Readers feel deceived over sponsored content, posing significant risk of damage to the reputation of digital publishers – new research

More than a third of British and American readers of online news say they have felt "disappointed or deceived" after reading an article that turned out to be paid for by an advertiser, according to a new study by Reuters Institute for the Study of Journalism at Oxford University.

The special research, conducted for the Reuters Institute by YouGov as part of the *4th Digital News Report*, shows just how confused readers are by the labelling of so-called sponsored content and suggests that when it comes to native advertising, the risk of damaging reputations are far higher for news websites than for advertisers.

One encouraging finding for publishers is that there is far more acceptance of sponsored content outside core news – in areas such as travel, food, fashion and entertainment.

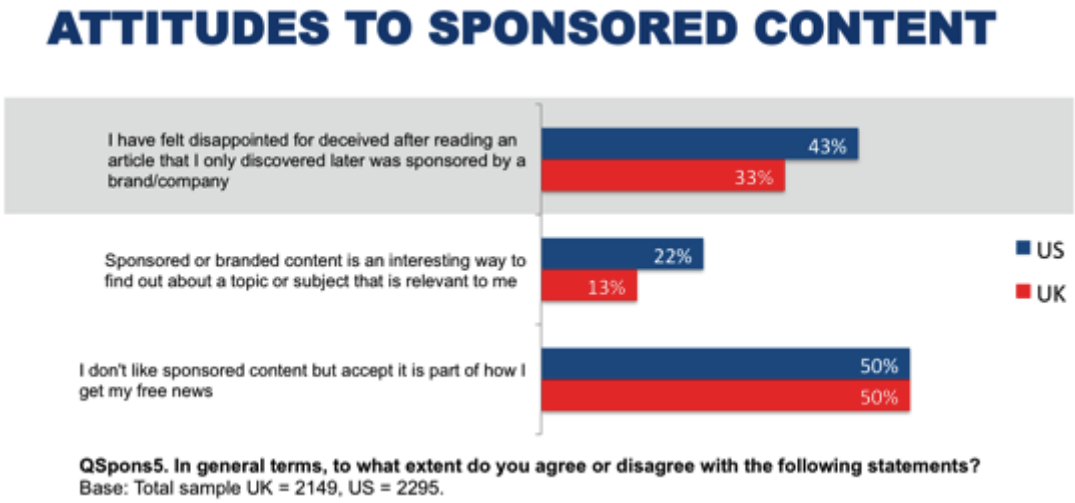
With publishers finding it harder to make money from traditional banner advertising, focus is switching to new forms of 'native' advertising where brand messages look more like regular content – sitting in the same templates and using the same formats that might be used for a standard piece of journalism or a user-generated post on social media.

The New York Times, the Guardian and the Wall Street Journal have set up teams to produce sponsored online content while digital-born companies like Quartz and Buzzfeed already make the majority of their money from native advertising formats.

Consumer confusion over labels

A third of online news users in the UK (33%) and 43% in the USA said they had felt disappointed or deceived after reading an article which they later found out was sponsored. Half of the sample of online news users (50% in both countries) agreed that they didn't like sponsored content but accepted it

was part of the price they had to pay for free news.



This survey evidence was backed up by focus groups which showed that online news consumers care deeply about trust, truth and accuracy, which is why strong emotions are roused when they feel they are being "deceived" by advertising masquerading as content.

> *" I just noticed the Netflix and didn't notice the Paid Post thing until later! That is why these types of ads really irritate me"* Trent, United States

> *"Gawker ran an article on the history of inflight entertainment and two thirds of the way through every single example was from Emirates. Only at the very end could you find the disclaimer - sponsored by Emirates "* Tanya, United Kingdom

The report noted over a host of ways of describing different types of sponsored content. Subtleties of wording and font size meant little to most news consumers and explanatory pages were not read.

Lead author Nic Newman says:

"It is clear that consumers are confused by the range of terms and lack of common standards. That in turn is undermining trust which ultimately will damage both advertisers and publishers."

The report says that consumers want to see clear labelling and signposting of paid-for content. Readers don't like to feel they are being deceived; however, if they know up-front that a brand may have influenced the content, consumers are more accepting.

