it is presented in a similar style to the editorial content in which it sits. This points to the conclusion that advertising must almost invariably be visibly different from the surrounding content to be *obviously* identifiable.

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[85] Amazeen & Wojdynski (2018), p13; Liselot Hudders, 'The Development and Testing of a Child-Inspired Advertising Disclosure to Alert Children to Digital and Embedded Advertising', p28 - https://doi.org/10.1080/00913367.2018.1463580

[86] Amazeen &Wojdynski (2018), p13; House of Lords Select Committee on Communications, 2018 recommended that the ASA create a universal, mandatory logo to signify wherever online content has been sponsored by a brand (paragraph 87).

[87] Amazeen & Muddiman (2017) 'Inconsistent labelling of native advertising complicates an audience member's ability to identify the type of content he or she is consuming' (Austin and Newman 2015, Conhill 2016; Einstein 2016; Sonderman and Tran 2013; Wojdynski and Evans 2016).' P176. Jonathan Hardy, in a submission to the ASA's call for evidence, identified the inconsistent labelling of branded content to be a problem that may be expected to generate confusion for users. (p3).

[88] 'In empirical studies, typically less than 25 percent of participants correctly classify sponsored news articles as advertising.' Amazeen & Wojdynski,(2018b), 'Reducing Native Advertising Deception: Revisiting the Antecedents and Consequences of Persuasion Knowledge in Digital News Contexts' - https://doi.org/10.1080/15205436.2018.1530792

Section 5: Public opinion research

Introduction

We commissioned the research agency Ipsos MORI to conduct research into influencer marketing posts on social media. The research was designed to look at –

- How the audience interpret specific labels that denote advertising and the extent to which the wording, placement, visibility and style of labels impact on the audience's ability to identify the content as an ad.
- The extent to which the audience, including children, may differ in their ability to identify and interpret certain labels and the reasons for this.
- What helps people understand when they are viewing an ad rather than editorial or other types of content.

Approach to the research

The research was conducted across two stages –

- Stage one – qualitative research: 35 participants from across the UK took part in 45 minute online video interviews. This was followed by a four day online forum, in which participants were set individual and group-based online tasks.

- Stage two – quantitative research: 1,600 adults[89] and 301 13-17 year olds took part in a 12-minute online survey.[90] Respondents were asked about their online media behaviours, experiences of using social media and exposure to influencers. For the main task of the survey, participants were shown a range of social media posts and asked, on a scale of 1 to 10, whether they thought the post was an advert or not.

Internet and social media use

The majority of participants in the quantitative research were classified as 'heavy' internet users as they accessed the internet at least several times a day. More than a third of the sample (38%) said they accessed the internet 'multiple times an hour'. More than four-fifths (84%) reported looking at social media on a daily basis – with the highest percentages among those aged 24 and under. Facebook registered more daily users (65%) than any other platform. Younger respondents were more likely than older respondents to use Snapchat and Instagram.

Participants were asked several questions to gauge their understanding of influencer advertising and awareness of the process of payment between brands and influencers. They were presented with a brief explanation of how celebrities and other people with social media followings are sometimes given or loaned products in the hope that the person may mention them in their posts. Participants were asked the extent to which they were aware of this happening: 80% of participants claimed to know brands often gift or loan products to social

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[89] For some questions (internet and social media use, and social media scenarios) the adult base was 1,999.

[90] The survey could be completed on a mobile or tablet. Ofcom research shows that 72% of adults use a smartphone to go online; rising to 94% and 96% respectively for those aged 16-24 and 25-34. Half of adults (50%) say they use a tablet to go online and 64% of 12-15s. (Ofcom (2019)).

influencers in return for a social media mention; 54% claimed to 'definitely know'. Participants were then asked whether they were aware that sometimes celebrities and other people with large social media followings are paid by companies to post about their products in a positive way on social media: 80% reported they were aware of this happening, with 54% 'definitely aware'.

Ability to identify influencer advertising

The quantitative research tested whether respondents could identify different types of content on social media. Participants were divided into four cells, of which only cells one and two included 13-17 year olds. Each cell was shown 12 social media posts. To ensure that the research replicated a real life scenario, each post was shown for only 10 seconds.

Participants were asked three questions about each post[91]:
- whether or not this was the kind of post they would usually see on social media;
- whether or not this was the kind of post they would like, share or comment on; and
- whether or not the post was an advert (on a scale of 1-10. Answering '10' meant it was 'definitely an advert' and '1', 'definitely not an advert').

