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Recognition and Perceptions of Native Advertising in Media

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RECOGNITION AND PERCEPTIONS OF NATIVE ADVERTISING IN MEDIA

A Dissertation

Submitted to the School of Graduate Studies and Research

in Partial Fulfillment of the

Requirements for the Degree

Doctor of Philosophy

Darlene W. Natale
Indiana University of Pennsylvania
May 2019

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The genre of native advertising is growing exponentially, and marketers predict over half of all online ads will soon be a form of this sponsored content. The growth on mobile platforms is even greater, yet there is trepidation among regulators and consumer groups concerning the transparency of native ads and their continual evolution. The addition of the use of artificial intelligence to specifically match native content to editorial is increasingly problematic. On social media platforms, influencers market to the public through their postings and in YouTube videos. This research attempted to understand if consumers recognize these ads and to gain insight into their perceptions of these ads through the examination of native ads in online news media and the popular social media platform Instagram. This research was conducted through an online experiment that queried participants' perceptions and recognition of native advertising. This study found that the marketing of Instagram micro-influencers was better received by the study participants than major influencers. Additionally, the halo effect was only activated by the masthead of a prestigious online legacy media entity to sway participants' perceptions of the quality of the content they read.

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Dar

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CHAPTER ONE

THE PROBLEM

Introduction

In the furor over Cambridge Analytica's (CA) acquisition of the private data of over 50 million Facebook users, an important detail may have been overlooked by some, not, however, by past or future clients of CA who willingly signed a non-disclosure agreement to view the 27-page presentation on the 2016 Trump campaign. Former CA Business Development Manager Brittany Kaiser said one of their most effective ads in the Trump campaign which was highlighted in the future client presentation was the native ad on *Politico's* website (Lewis & Hilder, 2018). This native ad (see Appendix M), an interactive graphic created by *Politico's* in-house agency, was designed to look like journalism and titled "10 Inconvenient Truths about the Clinton Foundation" and was targeted at swing state voters who visited the *Politico* site. Cambridge Analytica reported an average four-minute engagement by consumers (Lewis & Hilder, 2018) of this native content which may hint at the latent power and/or deceptive prospect of this advertising genre.

The potency of native advertising combined with the widening fissures in the wall between the business and editorial sides of online newspapers and magazines, along with the ubiquity of native ads in social media feeds, give rise to questions of consumer reception of this type of advertising. This research study explored consumers' perceptions of native ads and their attitudes/trust when they recognize the content is native advertising. The literature is mixed on whether consumers readily identify native advertising.

This study attempted to expand the body of knowledge in the field through an online experiment designed to solicit participants' discernments of native advertising. According to the FTC Blurred Lines (2017), only a few studies have examined consumer perceptions of native ads. This research sought to understand if users perceive differences between native ads and news or testimonials and social media posts or if consumers conflate the native advertising and editorial. This study also explored if participants accept these ads as authoritative because of their placement adjacent to legitimate editorial materials in online legacy media or because the social media endorsement comes from a trusted or popular spokesperson. There is a dearth of research into social media users' perceptions of native ads in their feeds. Considering the FTC notifications and warnings to Instagram influencers and marketers, this study used Instagram postings to solicit participants' perceptions of the marketing content they were viewing.

Much of the research of native ads has come from advertising and marketing industry organizations (Fenge, 2015; Hamilton, 2015; Hansen, 2017; Lazauskas 2014; Native Advertising Institute, 2017). Past academic research has focused on native ad position on the page and positioning of ad/sponsorship labels (FTC, 2017; Wojdynski & Evans, 2016). Existing research frequently found consumer confusion over whether what they are reading and viewing online is straight editorial or if it is marketing material aimed to impact future actions (Hyman, Franklyn, Yee & Rahmati, 2017; Powell, 2013; Rodgers, Cameron & Brill, 2005; Wojdynski & Evans, 2016; Skinner, 2014). This research will help fill the gap in the literature on consumers' perceptions of native advertising in social media. Additionally, this research sought consumers' perceptions of

native ads in online legacy media and online-only media with the guidance of gestalt principles, the Halo Effect, and propaganda and persuasion techniques.

Statement of the Problem

Native advertising is content designed to the style and objectives of the media hosting it. It represents content provided by, or for, a marketer, private interest, government entity, or other organization and is often placed in journalism which is traditionally offered in the public interest (CAJ, 2015). Native advertising has many monikers and styles but is generally acknowledged to be marketing material that looks like the surrounding content. Native content may appear on social media (*Instagram*, *Facebook*, *Twitter*, *YouTube*), in email, in video games, mobile games, as website widgets, in political ads, as part of online news websites, and in/or as a movie. Business investment in "native advertising was up around 600% from 2014 to 2016" (Grimm, 2018, para.1).

Social media celebrities like Kendall Jenner may earn \$300,000 for a single post for a brand on *Instagram* (Bluestone, 2017). Native advertising and its transparency is a topic of immense importance in the field of communication because of the potential deception it can cause to consumers while it enriches media organizations. Traditionally, legacy media has safeguarded the separation of church and state, the industry term for maintaining a partition between the editorial and advertising departments of media entities (Basen, 2012). However, the production of native ads may have a journalist writing copy, complete with bylines, potentially initiating misperceptions and implications for consumers who may not discern the difference between native ads and news. Marketers have long held that the consumers may even accept ads as authoritative

because of their placement in respected publications or because a pop culture influencer presents a testimonial.

In 2013, Gerard Baker, managing editor of *The Wall Street Journal (WSJ)*, claimed the arrangements publishers were making with marketers for native ads were Faustian pacts – deals with the devil (Pompeo, 2013). Less than six months later, *WSJ* was running the native ads to boost revenue while declaring that clear labeling of ads would prevent reader confusion (Sebastian, 2014). The online versions of most traditional media have joined the ranks of online-only media and utilize native advertising as a revenue source. Giants like the *New York Times* have made an art of the creation of well-done premium native ads through their "T-Brand Studio" while many online media use keywords or content providers like Google, Yahoo, Taboola, or Outbrain to place sponsored content (relevant or not) on their pages. In 2016, native advertising accounted for about 56 percent of all ad revenues and is expected to hit 74 percent by 2021--approaching \$50 billion in ad spend. This increase is credited to social media like Twitter and Facebook; also, programmatic providers simplify native advertising for publishers (Boland, 2016).

In 2015, it seemed the game changer for native advertising was Google's offer of programmatic native ads (Rodgers, 2015). This move allowed publishers to put their available ad slots on DoubleClick by Google for Publishers (DFP) ad exchange. Initially, Google made the programmatic native ads available only on mobile devices (Rodgers, 2015). Now, advertisers can upload their content, and Google finds the matching editorial spaces on desktop and mobile web and apps.

DFP (Double Click for Publishers) gives publishers the tools to monetize their inventory with native ads. Native ads match both the form and function of the user experience in which they're placed. They mirror the visual design of the experience they live within, and look, feel, and behave like natural content on the publisher property in which they're displayed. These ads augment the user experience by providing value through relevant content delivered in-stream (DoubleClick by Google, 2017).

Perhaps the most disruptive native advertising innovation was revealed in a November 14, 2016, news release by ADYOULIKE. The native technology platform announced it was integrating IBM's Watson's artificial intelligence (AI) into its semantic targeting for native advertising. According to the company statement, the Watson AI can look at existing content in a way that provides contextual data that figures out what a publisher is writing about and why. That AI ability makes Watson an invaluable tool for native advertising, which relies on content "being as relevant as possible to the existing editorial" (PR Newswire, 2016). Starting in the first quarter of 2017, IBM Watson began scanning ADYOULIKE's global network of publishers and matching content and marketing materials (PR Newswire, 2016). The adaptation of AI to native advertising ups the ante in the high-stakes game of camouflaged marketing to consumers. This AI technology moves well beyond scanning content for relevant keywords to a contextual search that may reveal sentiment and semantics. March 20 not only marked the first day of Spring in 2017, but it was also the launch of the ADYOULIKE platform in the United States that "assures native ads are placed with the maximum contextual relevance available" (Arora, 2017). ADYOULIKE Group CEO Julien Verdier said, "AI will enable

us to do what a human brain is able to do, bringing an unrivaled level of targeting on each and every ad campaign we run" (2016). He explained that the AI could analyze thousands of pages a second so that advertising is placed with the correct content.

With the prevalence of ad blockers and media financial losses, native advertising presents an enticing opportunity for publishers and marketers. What may have begun in the last century as advertorials and television infomercials have been reimagined for the online and mobile news products and include sponsored content created by the marketer or even by journalists (Matteo & Dal Zotto, 2015). Ad blocking apps and banner blindness (Benway, 1998, Benway & Lane, 1998) have combined with the declining fortunes of legacy media to decimate the longstanding wall between the business and editorial divisions of journalism in pursuit of a new revenue source, native advertising.

There are discussions among journalists, marketers, regulators, and academics about this latest type of advertising that often debate the placement of labels or ad position on the screen (FTC, 2015; Wojdynski & Evans, 2016). However, the more salient questions may be, as this research addressed, (1) do consumers understand they are consuming native advertising materials, and (2) what are their perceptions of the content?