Many respondents felt that there are some content areas – such as home and world news, politics, and financial news – that should be considered sacred and free from native advertising.

> *News, politics, finance, for sure [are a no-no for native advertising]. Those are the topics you don't want people messing with for profit.* (Helena, 36, UK,)

Some respondents said that should news organisations start introducing native advertising to the more serious news content areas, it would have a damaging impact on their perceptions of the news organisation.

Awareness of sponsored content is still growing but most respondents who've seen it say that it has neither a positive nor negative impact on either the brand in question or the news organisation that carries the content. However, around a fifth (22% in US and 21% in UK) say that they have a less positive view of the brand paying for an advert. The impact on the news organisation that carries the ad is more negative, with 28% of UK and US respondents having a less positive view of the news organisation.

IMPACT ON BRAND AND NEWS ORGANISATION

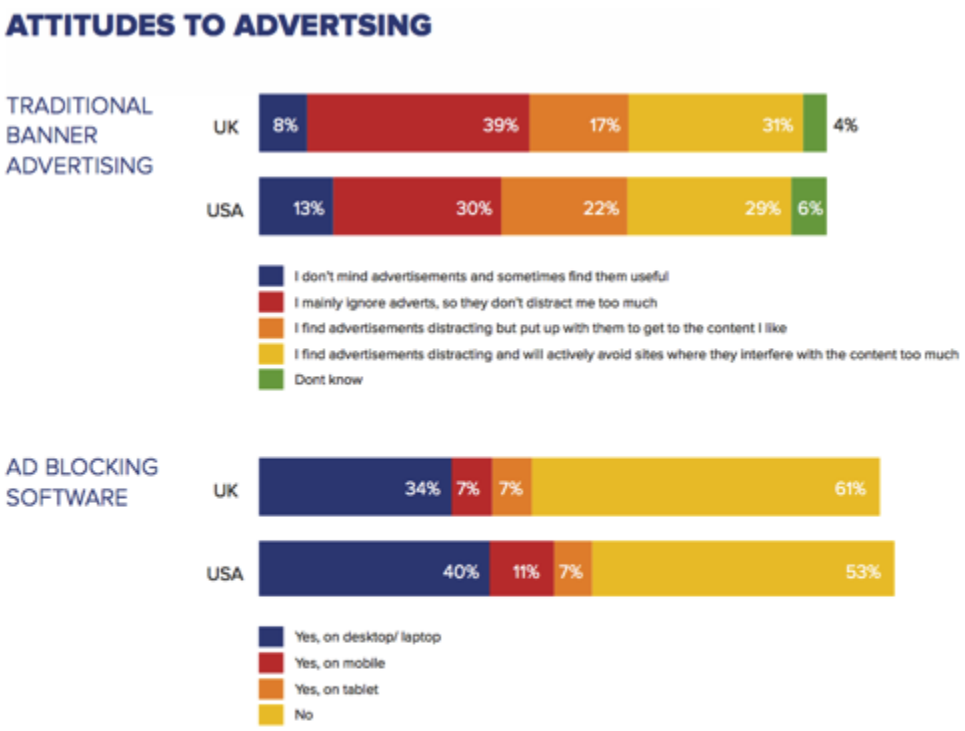
	Brand in Ad	News org	Brand in Ad	News org
More positive	10%	11%	8%	7%
Neither nor	68%	62%	72%	66%
Less positive	22%	28%	21%	28%

QSpons4. How does advertising like this impact on your perceptions of the news organisation and the brand being talked about in the advert? *Base: All who saw this kind of sponsored content in online news sites UK=1374, US=1761.*

The study found that readers were more engaged with content that replicates the style and tone of the news brand, but as a result, are more likely to feel misled and deceived. YouGov Director of Media Research Shaun Austin, who conducted the study, says:

"Blurring the line between advertising and editorial could harm the credibility of news brands, with little lasting impact on advertisers. There is a general consensus that news pages are for news and anything that interferes with this raises doubts among consumers and is potentially very damaging to any news brand that attempts it."