The images shown represented posts which, before being shown to participants, were categorised as:

1. **'Brand adverts'** on social media (i.e. not influencer advertising, but advertising by brands). Each cell was shown the same brand adverts. These were included as a control measure and to vary the content which participants were seeing.

2. **'Not adverts'** (where no brand or product was mentioned and no label was included). Each cell was shown the same example of 'not adverts'. Again, these were included for the purposes of control and variation.

3. **'Influencer adverts'** (which refers in this context to a post by someone with a large social media which mentions a brand or product). Each cell was shown a different version of each post. For each example, the post was shown to one cell as it had appeared on social media. The other three cells were shown versions that had been amended by the research team to test different label wording and placement.

Brand adverts

The research included two examples that were 'brand adverts' – one for Neutrogena and one for IKEA UK. Participants ranked these as 'definitely adverts' (9 or 10 out of 10) more often than other examples in the research. Among all participants, these scored an average of 66% for the Neutrogena post and 55% for the IKEA post.

These percentages represent a 'high point' for comparison with influencer marketing posts. The qualitative research found that participants were more able to identify social media posts

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[91] Asking several questions in this way is consistent with the approach taken by academic researchers – and the purpose is to avoid respondents over-focusing on the question about whether it was an advert, so that their responses could remain as natural as possible.

as adverts when they came directly from the brand and had a strong brand presence or brand imagery. This confidence increased when the participant was familiar with the brand or recognised the logo, service, or product.

Not adverts

The research included three examples that were classed in the research as 'not adverts'. One example is a woman who posts about travel, and the other two are well known figures in sport and music – Anthony Joshua and Gary Barlow.

Few respondents rated these posts as 'definitely an advert'. For the 'backpacker' post, the average for all participants was 6%; for the Anthony Joshua post, the average was 10%; for the Gary Barlow post, the average was 8%.

Influencer adverts

Each participant saw seven examples of social media posts that were categorised as influencer advertising. The research included:

- posts from several sites (Facebook, Instagram, Snapchat and Twitter)
- examples from different interests, such as fashion, food, sport, cars.
- posts as they appeared originally on social media and versions of these posts in which the research team had added or changed a label in some way.

The purpose of the research was not to make a judgement on whether the examples used had actually been commercially motivated or whether the original labelling of them was sufficient. Rather, it was to use them as templates for testing how certain labels, and the position of those labels, perform as indicators that content is advertising.

To achieve this, the same post was presented to each of the four cells in the research.[92] Each cell was shown a slightly different version. For example, the wording of the labels may have been different across each of the cells, or the placement of the labels may have been different, or a combination of both of these. The purpose of this was to understand the extent to which changes to the wording and placement of labels enabled respondents to identify that post as advertising.

Information on the posts and variations used is set out below. Percentages in the table are those who identified the various posts as being 'definitely an ad', with percentages for 13-17s provided in brackets. [93]

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[92] There were two exceptions to this – in which the posts were shown in the research only as they had originally appeared. This was to increase the number of examples in the research which reflected real posts as they appeared on social media.

[93] The accompanying research conducted by Ipsos Mori provides greater detail on each of these examples.

Details of post	Cell 1	Cell 2	Cell 3	Cell 4
Mariajblogs - Fashion influencer promoting a drink. Brand mentioned in post and shown in photo. Instagram post	37%* (30%) No label, post shown as would appear in feed	43% (39%) #advert at the start of the text, post shown as would appear in-feed	40%* #ad at the end, post shown in full.	41% #ad at the start of the text, post shown in full
Lorraine - Celebrity promoting a food product, brand mentioned in post Twitter post	28%* (29%) #spon at the end – above photo	35% (29%) #ad at the start of the text	36% #sponsored at the start of the text	38% #ad at end of the text – above photo
Ginabnutrition - Food blogger, brand mentioned Instagram post	21% (21%) #ad at the end	29% (13%) #paidpartnership at the end	29% #advertisement at the end	19%* No label
Zoe Sugg - Influencer, posting about beauty product, brand in photo Snapchat post	34%* (37%) No label	52% (41%) #ad at the end of the text	50% #Advert at the bottom right hand corner in black (poor contrast with background)	57% #Advert at the bottom right hand corner in white (good contrast with background)
Donna Wishart- Family lifestyle blogger, post about AI toy robot, brand mention Twitter post	38%* (38%) #gifted at the end of text, above photo of brand			
James Lock – reality TV star posting about car, brand mention, encouragement to check the company out Facebook post		31%* (29%) No label		
James Lock – reality TV star posting about hair			30% #ad in the middle of other hashtags	29%* No label