The Church and State Divide

The well-deserved criticism of newspapers funded by special interests and wealthy individuals during the late 1800s through World War II is again finding a foothold in public opinion because of the "corrupt and agenda-driven media system" (Benson, 2016, p.8) and politicians' rejection of unfavorable news as fake. This type of partisan reporting was widely discussed in 2017 when the White House Press Corps

included a Heritage Foundation reporter acting as the White House pool reporter, a position usually reserved for editorially independent journalists, not for the partisan publication of a think tank (Farhi, 2017). In addition to covering mergers and public ownership, the Newspaper Publicity Law (Cornell Daily Sun, 1912) led to a seemingly principled newspaper business model and the creation of the church/state wall (Mari, 2014) by the 1920s. The Newspaper Publicity Law attempted to stop newspapers and periodicals from running advertisements, which were not labeled as such, by withdrawing their second-class U.S. mail privileges unless they complied with prescribed ad labeling. Additionally, newspapers were required to provide the Post Office with a semi-annual sworn statement of the names of all owners, editors, stockholders, and bond holders (Cambridge Tribune, 1913). This separation of the editorial and business sides of most major newspapers remained in place throughout the 20th century and was considered "sacrosanct" (Basen, 2012). In the 1960s, television stations began to understand that the news was generating much of their profits. By the 1970s, these local stations had started the evolution toward an entertainment, happy-news format, even though the networks were still modeling serious professional behavior (Hallin, 1990). The journalism business and editorial divide are evolving as the crumbling fortunes of legacy media combine with the emergence of native advertising on computers and mobile devices.

Jason Kint (2014), the Chief Executive Officer of a digital content trade association, said the problem with the church and state divide is not the separation of the business and editorial sides; rather, it is keeping well-produced content from association with clickbait. Clickbait is online content or teasers whose sole purpose is to entice consumers to click through to a website. The type of clickbait to which Kint is referring

may be found on online-only media like Buzzfeed and on the majority of the online version of some newspapers' front pages (Kint, 2014). These sensational ad teasers are often labeled "From our Sponsors" or "You May Also Like" and listed in a fashion similar to editorial content.

The anti-Clinton Foundation native ad that appeared on the *Politico* website has caused a new round of consternation among pundits and news outlets. *Politico* and its Focus Brand Studio contend that they do not create or author political campaign content. "We provide creative services by developing pages with the assets we are given by the client and optimizing audience targeting, as we would any ad" (Wemble, 2018, para. 9). The native advertising arms of *New York Times*, the *Washington Post*, and *The Atlantic* do not create native content for political candidates or Political Action Committees (Wemble, 2018).

Definition of Terms

The following items have been defined to ensure an understanding of this study.

- Ad or Advertisement: It is a paid promotional communication that may appear in print, broadcast, mobile, and online materials designed to persuade the consumer to take an action. Chandler and Munday (2011) call advertising a process that promotes idea, product, etc. through "mass media messages with the intent to influence audience behavior, awareness, and/or attitudes" (p. 5).
- Banner Blindness: Banner blindness is a lack of attentiveness to this advertising form which appears in predictable locations on a webpage (Resnick & Albert,
 2014). These online advertisements are designed in the shape of a banner or

- located in the place of a traditional-style banner headline and link directly to another webpage.
- Clickbait: Clickbait is the use of a tabloid-style of headline and online content
 creation or teasers whose sole purpose is to entice consumers to click through to
 a website (Palau-Sampio, 2016). Clickbait may employ techniques such as
 trickery and exaggeration to garner the click.
- Editorial: For the purposes of this research, the term editorial refers to content prepared by a media entity as news or the opinion of that media outlet.
- Gestalt Theory of Perception: This is a psychological theory that "structured wholes or gestalten, rather than sensations, are the primary units of mental life" (Wagemans, Elder, Kubovy, Palmer, Peterson, Singh, & von der Heydt, 2012).
 The properties of the parts are not observed individually, rather as a whole object (Wertheimer, 1923).
- Halo effect: It is a type of cognitive bias that has people judging on one characteristic across the board and generally on the first impression. The predisposition of a person to concede their perception of "a positively-evaluated trait to positively bias one's assessment of other traits" (Chandler & Munday, 2011, p.181).
- Legacy Media: These are publications or broadcast entities that existed prior to the internet and continue to host an offline presence in addition to their online content. These are traditional and often venerable media companies.
- Micro-Influencer: The actual size of an influencer deemed micro varies greatly, but they generally have in the range of a thousand or less to a maximum of

10,000 followers. These "individuals who work or specialize in a particular vertical and frequently share social media content about their interests" (Payne, K., 2017, para. 10). The high cost of celebrity influencers combined with the detail that as "followers" increase "likes" concurrently decrease (Chen, 2016) is leading marketers to deploy these minor influencers.

- Persuasion: It is a type of informative communication that attempts to influence people to accept the persuader's information. Jowett and O'Donnell (2015)
 contend persuasion is interaction in contrast to the manipulation of propaganda.
- Propaganda: Propaganda is a type of informative and persuasive mass communication which promotes a cause in the interest of the propagandist.
 "Propaganda is the deliberate and systematic attempt to shape perceptions, manipulate cognitions, and direct behavior to achieve a response that furthers the desired intent of the propagandist" (Jowett & O'Donnell, 2015, p. 7).
- Native Advertising: It is advertising and marketing material designed to mimic surrounding content. It is sometimes referred to as sponsored content, content marketing, and paid media. It appears in many media types including news, social media platforms, email, and videos.
- Social Media Influencer: Influencers have traditionally been celebrities who make endorsements. Through the use of social media, ordinary people may use their influence on their followers to inspire them to take action, make a purchase, or try a product. Freberg et al. (2011) described an influencer as a "new type of independent, third-party endorser who shapes audience attitudes through blogs, tweets, and the use of other social media" (p. 90).

• Sticky Bar, Label, Sponsorship Label, Sticky Banner: This is a stagnant label often containing the advertiser's name and logo, the FTC required language such as "Advertisement," and even the company who designed the native ad.

The Purpose of the Study

Social media influencers and legacy media are embracing native ads and their incumbent marketing dollars. Native advertising may be labeled as sponsored content, from our sponsors, or not labeled at all. It is, however, marketing material designed to mimic surrounding content. This research sought to discern consumers' recognition and perception of native advertising through the prism of the gestalt theory of perceptual forms and the halo effect along with propaganda/persuasion techniques. This research used an online experiment in an attempt to gauge participants' perceptions of the halo and understand if participants recognize this native content as advertising and if the discerned legitimacy of the media entity or spokesperson affords online native advertising a halo effect and impacts the level of trust of the consumers. Much of past marketing research dwells on attempts to remove the halo effect from product equity evaluations (Leuthesser, L., Kohli, C.S. & Harich, K.R., 1995). That was not the goal of this research. This research instead attempted to discover whether a media entity's reputation provides the halo to adjacent marketing materials. In this research, legacy media are defined as publications or broadcast entities that existed prior to the internet and continue to host an offline presence in addition to their online content. This research, with the guidance of the gestalt theory of perception, sought to understand if consumers recognize native ads as separate from the surrounding editorial content. These participant perceptions may inform discussion and future research on the impact native advertising is having on media credibility and trust. Social media influencers are celebrities or others who have garnered a substantial following on social media.

What do Native Ads Look Like?

Native Advertising is like a chameleon and takes on the appearance of the content around it (Farhi, 2013). In fact, one native ad software company carries the name Chameleon (Chameleon.ad, 2017). The native ads appearing on social media feeds, like Instagram, Facebook, and Twitter, look like other posts. "With the emergence of digital media and changes in the way publishers monetize content, online advertising known as "native advertising" or "sponsored content," which is often indistinguishable from news, feature articles, product reviews, editorial, entertainment, and other regular content, has become more prevalent" (FTC, 2016, p. 22,596). Native display ads often include an image, headline, and summary which the reader may mistakenly click-through to the content assuming it is an article. The premium native ads, or sponsored content, are often produced by agencies or publishers. Many native ads contain video, written copy, images, and even engagement games and quizzes. *Business Insider* speculates that native display ads will comprise 74% of United States display ad dollars by 2021 (Boland, 2016).

Native Ads: The Target of Satirists

When the satire leaders on network and cable television fix their focus on a topic, it typically portends that an issue is affecting a significant population segment or has dystopian implications. In August of 2015, John Oliver devoted a segment to the topic of native advertising and included a clip of a *New York Times* advertising executive addressing the Interactive Advertising Bureau's Annual Leadership Meeting. The executive explained that native ads are not deception, rather a way to share media's

storytelling tools with marketers. To that comment, Oliver said "...that is not bullshit, it is repurposed bovine waste" (Oliver, 2014). In late 2015, *South Park* dedicated a three-episode series arc to advertising, sponsored content, and political correctness. This comedic coverage may signal that native ads are no longer just an issue for marketers and publishers, but also important to consumers (O'Reilly, 2015).