The report also suggests that traditional forms of online advertising are struggling to have an impact. Consumers' annoyance with advertising and the interruption it causes to their reading experience has led large numbers to install ad-blocking software. In the UK, 39% have installed ad-blocking software on their PC, mobile, or tablet, whereas in the US this rises to 47%. The figures are even higher for 18–24s (56% and 55% respectively)



QSpons1. Which of the following statements best sums up your view of traditional banner advertising on news websites? **QSpons2.** Do you regularly use Ad Blocking software (software you have installed on your device specifically to remove advertisements from news or other websites)? *Base: Total sample UK = 2149, US = 2295.*

The increasing use of ad-blocking software means that advertisers need to find new ways of reaching their audiences, and native content has the potential to reach audiences, particularly amongst younger consumers and for more feature-based content.

The report concludes that for broadsheet newspapers, native advertising is more of a minefield than it is for entertainment sites like Buzzfeed. Serious topics are considered to be sacred by consumers and readers feel that these areas should be free of commercial influence and retain an independent view.

Methodologies

All figures, unless otherwise stated, are from YouGov Plc. Survey conducted in the US and UK as part of the Reuters Institute Digital News Report. Total sample size was 2149 adults in the UK and 2295 in the United States. Fieldwork was undertaken at the end of January/start of February 2015. The survey was carried out online. The data was weighted to targets set on age and gender, region, newspaper readership and social grade to reflect the total population.

The sample is reflective of the population who have access to the internet and respondents were screened out if they had not accessed news in the last month. Participants were shown a range of examples of traditional and native advertising as part of the survey

Online focus groups were held in March 2015 to explore attitudes towards sponsored content on a deeper level – again with a range of online examples shown and discussed. In the UK, all respondents were members of a YouGov Pulse panel. Web browsing data was used to select respondents who had engaged with native advertising content, and compared stated attitudes and perceptions alongside actual behaviours of consuming native content. In the US a sample was chosen with a bias towards those who had used sponsored content.

The full report will be available from: http://www.digitalnewsreport.org/

Interview requests should be sent to **Kate Hanneford-Smith** at the Reuters Institute kate.hanneford-smith@politics.ox.ac.uk + 44 (0)1865 611091, mobile: 07515 417 828

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MORE INFORMATION ON 2015 REPORT

The research and report can also be found on a dedicated website (www.digitalnewsreport.org) from 16th June containing slidepacks, charts, and raw data tables, with a licence that encourages reuse. A description of the methodology is available with the complete questionnaire.

This is the fourth of an annual series of reports that tracks the transition of the news industry towards an increasingly digital and multi-platform future.

Sponsors of this year's report include Google, BBC Global News, France Télévisions, L'Espresso group in Italy, Ofcom, the Broadcasting Authority of Ireland (BAI), Edelman UK as well as RISJ's academic partners the Hans Bredow Institute in Hamburg, Roskilde University in Denmark, the University of Navarra, the Tow Center at Columbia University's Graduate School of Journalism, and the University of Canberra.

However, sole responsibility for the analysis, interpretation and conclusions drawn lies with the authors and editors of the Report

Reuters Institute for the Study of Journalism
The Thomson Reuters Foundation is the core funder of the Reuters Institute, based in the Department of Politics and International Relations at the University of Oxford. The Institute was launched in November 2006 and developed from the Reuters Fellowship Programme, established at Oxford 32 years ago. The Institute, an international research centre in the

comparative study of journalism, aims to be global in its perspective and provides a leading forum for scholars from a wide range of disciplines to engage with journalists from around the world. See http://reutersinstitute.politics.ox.ac.uk/

Nic Newman - Study Author and Joint Editor
Nic Newman is a journalist and digital strategist who played a key role in shaping the BBC's internet services over more than a decade. Nic is currently a Research Associate at the Reuters Institute for the Study of Journalism at the University of Oxford and a consultant on digital media.

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Rasmus is Director of Research at the Reuters Institute for the Study of Journalism and Editor in Chief of the *International Journal of Press/Politics*. His work focuses on changes in the news media, political communication, and the role of digital technologies in both.

About YouGov
YouGov is an international market research agency and pioneer of market research through online methods. YouGov has a panel of 3 million people worldwide, including over 600,000 people in the UK representing all ages, socio-economic groups and other demographic types.

For further information visit yougov.co.uk