clic, brand mentioned Facebook post				
Liamcaleese – reality TV star and model posting about clothes, brand mentioned with a discount code Instagram post	29% (26%) #ad at the end of the post	36% (31%) #ad at the start of the text	28%* No label	40% #advert at the start of the text
Em Sheldon – fashion and lifestyle blogger, posting about clothes Twitter post	49% (47%) #advert at the start of the text, #affiliate at the end of the text – above the photo	45%* (42%) #affiliate at the end of the text – above the photo		
Em Sheldon – fashion and lifestyle blogger, posting about student discount at clothing brand Twitter post			41% #advert at the start of the text, #affiliate at the end of the text – above the photo	38%* #affiliate at the end of the text – above the photo

Eight of the original influencer posts were tested alongside other versions with labels added or repositioned. The original versions of the posts were less likely to be scored as 'definitely an ad' than all of the alternative versions – with an average score of 32% for the original posts. The eight highest scoring influencer posts – which all had labels that had been added or changed – received an average score of 41% by adults who gave a score of 9 or 10 out of 10 ('definitely an ad').

The most significant difference between variations of a post was recorded for the Zoe Sugg example - 34% of adults identified the original post as 'definitely an ad', compared to 57% of those who saw a version with #Advert added to the bottom right hand corner of the picture in a colour that contrasted clearly with the background.

Recall of labels

Participants were presented with a list of 14 different words and asked whether they had seen these words on social media.[94] A similar proportion of respondents reported having seen 'Ad' (68%), 'Sponsored' (67%), 'Advert' (65%) and 'Advertisement (64%).

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[94] Participants were shown these words or phrases after they had looked at the example social media posts. This may have influenced their responses in a small number of cases.

Among all participants, recall of full words on social media was generally stronger than any abbreviated iteration. The only exception here to this was 'ad' - which is unsurprising given its widespread use as a label on social media. Participants were much more likely to recall 'sponsorship' (54%) over 'spon' (14%) or 'sp' (11%). 'Collaboration' (39%) was more likely to be recalled than 'collab' (28%).

Understanding what labels mean

The research asked participants how confident they felt in explaining the meaning of labels they had seen on social media. Participants reported greater confidence in explaining what the different words/phrases meant when they were words that are more likely to be used in everyday life (e.g. 'Advertisement', 'Advert' and 'Sponsored').

They also reported greater confidence when the full word was used rather than an abbreviated version. For example, participants were more likely to say they could explain 'Advertisement' (60%) and 'Advert' (59%) than 'Ad' (51%). They were also more likely to say they could explain the meaning of 'Sponsored' (53%) and 'Sponsorship' (50%) than 'Spon' (34%) or 'Sp' (19%). Overall, participants were least confident in being able to explain the meaning of 'Sp', 'Spon', 'Gifted' and 'Collab'.

Some participants who could recall seeing particular words on social media responded that they would not be confident or would be unsure about explaining the meaning of those words. Notably, 48% of those who said they could recall seeing 'Sp' said they would not be confident or would be unsure about explaining its meaning. This compares to 36% for 'Gifted', '35% for Spon, 33% for 'Affiliate, 33% for 'Collab' and 32% for 'Paid Partnership'. Only 18% said they were not confident or were unsure about the meaning of 'Advertisement' and 'Advert'.

Explaining the meaning of labels

Participants were asked to explain in their own words the meaning of one of the words/phrases they claimed to have seen on social media. For words such as 'Advertisement', 'Advert', 'Sponsored' and 'Ad', participants were generally able to articulate a definition that related to a company promoting a product or a service. While there was not a clear distinction between the descriptions provided for words such as 'Sponsorship' and 'Advert', there was a broad understanding that a third party is involved in an attempt to sell a product or service.

However, even among those who felt 'very confident' explaining what words/phrases mean, there were a few words that some participants defined incorrectly. The most notable of these was 'Gifted'.

Among participants who said they had seen a word/phrase on social media but were 'not confident' or were 'unsure' about the meaning of the word, various incorrect descriptions were given for words such as 'Gifted', 'Affiliate', 'Sp' and 'Spon'.

Conclusion

The public opinion research found that:

- Participants took account of a variety of elements when determining whether an influencer post was an advert. Responses varied significantly across different types of posts. This

indicates that, in addition to a disclosure label, the presentation of a post has a role in indicating whether or not it is an advert.

- However, a visible and well understood disclosure increased the likelihood of participants in the quantitative research – most of whom were daily social media users - identifying influencer adverts as 'definitely an ad'. There was a nine percentage point increase between the eight original influencer adverts tested in the research and the eight highest scoring versions - which all had labels that had been added or changed in some way.