"The average human can no longer tell the difference between the news and an ad; you seem to have some ability to tell the difference," the ex-newsman explained to the character Jimmy on *South Park*. Native ads are designed to mesh with content so as to not interrupt the user experience unlike other forms of advertising (Zulaikha & Firdaus, 2014). The former newsman concluded that the ads have "become smarter than us" (Parker, 2015) and have evolved so we cannot block them. In the third episode of the *South Park* series, "Principal PC Final Justice," what appears to be a girl is, in reality, an ad. One character gasps that the ads have become "sentient." This girl/ad Leslie cautions the citizen of *South Park* that "Every time you block us, we get smarter. Every time you try to stop us, we are more. If one plan fails, we will plan another. You will never be rid of ads" (Parker, 2015). The *South Park* satire may have been prescient as native advertising continues to evolve and is controlled by artificial intelligence which is designed to learn.

Research Questions & Hypotheses

This research sought insight into consumers' recognition and perception of Native Advertising through the prism of the gestalt theory of perceptual forms and the halo effect along with propaganda/persuasion techniques. This research used an online experiment to identify if participants recognized this native content as advertising and if

the discerned authority of the media entity or spokesperson affords online native advertising a halo effect and impacts the level of confidence of the consumers.

The population this study sought to examine was United States adults, approximately 250 million people (U.S. Census Bureau 2016). At a confidence level of 95% and with a margin of error of 5%, the sample size was n=403. The sample used in this study was derived from a subset of the AmazonTurk population, an online, ondemand scalable workforce. Amazon Turk participants are often more representative of the U.S. population than convenience samples (Berinsky, Huber, & Lenz, 2012). A total of 403 respondents participated in the experiment.

Participants in online experiments read longer than those taking part in in-lab experiments (Iversen & Knudsen, 2017), and this will aid in validity. The stimuli presented to the participants were various types of native advertising content including a online news magazine sponsored ad, Instagram posts, and a stimulus prepared to test the halo effect of the credibility of a content provider using an artifact of an online-only media and a legacy media. This research question looked at scores across gender, age, and education.

This study used four research questions to gain some understanding of the participants' perceptions of native advertising in online news products and on social media. The research questions for this study were:

RQ1: Do Users Conflate Native Ads and Editorial Content?

• H1.1: There is a statistically significant group median difference in scores for recognition of marketing material between those exposed to homepages of news

entities that include advertisements in native settings and those that are exposed to homepages that do not include advertisements in native formats.

RQ2: Does the Attachment of an Ad Label Help Consumers to Recognize Native Ads?

- H2.1: There will be a group mean difference in recognition of advertisements between those exposed to advertisements without labels.
- H2.2: Participants will report higher scores for advertisement recognition for ads that are labeled than unlabeled.

RQ3: Does the Perceived Legitimacy of the Spokesperson Offer Native Advertising Content a Halo Effect?

- H3.1: Those exposed to Instagram endorsement testimonials from influencers with higher levels (major influencers) of likes/followers will report higher perceptions of attractiveness than those endorsements made by influencers with less likes/followers (micro-influencers).
- H3.2: There is a statistically significant difference in perceptions of attractiveness, knowledge, and expertise between genders, age groups, and educational attainment levels.

RQ4: Does Changing the Masthead of a Native Ad/Article Impact Readers' Perceptions of the Content and Quality?

 H4.1: There will be a group mean difference in credibility scores of those exposed to content from that of online legacy media or online-only media entity to the other will change readers' perceptions. • H4.2: There is a statistically significant difference in credibility scores between genders, age groups, and educational attainment levels.

Delimitations and Limitations

The study contained limiting conditions inherent in the research design, such as the selection of native advertisements by the researcher. A variety of factors may impact perceptions of native ads, this research looked at just a few. The phrasing of survey questions may impact the degree of the halo effect (Wilkie, McCann, and Reibstein, 1973). To limit the impact, the questions were jury tested by a panel of communications professors. Additionally, this research may have been limited as the study was conducted fully online and all demographics are self-reported.

Summary

The current state of native advertising has the government issuing warnings and an occasional rebuke to marketers and influencers. Marketing solutions evolve rapidly and employ many forms of native content in an attempt to find methods that will be successful. This study took an empirical approach to understanding if consumers comprehend they are interacting with advertising materials using an online experiment. The sample was derived from AmazonTurk, an online source of workers. The data was collected using Qualtrics, an online provider of research software. The information garnered from this research was expressed through descriptive and inferential statistics. In Chapter Two, this study presents a literature review of the means of study including the gestalt principle of perception, the halo effect, and propaganda and persuasion.

CHAPTER TWO

REVIEW OF LITERATURE

This study examined the recognition of native advertising and audiences' perceptions of it. Native advertising is content that is designed to look similar to adjacent articles or social media posts. This research attempted to gauge consumers' perceptions of native ads using the concepts of gestalt principles, the halo effect (a cognitive bias), and propaganda and persuasion, which appear to be complementary techniques in relation to native advertising. The recognition and perception of these notions were tested through samples of social media and editorial content.

The Historical Landscape

The news divisions of many major corporations have been subsumed by their entertainment divisions. The growing practice of placing native ads within traditional editorial content changes the paradigm of the news/business dynamic of journalism (Carlson, 2014). As the number of online news sites continues to grow, native advertising will merge with editorial content requiring a reconfiguration of the separation of church and state (Carlson, 2014). *Business Insider* differentiates three categories of native ads: social, native display, and sponsored content, also called premium native (Boland, 2016). However, this accounting barely scratches the surface of past, current, and future native iterations, including the recent addition of native ads to emails and virtual reality. This section takes a sequential view of this recent trend.

Forbes was the first of the legacy media to include sponsored content that it designated "Brand Voice," and the Washington Post was the first of the old guard newspapers to present native ads (Matteo & Dal Zotto 2015). Publishers are creating

native advertising studios to serve their customers. In 2015, CNN started its in-house marketing unit called "Courageous," comprised of both journalists and filmmakers who "are twisting themselves in knots trying to maintain their credibility while producing camouflaged content" (Einstein, 2016, p. 87). Alpha Grid is the *Financial Times*' in-house, client content creator which is used in "maintaining separation of church and state with sales and editorial" (Siefo, 2017, para. 12). The *New York Times*' in-house, native ad, production company is T-Brand Studios; and, they label the sponsored content produced for the *New York Times* as "paid post." Jesper Larsen, the Founder of the Native Advertising Institute, explained that native ads produced by publishers benefit the client through directed quality content; and, they subsidize the publisher as a revenue source (Hansen, 2017). The associative link or relevance of a native ad to the surrounding editorial content may provide consumers with an association between both the news product and the marketer (Rodgers, S. 2003).

Orange is the New Black

T-Brand Studio, the brand marketing division of the *New York Times*, created a superb premium native ad for Netflix in 2013 for the *Orange is the New Black* series. It was one of the first quality native ads and featured well-written content about the predicament of female inmates and the need for gender-specific policies and programs (Walgrove, 2014). The "Women Inmates: Why the Male Model Doesn't Work" article was branded with the Netflix logo using a sticky bar that also contained the T-Brand Studio Logo and a "Paid Post" tag that remained atop the content as the user scrolled. The content was lauded for its quality by some journalists including the late *New York Times* journalist and NYU professor David Carr (Leth et al, 2015). The marketing

material was created by the T-Brand Studio and carried a byline of an in-house editor, Melanie Deziel.

With "Women Inmates," Netflix is unabashedly breaking boundaries between marketing and editorial, doing something that no entertainment property has done before: getting their intellectual game on with supremely smart editorial content and putting it in front of the Times' ideal audience (Walgrove, 2014, para. 7).

Netflix has continued to erase the dividing line with great native content in other publications.

Other Celebrated Native Content

Late in 2015, the *New York Times* again hosted a premium native advertisement for Bleecker Street Films' to promote the film *Trumbo* starring Brian Cranston. This native ad for the film about Hollywood blacklisting and the "communist scare" was clearly labeled as a paid post and featured the sticky sponsorship label that most premium native content features.

Netflix sponsored another elaborate native advertisement, this time in the *Wall Street Journal* in conjunction with its new series *Narcos*. The front page of the native ad created by WSJ.Custom Studios (the in-house agency of the *Wall Street Journal*) is titled Cocainenomics. It includes a GIF that allows the reader to interact with or create lines of "cocaine" powder used in the title. The bilingual (English/Spanish) product utilizes an interactive map with colorful planes and boats moving across the screen and clips from the show, along with traditional reporting techniques, to create a readable story of the Medellin cartel. Although the various articles in this Netflix-sponsored piece bear

bylines and the format of a news feature, after the text, a tag clearly states that the "*The Wall Street Journal* news organization was not involved in the creation of this content" (wsj.com, 2015). As the reader scrolls through the story, a stagnant (sticky) banner remains at the top of the screen with the title flush left and a tag "Sponsor–generated content" along with the Netflix logo and series name centered. This notice of sponsored content may conform to the new FTC regulations because of its labeling. At the end of the ad, readers are rewarded with a quiz to test their knowledge—a wrong answer generates the crack of a gunshot and the game ends. Participants are encouraged to invite friends to engage.

Most native ads are not this sophisticated, creative, or meticulous in noting that they are sponsored content. Many publications including major online newspapers and magazines list sponsored content along with their articles. Native ads labeled "Content from" are often interspersed with articles in the list of articles of online news media. Content services provide native ads to publications and mix them in with or just below editorial content with a similar layout, headlines, and links to articles. The New York Times has a category "From our Advertisers," but the presentation is the same as the adjacent editorial content. In other online media outlets, native ads are "From around the Web" or "Content you may like" These "promoted" stories have links to content. This category of native advertising is called "Partner News." This leads to an article only tagged with partner news. The "tap-to page" comes complete with a headline and photo and looks much like a standard news article.

Sharethrough, a large programmatic native-ad provider, offers a native ad generator that can format various content into native ads for mobile with simple drag and

drop commands. The native ad generator app is available online at http://generator.sharethrough.com/share/4551?site=&deviceType= and provides a quick view of what the content would look like on a mobile app for *Sports Illustrated, Rolling Stone,* or another publisher site.

Consumers of sponsored content placed within the editorial area of online newspapers and magazines may experience a cognitive bias toward the marketing materials. These users may find some of this promotional material both interesting and salient to the news it accompanies (Leth et al., 2015). A Toronto-based native advertising agency reports that when consumers click on quality branded content, they spend about 1½ to just over 3 minutes viewing it (Hamilton, 2015). However, when users click on distasteful content, they rebel. When *The Atlantic Magazine* ran a native ad promotional piece for the Church of Scientology, "David Miscavige Lead Scientology to a Milestone Year," it was labeled as sponsored content. "But this piece was too native, too Atlanticish. Visitors to the site got suckered into the content, and once they started reading, they knew fairly quickly that this was not a typical story. Readers were furious and rightly so" (Einstein, 2016, p. 84). This native article was pulled prematurely from the site in the wake of widespread reader criticism; and this strong readers' reaction led the Washington Post to prohibit user comments on sponsored content (Matteo & Dal Zotto, 2015). The Atlantic Magazine dust-up was a "cultural negotiation" (Baker, 2002, as cited Carlson, 2014) mainly because of the controversial subject matter.

The Atlantic in-house studio is called Atlantic Re:think and, since the Scientology faux pas, has created many premium native ads that are well written such as the Cathay Pacific Airline's informative and entertaining series "Life Well Traveled." The extensive

articles are clearly marked "Sponsor Content" with a shaded yellow label in the top left corner. The sticky label remains stagnant as the user scrolls the content. The article is followed by "In this article series, Cathay Pacific and Atlantic Re: think, *The Atlantic's* creative marketing group, explore the stories of three people who were inspired by trips to Asia. Discover what it means for each of them to live a #lifewelltravelled, share your own memorable experiences, and find out how Cathay Pacific makes travel transformative" (The Atlantic, 2015, p. 8). In 2016, Cathay Pacific launched a collaboration with the BBC, CNN, the *Telegraph*, *The Atlantic*, and Singapore Press Holdings to leverage these desirable audiences because of the recognition that the perceived "impartial standpoint of a publisher lends credibility to any content" (Sriwahyuto, 2017, para. 5). The Cathay Pacific campaign features newsy content, social media posts, and multimedia content. In gestalt fashion, this type of native ad may appear as part of the news content of media.

In 2017, Atlantic Re:think embarked on some true sponsored content in a two-part series with the Lincoln Motor Company. First, the team presented a beautifully photographed and well-written piece "Pilsen: An Explosion of Color in a Gray City." Pilsen was a segment on a Chicago neighborhood in a two-part series presented by the Atlantic Re:think and Lincoln to explore transitioning neighborhoods and how a city is built from its boundaries (The Atlantic, 2017). The second part of the series is "Sunset Park is New York's New Vantage Point. A Story of the Brooklyn Waterfront." In addition to the sticky label and display ads throughout the copy, what differentiates these two pieces from most premium content is that the stories are sponsored by the Lincoln Motor Company and do not promote the company in the article. The stories are about the

neighborhoods. Although, in the true sense of native advertising content, the company may receive a halo from providing this quality subject matter. This compelling content may activate the effect of both the halo and propaganda/persuasion for consumers reading the article continually bedecked with the sticky ad and containing Lincoln Motor Company traditional display ads. The article itself may not be the vehicle for selling ads. Rather, the company's relationship with the quality content may reinforce the concept that the Lincoln cars in the adjacent ads are quality vehicles activating the halo perception for the users of this content.

In February of 2018, *The Washington Post*, a major legacy media entity with a substantial online presence, was promoting a native ad on its online front page without the FTC prescribed advertising or sponsored notation. The click through enticement on the front page was positioned and looked like those for the news stories. It had a bold black headline as do the news articles, "Millennials are flocking to Rust Belt cities." In a light gray font, approximately half the size of the headline was "FROM THE NATIONAL ASSOCIATION OF REALTORS." Once a reader clicked-through, the jump page featured the reverse-font Washington Post sticky header, followed below by WP Brand Studio and Content from the National Association of Realtors. The scrolling ad contained a Realtor logo at the top. The Post is investing and betting heavily on native ads, in June of 2017 it launched *The Lily* targeted at women. *The Lily* has a single sponsor and "will only run native ads, and they will be native to each platform and to *The Lily*," according the *Washington Post's* WP Brand Studio (Moses, 2017, p.6).

Regional magazines such as *Chicago Magazine* have also turned to native ads as an alternative source for funding their journalism and place ads in their news feed with

the label "sponsor content" *Boston Magazine/ Philly Online* and news sites like Buzzfeed, the Huffington Post, and Mashable are experiencing revenue growth through their extensive adoption of native ads (Pew, 2014). Even sections clearly labeled as "Advertisement" as in *Pittsburgh Magazine* has the potential to mislead as they are listed under the title "Feature Articles."

In December of 2016, Instagram posts for a new diet began to appear. Users posting about the Santa Clarita Diet were attractive and often displayed sipping from shake bottles branded with the Santa Clarita Diet logo. The ads evolved and became macabre with what appeared to be blood-colored drips and content. In February of 2017, a new television comedy show was announced, "The Santa Clarita Diet," that had characters consuming human flesh and blood. Instagram has become a major advertising and marketing tool, and these original posts contained a Santa Clarita Diet logo but no indication these ads were promos for an upcoming TV show. These native ads led to some confusion by Instagram followers as comments on the posts exhibited.

Humor as a Viral Video Ad Tool

"Buzzfeed presents Friskies 'Dear Kitten'" native advertisement series (2014 – 2016) is an excellent example of the viral potential of well-made sponsored content. The series features a mature cat enlightening a young kitten about the ways of the world. The episode "Dear Kitten: Regarding the dog" has over 18 million views; and, all episode views are in the millions. The 1 ½ to just under 4-minute stories announce the marketer in the title and have a brief moment during the episode where the cats receive the food, and there is an ad at the end. "It's a first-class example of how users don't care if something

is advertising as long as it's entertaining" (Vinderslev, 2017, p. 39). Some forms of native ads use sensational topics while others use ads to draw in and hold their audience.

Humorous native video ads are becoming big business for companies. These native ads are a direct result of consumers fast-forwarding through commercials. These video ads may be 30 seconds or much longer as they amuse or inform consumers and may be well-written content designed to inform such as Air New Zealand's "Hobbit" passenger air safety video (Stack Adapt, 2016). Red Bull creates impressive extreme sport videos —a type of premiere content. They not only create engaging content like "8 Disciplines of Flight Converge Over Moab: Chain Reaction," a six-minute video with as over 917k views. Red Bull Media House is also a native content creator (Schwartz, 2017). The Red Bull Media House website claims they are on a "mission to fascinate" and produce content for partners and includes print, television, audio, and mobile (The Red Bull Media House, 2018). In 2014, "The Lego Movie" was a box office hit and "It's native advertising for miniature blocks on an epic scale starting with the title ... It's an advertisement that plays out its plot at movie-length rather than 45 seconds" (Robinson, 2014, para. 3).

Native Email Ads

Email readers may not have even taken note of the recent iteration of native ads in emails. These ads may look like added content in some email feeds like *The Daily Beast* who refers to it as "Partner Content." Lee Bush, the founder of Upside.Digital, is promoting native ads in email. She contends that consumers respond well to native ads and about a third say they would share native ads with family and friends. She claims publishers should leverage native ads for their email communication for economic

purposes and for the fact that they are not blocked as pop-ups are. Bush said you get content to provide to consumers without paying creative costs, and native ads provide an 18 percent increase in purchase intent (Bush, 2017). However, many of the techniques used by marketers in social media, online sites, and email may skirt current advertising rules that have not yet transformed to keep pace with the new formats of native ads. A recent email from the Pittsburgh Improv theater contained a bank of native ads that carried the heading "You might like."