- Participants in the qualitative research explained that it was the inclusion of a disclosure label that allowed them to answer with certainty that a post was an advert.

- Participants were significantly more likely to be able to correctly identify brand adverts than influencer adverts, however even brand adverts did not score particularly high in overall terms.

- In only one example did a disclosure label improve recognition of an influencer advert to such an extent that responses started to approach those for brand adverts.

- A notable proportion of participants in the quantitative research said they would not be confident explaining the meaning of words/phrases (those commonly used as disclosure labels) that they could recall seeing on social media. They reported greater confidence in explaining the meaning of those words that are more likely to be used in everyday life.

Section 6: Conclusions and recommendations

Summary of Key Findings

Key findings drawn from the preceding chapters of this report include:

- The academic literature explains that consumers are likely to have difficulty in differentiating advertising content that is presented in a similar style to the editorial content in which it sits. In the case of influencer advertising, where advertising content is by its nature designed to look like the influencer's normal posts, the challenge of differentiating advertising posts from editorial posts becomes even greater.

- Placement, visibility and wording of labels are all important factors when indicating that a social media post is advertising. For an influencer advert to be obviously identifiable as such a label must first be noticed and then understood. This is a consistent finding across the research.

- The academic literature suggests that the wide variety of different labels currently in use, their placement and their visibility, make it more difficult for people to develop critical awareness needed to identify advertising.

- Visible and well understood disclosures do raise the likelihood of people positively identifying material as advertising. However, a significant percentage of participants in our public opinion research still were not able to identify influencer advertising posts as "definitely an ad" even where the ASA's current position on labelling is followed; this finding should be set against the bullet point below. These low levels of recognition were also found in the wider academic literature.

- In our research, even brand ads which included product shots, brand names, logos, discounts and call to action (a 'Shop now' button) were not identified as "definitely an ad" by a significant proportion of participants. This demonstrates the challenge of obviously differentiating all types of advertising content from other content on social media platforms.

Next steps

The academic literature and findings from the public research present a complex picture about the factors which assist people in discerning influencer advertising content from organic / editorial content.

Visible and well understood labels raise the likelihood that people will identify influencer content as advertising and the findings therefore demonstrate that the ASA's current approach of requiring a suitably prominent reference to #ad (or similar) is necessary **as a minimum**. However, these findings also present questions about what other factors might assist people in identifying content as advertising. The ASA will be considering carefully the learnings from this work and sharing its findings with other regulators, both domestically and internationally.

Annex A: ASA rulings concerning influencer ad labelling

The following list is confined to the last five years and only includes influencer cases where the issue of disclosure was ruled on by the ASA Council.

1. Mondelez UK Ltd - 26 November 2014

2. Britvic Soft Drinks - 18 November 2015

3. Alpro (UK) Ltd - 21 Sept 2016

4. Nomad Choice Pty Ltd t/a Flat Tummy Tea - 5 April 2017

5. Unleashed PR Ltd t/a I Spy Eyes - 25 October 2017

6. Diamond Whites - 25 October 2017

7. Convits Ltd - 3 January 2018

8. Wahoo Fitness (UK) Ltd - 7 March 2018

9. Coco Shine - 27 June 2018

10. Daniel Wellington AB - 25 July 2018

11. Vanity Planet - 12 September 2018

12. Warpaint Cosmetics (2014) Ltd - 3 October 2018

13. Platinum Gaming Ltd t/a Unibet - 7 November 2018

14. The White Star Key Group t/a Skinny Caffe - 31 July 2019

15. Cocoa Brown - 7 August 2019

Annex B: Overview of UK advertising regulation

The Advertising Standards Authority (ASA)

The ASA is the independent body responsible for administering the CAP and BCAP Codes and ensuring that the self-regulatory system works in the public interest. The Codes require that all advertising is legal, decent, honest and truthful. The ASA assesses complaints from the public and industry. Decisions on investigated complaints are taken by the independent ASA Council. The ASA Council's rulings are published on the ASA's website and made available to the media. If the ASA Council upholds a complaint about an ad, it must be withdrawn or amended. An Independent Review Procedure exists for interested parties who are dissatisfied with the outcome of a case. CAP conducts compliance, monitoring and research to help enforce the ASA Council's decisions. Information about the ASA is available at www.asa.org.uk.