Native Ads and Government Regulation

The issue of regulation of ads designed to look like editorial content dates to a 1968 Federal Trade Commission (FTC) opinion regarding a newspaper column that was an advertisement for a restaurant that resembled a feature news story. The FTC advised that an "ADVERTISEMENT," "AD," or "SPONSORED ADVERTISING CONTENT" caption should be placed with the content but cautioned that such a label might be useless if the content closely mimics editorial content (FTC, 2015) and may evoke a gestalt perception or the halo effect when placed adjacent to trusted content. This pre-internet opinion by the FTC remains salient to advertising in the digital age. The FTC issued a 1983 Policy Statement on Deception in response to a U.S. House of Representative's request (FTC, 1983). It outlined the elements of deception which first must mislead the consumer who is acting reasonably and ultimately affect a consumer's purchasing decision. The FTC guideline for social media endorsements was updated in 2009 to direct that if users cannot easily identify content as advertising or paid sponsorships, it must be disclosed. In 2013, the FTC conducted a "Blurred Lines" workshop to study the native advertising format (Kelly, 2015). In 2014, in a case that the FTC investigated

against retailer Cole Haan for consumer endorsements involved a Pinterest contest that had customers incentivized to post five pictures of their favorite Cole Haan shoes and places to wander along with #WanderingSole (Bachman, 2014). "The FTC staff expects that Cole Haan will take reasonable steps to monitor social media influencers' compliance with the obligation to disclose material connections when endorsing its products" (Federal Trade Commission, 2014). The ruling on the role of social media influencers signaled caution to other marketers.

In May of 2015, the FTC released an "Endorsement Guide" to answer questions about testimonials to clarify the connection of truth-in-advertising principles to endorsements. The guidelines say that consumers should not have to search for the disclosure. In the case of limited character social media like Twitter, the FTC recommends starting the posting with "Ad:" or "#ad" (FTC, 2015). Some Instagram testimonials now include #ad, #spon, and other posts by influencers carry no labeling or sometimes hashtag plus product name. The FTC also issued an Enforcement Policy Statement (Federal Register, 2016) supplemented by "Native Advertising: A Guide for Businesses" (FTC, 2015), which provides a brief 10-page guide with examples.

The more a native ad is similar in format and topic to content on the publisher's site, the more likely that a disclosure will be necessary to prevent deception. Furthermore, because consumers can navigate to the advertising without first going to the publisher site, a disclosure just on the publisher's site may not be sufficient. In that instance, disclosures are needed both on the publisher's site and the click- or tap-into page on

which the complete ad appears, unless the click-into page is obviously an ad (FTC, 2015).

The above FTC instructions reflect two facets of the case the FTC had against Lord & Taylor for an undisclosed magazine cover story and unlabeled social media influencer posts. The Federal Trade Commission (FTC) took enforcement action on deceptively formatted native advertisements after the clothier Lord & Taylor paid 50 fashionistas to post pictures of themselves clad in an asymmetrical dress and gush about it on Instagram (Fair, 2016). Lord & Taylor did not require the social media influencers to disclose the cash compensation they received; and, they did not. Those photos reached over 11 million individual Instagram users in two days according to the FTC (2016). Lord & Taylor also paid a fashion magazine for a cover article on the same dress (Appendix A), and again, did not disclose that it was sponsored content (see Appendix B) for the FTC exhibit). The FTC's latest actions have not dissuaded social media influencers. The Kardashian/Jenner clan have come under heavy fire from the nonprofit watchdog TruthInAdvertising.org for their social media testimonials that the group claims should be labeled as "#ad" or "#sponsored" (Maheshwari, 2016). The FTC has brought charges against spokespeople who do not disclose that they are paid influencers who did reviews and posted comments about products. The FTC Enforcement Policy states that it looks at what "the net impression the advertisement conveys to reasonable consumers, not statements in isolation" (FTC 2015, p. 11). The FTC first cites an example that would not apply to good native ads because it would be stylistically and significantly different than the content on the site on which no label is required. In 2016 guidance, the FTC suggested that consumers should be able to recognize ads as such.

And again, in its December of 2017, study, the FTC concludes that "Ads should be identifiable as advertising" (p. 26).

Native Ads and the Lack of Disclosure Are Not Just an American Problem

Throughout the world, the use of ad blocking software increased 41 percent in the past year (Page Fair & Adobe, 2015) costing publishers about 22 billion USD in 2015 (Fenge, 2015) and sharply increasing the use and abuse of native advertising. In Great Britain on December 30, 2015, the Advertising Standards Authority (ASA) told Michelin Tyre PLC that its mentions of "in association with" are not enough to let the consumers understand that the tire comparison information was an advertisement. On January 13, 2016, the ASA cracked down on Buzzfeed UK Ltd. for not making it "sufficiently clear" that the native ad was marketing and not editorial content. The ASA told the company and Buzzfeed UK that the ad could not appear in that existing form and that they needed a stronger label than "Brand Publisher" to differentiate it from editorial material (ASA, 2016). At the end of December 2015, the ASA had ordered the *Daily Telegraph* to cease publishing ads that were not clearly identified as such (Cookson, 2016). Both the FTC and ASA are stressing that there must be labeling of advertising from all directions of access to the content that are available to the consumer, as it is not clear the path consumers will take to the information.

Instagram Influencers Get Reprimand

In the winter of 2016-2017, a PR blitz for the Fyre Festival, targeted at affluent millennials, was launched and featured hundreds of *Instagram* influencers posting about it. Soon after that, images of influencers and celebrities were photographed supposedly on the private Caribbean island scheduled to host the festival. According to Vice News,

only one of the influencers, a model and actress, posted the prescribed #AD on her postings. Kendall Jenner did not put the recommended #AD in her posts for the Fyre Festival debacle (Bluestone, 2017). Jenner was paid \$250,000 for one Instagram post and many other influencers were paid \$20,000 each to promote the festival (Bluestone, 2017).

In April of 2017, the FTC issued letters (see Appendix L) to 90 social media influencers and marketers stating that the brand relationships should "clearly and conspicuously" be disclosed (FTC, 2017). One of these influencers is former soccer star David Beckham (Ashraf, 2017). These reminders were prompted by Public Citizen's petitions to the FTC concerning Instagram posts. Public Citizen, a non-profit and non-partisan consumer interest group along with Campaign for a Commercial-Free Childhood and Center for Digital Democracy warned in a 63-page letter to the FTC, that "Instagram has become a platform for disguised advertising directed towards young consumers... the 'influencer' industry on Instagram represents one of the most prominent and ethically egregious violations of FTC policy" (Public Citizen, 2016). The FTC cautioned all parties that disclosures should appear within the first three lines of Instagram posts since consumers often do not click the "more" button (FTC, 2017). Public Citizen urged the FTC to take action against the brands and the influencers (Martens & Wheat, 2017, blog post). Native ads on Instagram and other social media continue to be a regulatory issue.

Theories

This research will consider native advertising in the light of several prominent communication theories. These theories include the various Gestalt Principles of Perception, Thorndike's Halo Effect, Propaganda and Persuasion, and Source Credibility

Theory. These theories will be used in the attempt to understand participant's recognition and perceptions of native ads.

Gestalt Principles of Perception

Gestalt principles of perception may account for the inability to of some consumers to distinguish a disjunction between ads and editorial content, as they are designed to look similar. Siva Balasubramanian's (1994) research on hybrid messages indicates that the homogeneity of the message and the surrounding content may reduce the consumer's chance of recognizing the message. Native ads may be difficult for the consumer to perceptually separate from the surrounding editorial content resulting in a gestalt effect. "Ads can convey claims by means other than, or in addition to, written or spoken words, such as visual or aural imagery and the interaction among all elements of the ad" (FTC, 2016, p. 22,599).

This research considers that by design, the gestalt principles of perception may render consumers unable to differentiate between the similar-looking advertising content placed adjacent to editorial content and may only see it as a part of the whole page/screen. Consumers may conflate advertising and editorial, creating a gestalt and an increase in the propaganda and persuasion effect. The perceptual gestalt may function in a subliminal manner, by design or not, suggesting to the consumer that the similar and proximate native ad is editorial content.

The effect of simultaneous contrast was first described by a scientist Michel-Eugene Chevreul in 1839. The simultaneous contrast effect is often expressed as the change of appearance of a color when moved to a different background. "Simultaneous contrast anticipated holism, in the sense that gestaltists are likely to say that all such appearances of color are legitimate, because we always experience perceptual wholes, not isolated parts" (Behrens, 1998, p. 300). In fact, color constancy is a gestalt principle of perception. Christian von Ehrenfels's (1890) early essay on Gestalt theory may have been influenced by the writings of Ernst Mach and his mentor Franz Bretano. The significance of this early writing on gestalt may be because it is "the first concentrated reflections on the question 'what complex perceived formations such as spatial figures or melodies may be" (Smith & Mulligan, 1988, p. 12).

Gestalt theory was established in 1910 by psychologists Max Wertheimer, Kurt Koffka, and Wolfgang Kohler. Koffka's oft-misquoted declaration that the whole is "other than the sum of its parts," suggests the whole has an independent existence and may not appear as the collection of parts as may native advertising and similar adjacent editorial content. Wertheimer started exploring the gestalt concept of visual perception after contemplating the phi effect (Wagemans et al., 2012) of the sense of movement created by individual flashing lights on movie theater signs. He used a zoetrope in which he placed a strip of individual still images inside the cylinder. When spun and viewed through a slot, the user does not observe individual pictures, rather a single moving picture (Behrens, 1998). Max Wertheimer issued his "Theory of Form" (1923) where he posited his gestalt concept that the properties of the parts are not observed individually but rather as a whole object. These gestalt tendencies are seen across cultures and assumed to be inborn (Behrens, 1998).

Wertheimer explained that when a listener hears a melody, it is perceived as a whole. The listener does not hear the individual notes. "One hears the melody first and only then may perceptually divide it up into notes" (Green, 2000, para. 4). Wertheimer

said it is only after the initial perception of the whole that the listener *may* notice the parts (Koffka, 1922). Similarly, consumers *may* perceive a native ad in a publication or an online feed – as the whole, not a separate entity or even a part of the whole.

Wertheimer established laws of the organization of perceptual forms in 1923 when he identified several principles that are particularly salient to perceptions of native advertising almost a hundred years later. There are over 114 different laws of gestalt, but visual designers use only a handful (Graham, 2008) of gestalts. The Factor of Proximity purports that items close to each other have an association and will be perceived as a group (VanTyne, n.d.). The Factor of Similarity states that similar items will be perceived to be related (Brownie, 2006). These gestalts may be relevant to this study of consumers' perceptions of native advertising and the impact of the similar content to which it is placed adjacent. When Wertheimer outlined his organization of perceptual forms, he wrote that people tend to perceive wholes rather than individual objects. He reasoned that occurs because of the conditions including proximity, similarity, and uniform destiny (Wertheimer, 1923).

"The advertising content that Buzzfeed creates is so captivating that it can be hard to even dig out the paid content when sifting through the latest stories on the website" (Schwartz, 2017). Buzzfeed is so adept at blending editorial and native that is an illustration of the Gestalt principle of perception. Native advertising may provide an individual with a perceptual illusion where the similarity of the advertisement to the surrounding content cognitively allows her to see the parts as one whole object. Beckwith et al. (1978) speculated that characteristics such as education and intelligence along with gestalt tendencies might influence the degree of haloing. "The tendency in rating an

object on a particular attribute to be influenced by a general impression is widely recognized" (Beckwith, 1978, p. 465). Native ads may camouflage the marketing pitch in an interesting and useful article, and the increased use of sponsored content by marketers may occur, because people avoid traditional ads (Levi, 2015). The gestalt inclination may result in the ads and editorials appearing so well integrated that a consumer may see them as one.

Halo Effect

The notion of a halo has its roots in religious art that used it to symbolize the sacredness of the person to which it is ascribed (Forgas & Laham, 2017). In Christian iconography, the halo is called the nimbus (head) or glory (whole body) and was used in paintings and sculpture to designate a holy person (Didron, 1851), which may give the observer a higher opinion of anyone portrayed in such a way. Since its religious beginnings, the term has frequently been used in marketing to explain an apparent bias for a product because of the glow of an association with a lucrative product or a successful company.

The father of the "halo effect," E. Thorndike (1920), speculated that the extent of halo effects might be unexpectedly significant (Beckwith, N.E., Kassarjian, H.H. & Lehmann, D.R., 1978). In a 1915 study, which Thorndike conducted at two corporations, he found that the supervisors were not able to rate the employees on individual traits and skills and instead did so on their general perception of the employee. Thorndike found this "same constant error toward suffusing ratings of special features with a halo belonging to the individual as a whole" (Thorndike, 1920, p. 25) in a plan devised to evaluate the physical, intellectual, and leadership characteristics of military men. After

review of those cases and an additional teacher study, Thorndike wrote that "the magnitude of the constant error of the halo, as we have called it, seems surprisingly large, though we lack objective criteria by which to determine its exact size" (Thorndike, 1920, p. 29).

Early halo effect researchers focused on the overall characteristics of people.

Landy and Sigall (1974) found that male students rated an essay higher when they thought it was written by an attractive coed than when they thought the author was unattractive or when no author information was provided. Additionally, the results of the halo did not vary even though half of the study's participants were provided a well-written essay to judge, while the others read a poorly-written essay to judge. The attractive author received higher ratings.

Nisbett and Wilson (1977) speculated on the power of the halo effect writing that "Global evaluations may be capable of altering perceptions of even relatively unambiguous stimuli, about which the individual has sufficient information to render a confident judgment" (1977, p. 250). The literature seems to suggest that people who are rated higher for attractiveness also rank higher on other characteristics scales (Nisbett & Wilson, 1977; Thorndike, 1920). In a study involving retail sales, Park, Park, and Dubinsky (2011), asserted a halo effect in which the retailer's image impacts the consumer perception of the retailer's private brand. Marketing content placed alongside stories may provide sponsors with a halo effect from an association with the online mobile and desktop products of leading journalism outlets (Levi, 2015). The integration of public relations firms, native ad production houses at legacy media, and brands require ethical consideration vigilance to preserve the legitimacy of the PR company and the

media (Taiminen et al, 2015). Native ads may jeopardize the credibility and the First Amendment rights of journalism (Levi, 2015) without further oversight and transparency to avoid deceiving readers (Seligman, 2015). This association may also provide a propaganda effect because of the professional preparation by advertising and public relations firms.

An executive from Turner Broadcasting said that CNN's sponsored content is not trying to blur the lines, "what they are paying for – is that the patina of trustworthiness associated with an unbiased news source with CNN's journalistic credentials will come to be associated with the products and services that appear within their content" (Einstein, 2016, p. 87). Native ads are used by marketers to gain the impact of "the credibility and authority of journalistic outlets. By making ads appear to be editorial content, advertisers are able to catch consumers off guard" (Knoll, 2015). Additionally, more people read ads that look like editorial content (Benton, 2014) and viewers of products advertised adjacent to editorial pieces experience a cognitive bias related to the association of marketing materials with reputable editorial products (Levi, 2015). "The perception of the site overall 'rubbed off' on the perception of the Sponsored Content in particular" (Colbert, Oliver & Oikonomou, 2014, p. 56). Ads in an editorial slot may receive a halo effect from surrounding content. Advertising products may garner a positive impression from their association with a respected editorial title (Van Reijmersdal, Neijens & Smit, 2005).

Consumers have stronger recall of ads placed in editorial slots (Van Reijmersdal, Neijens, & Smit, 2009). This research will explore if this recall may be the result of cognitive bias (halo effect), propaganda effect, or a combination of both. Consumers of

sponsored content may remember more about the marketing material if it meshes well with the editorial content increasing the persuasive impact. More credible websites result in higher clicks on native ads and provide the halo effect for the ad, and that credibility leads to longer visits to the sponsored content (Colbert et al., 2014). Native ads are marketing materials prepared in such a manner to resemble and blend with adjacent editorial content. Information from sponsors that appropriately harmonizes with surrounding material may be retained more readily than random advertising content (Rodgers, 2003). Becker-Olsen contends that sponsored content may leave the consumer with a positive attitude for the marketer/products and may even lead to a consumer purchasing decision (2003). Brands do not gain a marketing advantage if they post material unrelated to the site's content (Rodgers, 2003). A native ad "borrows from the credibility of a publisher" (Sweetser, Ahn, Golan, & Hochman, 2016, p.1).

Halo effects may result from first impressions and occur through incumbent cognitive effects "suggesting that impression formation involves automatic and constructive gestalt processes, linking and in the process reinterpreting all information to a coherent whole" (Forgas, 2011, p.813). Thorndike's early work on the halo effect, in addition to more recent marketing studies, provides insight into the mechanics of native ads that make them memorable and efficient.

Propaganda and Persuasion

"... the wolf of propaganda does not hesitate to masquerade in the sheepskin" (Lasswell, 1927/1938, p.221).

Native advertising masquerades as editorial or surrounding content. The best of native advertising may use purely persuasive techniques, while the balance employs

various levels of propaganda. The distinction between the terms propaganda and persuasion lies on a continuum. When the terms are teased apart, propaganda tends to take on a pejorative form while persuasion seems to exhibit a more innocuous tenor.

"For analytical purposes, however, it is permissible to give the word an objective meaning, and to say that anyone who uses 'representations' to influence collective responses is a propagandist" (Lasswell, Casey, & Smith, 1935/1969, p.3). In their text Propaganda & Persuasion, Jowett and O'Donnell make distinctions between the two terms. "Propaganda is the deliberate, systematic attempt to shape perceptions, manipulate cognitions, and direct behavior to achieve a response that furthers the desired intent of the propagandist" (Jowett & O'Donnell, 2015, p.7). Persuasive methods attempt to create a reciprocal process where the marketer creates and offers good editorial content that the consumer wants to read or adopt (Jowett & O'Donnell, 2015). This interpretation of propaganda and persuasion may apply directly to the persuasion and learning theories of Hovland, Janis, and Kelley (1953), which may apply through the learning and acceptance increasing the memory and persuasiveness of an ad. Their research was designed around a process through which people are persuaded by a message getting their attention, followed by their understanding of the message, and finally, the subject yields and retains the gist. This concept of persuasion may be directly applicable to a small portion of native ads sometimes deemed premium native ads that are designed to provide information that may be valued by some consumers, and therefore, be more persuasive. This research study will test for the retention of the message and the marketer or ads.