The Committee of Advertising Practice (CAP)

CAP is the self-regulatory body that creates, revises and enforces the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (CAP Code). The CAP Code covers non-broadcast marketing communications, which include those placed in traditional and new media, promotional marketing, direct marketing communications and marketing communications on marketers' own websites. The marketer has primary responsibility for complying with the CAP Code and ads must comply with it. Ads that are judged not to comply with the Code must be withdrawn or amended. Parties that do not comply with the CAP Code could be subject to adverse publicity, resulting from rulings by the ASA, or further sanctions including the denial of media space. CAP's members include organisations that represent advertising, sales promotion and direct marketing and media businesses. Through their membership of CAP, or through contractual agreements with media publishers and carriers, organisations agree to comply with the Code so that marketing communications are legal, decent, honest and truthful, and consumer confidence is maintained. By practising self-regulation, the marketing community ensures the integrity of advertising, promotions and direct marketing. The value of self-regulation as an alternative to statutory control is recognised in EC Directives, including Directive 2005/29/EC (on misleading advertising). Self-regulation is accepted by the Department for Business, Energy and Industrial Strategy and the courts as a first line of control in protecting consumers and the industry. Further information about CAP is available at www.cap.org.uk.

The Broadcast Committee of Advertising Practice (BCAP)

BCAP is the regulatory body responsible for maintaining the UK Code of Broadcast Advertising (the BCAP Code) under agreement with the Office of Communications (Ofcom). Ofcom has a statutory duty, under the Communications Act 2003, to maintain standards in TV and radio advertisements. In 2004, Ofcom entrusted BCAP and the broadcast arm of the ASA with the regulation of broadcast advertisements in recognition of CAP's and the ASA's successful regulation of non-broadcast marketing for over 40 years, and in line with better regulation principles. The BCAP Code regulates all advertisements on television channels and radio stations licensed by Ofcom and all advertisements on Sianel Pedwar Cymru (S4C) and S4C digital, including teleshopping channels and any additional television service (including television text services and interactive television services). The BCAP Code is enforced against Ofcom-licensed broadcasters, S4C and S4C digital. Broadcasters are required by the terms of their Ofcom licence, and for S4C by statute, to adhere to the

standards set out in the BCAP Code. BCAP members include broadcasters and trade associations representing advertisers, broadcasters and agencies. BCAP must seek advice on proposed Code changes from an expert consumer panel, the Advertising Advisory Committee (AAC). Under Section 324 of the Communications Act 2003, BCAP must consult on proposed Code changes. BCAP strives to ensure that its rule making is transparent, accountable, proportionate, consistent and targeted where action is needed, in accordance with the Communications Act 2003. Ofcom must approve Code changes before BCAP implements them. Further information about BCAP and the AAC is available at www.cap.org.uk.

Funding

The entire system is funded by a levy on the cost of advertising space, administered by the Advertising Standards Board of Finance (Asbof) and the Broadcast Advertising Standards Board of Finance (Basbof). Both finance boards operate independently of the ASA to ensure there is no question of funding affecting the ASA's decision making. Information about Asbof and Basbof is available at www.asbof.co.uk and www.basbof.co.uk.

Annex C: Respondents to the ASA's call for evidence

In March 2018 the ASA conducted a call for evidence inviting the submission of high quality research and evidence on the topic of the labelling of ads online.[95]

We received a range of submissions. Some of which included evidence, others which offered opinion or other related information.

Only those submissions which included relevant high quality evidence are included in the literature review in Section 4 of this report. However, for completeness, all respondents to the call for evidence, whether their submission is analysed within this report or not, are listed below.

1. A digital media policy consultant
2. Advertising Association
3. Dr Amazeen, M.; M; Boston University.
4. A private individual
5. Dr Boyland, E. (University of Liverpool) & Dr Tatlow-Golden, M (The Open University).
6. Branded Content Marketing Association
7. Branded Content Research Network
8. Competition and Markets Authority
9. Credos
10. Federal Trade Commission
11. Gambling Commission
12. Google
13. Professor Hardy, J; University of East London
14. Hudders, L; Assistant Professor, Ghent University
15. Immediate Media
16. Internet Advertising Bureau
17. Incorporated Society of British Advertisers
18. Independent Press Standards Organisation
19. Jaguar Land Rover Ltd
20. Krouwer, S; PhD candidate, University of Antwerp
21. Mathur, A; Narayanan, A, and Chetty, M; Princeton University
22. Dr Mortimer, K and Laurie, S; University of Northampton
23. News Media Association
24. One Roof Social
25. Public Health England
26. Dr Sparre, K; Aarhus University

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[95] https://www.asa.org.uk/news/our-call-for-evidence-recognition-and-labelling-of-online-ads.html

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