Native ads are an attempt by marketers to satisfy their needs to monetize marketing while providing the consumer with valuable content. However, many native

ads are programmatic, that is, software is used to purchase and place the ads. Google and Yahoo provide programmatic services to advertisers that do not require ads designed for each type of ad vehicle. Instead, marketers may upload a headline, image and editorial content which will be formatted for the appropriate product (Siefo, 2016). The majority of this kind of native ads may be less persuasive and purer propaganda. Because of the wide disparity in the design of native advertising, this research will take the approach of consolidating the two tendentious techniques. Therefore, this research will test for the retention of the message and the marketer identity in light of propaganda and persuasion as a single entity.

"There is no means of human communication which may not also be a means of deliberate propaganda, because propaganda is simply the establishing of reciprocal understanding between an individual and a group" (Bernays, 1928/2005, p. 161).

Propaganda has existed from the beginning of man as one attempted to persuade others to adopt his ideas. The ancient Greeks used verse as a form of propaganda. Fragments of Greek verse from 594 B.C. credited to Solon, a ruler of Athens, were used to proffer and publicize his views and policies. One such poem was intended to gin up the public desire to capture a nearby island (Thompson, 1978/2010). Solon was said to wear disguises and recite his verse publicly. In another verse, Solon attempts to subvert the ruling class while enlightening the people about his ideas. Solon may have been influenced by the Spartan poet Tyrtaeus whose poems were used as songs on the roads to battle (Thompson, 1978). Aristotle, circa 350 B.C., posited three keys to persuasion: emotion, ethics, and logic. He asserted that if a speaker employed all three that he would be extremely persuasive (Konnikova, 2014). The Egyptians used a distinctive form of

propaganda to exhibit their power through the building of huge monuments like the pyramids and Sphinx. The 1440 A.D. invention of the printing press opened the door for potential propagandists to produce leaflets and books. Martin Luther used the printing press to propagandize against the Roman Catholic Church (Jowett & O'Donnell, 2015). Propaganda techniques were continually used throughout history; but this persuasive practice did not garner its name until the 1622 Congregatio de Propaganda Fide (Congregation for the Propagation of Faith) that sent Roman Catholic missionaries to spread the church's teachings (Bernays, 1928/2005). Lasswell wrote that at this time of Christian missionaries, propaganda was a "non-controversial term' that did not take on a negative connotation until WWI when it became primarily associated with "enemy propaganda" (Lasswell, Casey, & Smith, 1935/1969, p.3). In fact, the term was generally unknown to the public, and there was not even a definition for it in the 1911 Encyclopedia Britannica (Bernays 1928/2005, p. 11). Propaganda became a big business after the war, and advertising and press agencies exploded. Bernays (1928/2005) wrote that companies cannot wait for customers to request their products but must use advertising and propaganda to create a demand. The U.S. government spent between \$1.5-2 billion on ads (Lasswell, Casey, & Smith, 1935/1969). Academia took note of the propaganda trend and *Propaganda and Promotional Activities: An Annotated* Bibliography by Lasswell, Casey and Smith had 4,500 entries in the 1935 edition of this reference guide (Graves, 1935).

Does the perceived quality of editorial content impact a reader's perception of the marketing material? Colbert et al. (2014) reported they found the halo effect in their research which had consumers access sponsored content in an online publication from

their desktops. They conjectured that the halo might be increased by "embedding Sponsored Content more explicitly in the host article" (p. 65), because the reader would perceive the marketing material as "part of the site" (Colbert et al., 2014, p. 65). They also speculated that the attributes of the latest technology in mobile devices could increase the halo effect on the "persuasive elements" of the native content (Colbert et al., 2014, p.65).

A great deal of the research on native advertising looks at the labeling and position of labels on ads (Wojdynski & Evans, 2016, not on propaganda and persuasion, gestalt principles, or the halo effect. This research study will not fixate on positioning, rather the recognition and perception of native ads by consumers in social media and online editorial content.

Perceived Trust and Credibility

"Trust is especially important in the absence of knowledge."

Luhmann (1989) as cited by Siegrist, Gutscher, and Earle (2005), "Trust is especially important in the absence of knowledge." In the field communication research, trust is studied most frequently as media credibility (Kohring & Matthes, 2007). At the FTC's 2013 Blurred Lines workshop, Bob Garfield, co-host of *On the Media*, said of native ads that "publishers are mining and exporting a rare resource: trust. Those deals will not save the media industry. They will, in a matter of years, destroy the media industry: one boatload of shit at a time" (Kantrowitz, 2013). When native ads are not properly labeled or actually native content, readers may lose trust in the host site and the marketer and no longer want to engage in native ads (Skinner, 2014). Professor David J. Franklin, of the McCarthy Institute for Intellectual Property and Technology Law at the University of San

Francisco School of Law, said that when people read an item that is formatted as a story, they think it is a story, and many do not understand or fail to observe labels on content. He presented a survey of 10,000 people that found "deep confusion about the difference between paid and unpaid content" (Powell, 2013).

Early research on native advertising found that placement of paid posts does not trigger consumers to question the trustworthiness of the news websites (Howe & Teufel, 2014). However, "the persuasiveness of a message is adversely affected if the recipient infers a bias in the message communicator" (Balasubramanian, 1994, p.37).

Source credibility is defined as the "communicator's positive characteristics that affect the receiver's acceptance of a message" (Ohanian, 1990, p.41). In "prestige" (Hovland, 1951) studies, the attitude of the consumer toward the communicator is usually higher when the information is attributed to a high prestige source (Hovland & Weiss, 1951). Hovland reported that "Significant differences" were found through the attribution of content to different sources. (Hovland & Weiss, 1951). That mid-20th century research found participants changed their opinion in favor of material attributed to higher credibility sources. In 2016, researchers developed a method to measure message credibility which will be considered in the application of scales to the Instagram influencers in this study (Appelman & Sundar).

In 1985, the American Society of Newspaper Editors conducted media credibility studies that ultimately led to a 12-item credibility scale (Roberts, 2010). This scale was further refined by Meyer (1988) into five bi-polar factors (fair-unfair, unbiased-unbiased, tells whole story-does not tell the whole story, accurate-inaccurate, can be trusted-cannot be trusted) that could be used to question consumers concerning their perceptions of news

media (Roberts). Flanagin and Metzger (2000) operationalized media credibility by looking at five factors (believability, accuracy, trustworthiness, bias, and completeness) and provided respondents 7-point response scales ranging from "not at all" to "extremely." These scales are very similar. In their 2007 study, Kohring and Matthes operationalized trust in journalism and called it "trust in news media" (p.232) and did not include advertising. Their study "is the first validated a scale of trust in news media in communication research" (p. 231) and highlights trust in: selectivity of topics, selectivity of facts, accuracy of depictions, and journalistic assessment (Kohring and Matthes, 2007, p.247). In 2010, Roberts used the Meyer scale to rate the source — the messenger, and the Flanagin and Metzger scale to rate the message. Roberts reports that these two scales are valid and suggest they work well together (2010). This research will use the Meyer scales along with the Flanagin and Metzger and create matrix tables for participants' responses.

Native advertising has turned the advertising model on its ear with the rush of marketers into the genre. Even early native advertising studies may not hold true as this marketing method matures, and in light of the rapid change to mobile as a primary device and the growth of new iterations of native ads. Additionally, there may be a degree of consumer enlightenment as a consequence of the Facebook ads and fake news exposure from Russian trolls during the 2016 U.S. presidential election and the 2017 French presidential election. Consumers may use this new-found insight to discover and push back against content they perceive as coercive.

Persuasion Knowledge Model

This research explored Friestad and Wright's Persuasion Knowledge Model (PKM), in which they asserted that an individual's persuasion knowledge builds

throughout a lifetime of experiences and interactions (Friestad & Wright, 1994). It may be possible that because of Persuasion Knowledge, the FTC does not need to force elaborate labeling upon native advertising producers. "A basic idea of PKM is that a consumer is able to use her persuasion knowledge to identify that an agent is attempting to influence her and to try to manage the persuasion episode to achieve her own goals" (Campbell & Kirmani, 2000, p. 69). Persuasion knowledge has been shown to play a role in sales situations and usually results in negative attitudes when consumers are made aware of the intent (Wei, Fischer, & Main, 2008). Research on native advertising disclosure position and characteristics found that when ad disclosures are provided to consumers, they will more readily be able to identify native ads (Wojdynski & Evans, 2016). The researchers did an eye-tracking and an online experiment and also discovered that middle-positioned or lower disclosures increased the chance of native ad recognition in contrast to the FTC recommended top or top left position. "Overall, these two studies provide evidence that a middle-positioned disclosure featuring clear language attracts attention and provides viewers with an opportunity to process and elaborate, which in turn increases the odds of advertising recognition" (Wojdynski & Evans, 2016, p. 165). Further, they reported that their studies did not mesh with prior research, finding only 7 -18 percent of participants understood native content articles were advertising.

PKM might provide an area to explore in future research on whether social media posts receive fewer clicks when labeled as ads. Wei's research on covert marketing may apply to native ads as they are embedded in "outlets not typically considered advertising terrain" (p. 35). Wei's research establishes that PKM does not always result in pushback by the user and that in the case of popular brands, "activating persuasion knowledge can

even bring about positive results" (Wei et al., 2008, p.42). The insights from this research may be quite valuable but off target for this research study. Gestalt theories, the halo effect and persuasion techniques seem a better fit than PKM for this research study on consumers' perceptions.

User Demographics Impact on Reception

Prior research in native advertising established that less than 8% of study participants could discern that a natively-formatted ad was not a news article (Wojdynski & Evans, 2016). The firm Contently Marketing Research found consumers with a high school diploma were less likely than those with an advanced degree to feel betrayed upon the discovery that perceived editorial content is, in reality, advertising (Lazauskas, 2014). The 21-34-year-olds report trust in virtually all formats more than any other age group and 63% of Canadians and Americans trust editorial content formatting for ads (Nielsen, 2015). Older consumers generally judged news sites credible whether native or banner ads were used (Howe & Teufel, 2014). Younger North Americans are more susceptible to native ads.

This study collected and reviewed consumer demographics in an attempt to discern a possible substantive role in participants' recognition and perception of native ads in Instagram feeds and online content. Demographic data was collected from all participants and used to present interesting findings through descriptive statistics.

Transparency

The emerging practice of placing native ads within traditional editorial content slots changes the paradigm of the news/business dynamic of journalism (Carlson, 2014).

As the number of online news sites continues to grow, native advertising will merge with

editorial content requiring a reconfiguration of the separation of church and state (Carlson, 2014). As the roles of publisher and marketer seem destined to converge, there is no longer a box around all ads, and some ads look just like the adjacent editorial copy. There is no one to separate the two entities for consumers and many consumers cannot and/or will not do it for themselves (Basen, 2012). The Tow-Knight Center for Entrepreneurial Journalism joined with marketing firm Contently to test consumer awareness and found that over three quarters of those surveyed thought native ads were articles or a combination of articles and ads (Straus, 2016).

Transparency for content publishers will be a priority moving forward in the "Fake News" era. The media coverage of fake news may have made consumers more wary and critical of what they read. Will consumers' perceptions deviate from the findings of previous research? Most previous research on consumer attitudes toward native ads was conducted by marketing firms which may be subject to marketplace bias. The publicity surrounding fake news has shined a light on clickbait headlines, too, which are in the realm of both native advertising and fake news. "Users are on high alert for content that appears fake or deceptive. It's not hard to imagine native ads being perceived as deceptive and lumped in with the fake news bad guys" (Overmyer, 2017).

Additionally, paid posts may confuse readers as when the *Los Angeles Times* ran a front-page ad written in a journalistic style but labeled as an advertisement (Pompilio, 2009). Sponsored content placed contiguous to editorial content or social media posts may obscure the marketing intent. Good native advertising is created not to interrupt the consumer with the sales pitch (Campbell & Marks, 2015), rather to enhance their experience. Further, it is unclear whether consumers understand that they are consuming

advertising materials (Seligman, 2015). Users of social media apps like Instagram rarely see the "#ad" or "#sponsored" hashtags, yet they regularly see celebrities' effusive testimonials for products which they receive remuneration to endorse.

Source credibility theory posits that consumers perceive marketing content that resembles articles as more credible (Van Reijmersdal, Neijens, & Smit, 2009). Native advertising must avoid deception and remain transparent (Seligman, 2015) to preserve the integrity of the media. The research of Howe and Teufel (2014) revealed that the use of native ads versus banner ads yielded no significant impact on users' discernment of the news media's trustworthiness. Advertisers may obtain a subconscious "halo effect" from being conflated with journalism content in a prominent title (Levi, 2015).

Additionally. consumers of trustworthy news sites explored longer because of the halo effect (Colbert, Oliver, & Oikonomou, 2014). Associative links are necessary for content marketing since the marketer is not selling to the consumer (Renick, 2008) rather building a relationship.

Ensuring all native content is properly labeled will aid the consumer in understanding what they are reading or watching. It may be significant to note that paid posts receive mixed reactions from consumers. The FTC's enforcement statement and recent action may encourage news units to be cautious in their labeling and formatting of native ads, but it seems unlikely consumers will find much change in the type and quantity of native ads appearing in their social media streams. A review of ethics and clarity is imperative in light of the changing media business model.

Ethics of Usage of Native Advertising

Because of consumers' confusion, the Canadian Association of Journalists recommends "strong and consistent guidelines" that would illustrate the difference between sponsored content and editorial to avoid deception (CAJ, 2015).

The Society of Professional Journalists encourages all members to make use of their ethical guidelines. Among those tenets is guidance to act independently and, "distinguish news from advertising and shun hybrids that blur the lines between the two," (SPJ, 2014, p.1). The Columbia Journalism Review reports that "Consumers skip over labels, and even when they see them, many don't understand what they mean" and even highly-educated consumers might be fooled (Powell, 2013, para. 2) because of the gestalt-like imperceptible meshing of the ads and journalistic content.

The American Society of Magazine Editors (ASME) instructs its members that average consumers should be able to distinguish marketing and editorial. Further, practitioners should avoid "Advertisements that mimic the 'look and feel' of the print or digital publication in which they appear may deceive readers and should be avoided" (ASME, 2015, para. 7).

This chapter has reviewed the existing literature and the position of this research within it. This research intends to add information on consumers recognition and perceptions of native advertising to the body of literature. Chapter three will examine the methods this research will employ to study the perceptions of native advertising.

CHAPTER THREE

METHODS

Introduction

Native ads may be the most recent treatment emerging in the struggle of media to stop their financial hemorrhaging. This study sought to discern the perception of consumers using gestalt principles, the halo effect (a type of cognitive bias), and propaganda and persuasion effects. This online experiment explored if the discerned legitimacy of the media entity or spokesperson delivered a halo effect to the native advertising. It looked at whether participants picked out ads that look like news when scanning a newspaper homepage in light of the Gestalt effect. This experiment looked at how consumers perceive and recognize native ads. This research may help to ascertain whether the persuasion and cognitive bias created by this content varies across factors such as media entity type, age, gender, and education and to determine whether advertising vehicles afford the ads a halo effect.

Stimuli

This research used an online experiment to discern participants' perceptions of online native ads. Participants in online experiments read longer than those taking part in in-lab experiments (Iverson & Knudsen, 2017) which may aid in validity. The stimuli presented to the participants included various types of native advertising content derived from online newspapers, magazines, native ads, and Instagram posts. Some stimuli tested the participants' perception of native ads and editorial in light of the gestalt principle of perception and the factors of proximity, similarity, uniform destiny, and law of good configuration (Wertheimer, 1923). Participants were asked about of the perceived

media in light of the halo effect. The online experiment was prepared on Qualtrics which provides for the branching and randomization of blocks of individual questions in its "Survey Flow" option. To prepare this instrument, each stimulus (See Table 1) was created in a separate Block to facilitate the randomization of questions. Additionally, following the demographic questions, the delivery order of questions was randomized.

This online experiment presented each participant with the informed consent information and verification, 10 demographic type of questions, and 16 pairs of stimuli and response sequences. A total of 32 stimuli were delivered in a randomized manner.

Reliability and Validity

As for external validity, Horton, Rand, and Zeckhauser (2010) replicated well-known and widely reproduced experiments with established external validity on the MTurk online labor market and found equivalent validity in addition to greater convenience and lower cost for participants. Reips (2000) contends that internet experiments "present no possibility of experimenter bias" (p. 267). This study employed a panel of three experts to evaluate the face validity of the statements, questions, and ordinal scales for wording, clarity, and appropriateness. These experts included three communications professors because of their knowledge of the field. A panel was used to establish the validity of the online experiment instrument through jury validation.

Buddebbaum and Novak (2001) suggest recruiting a panel of experts or a group like those who will participate in the actual study "and have them decide whether the measures are reasonable" (p.110). The Content Validity was evaluated on a scale of 1 – 4. With 1 = not relevant, 2 = somewhat relevant, 3 = quite relevant, 4 = highly relevant

(Davis, 1992). The Content Validity Index (CVI) was calculated by the number of panelists giving a rating of either "three" or "four," divided by the number of panelists (Polit, Beck, & Owen, 2007). Grades of "three" and "four" were considered acceptable. A CVI of greater than or equal to 0.78 is considered excellent. "Tests scoring a CVI of ≥ 0.78 were equivalent to a probability of a chance occurrence (*Pc*) of <0.07 indicating an excellent level of the expert agreement concerning the tests' relevance" (Larsson H, Tegern M, Monnier A, Skoglund J, Helander C, & Persson E, 2015, p. 6). Please see the Content Validity Index protocol in Appendix N. The results of the protocol were that the majority of responses were "4s" and eight "3s." The scores of all questions for the three participants resulted in a score of CVI=1, which is greater than .78 and is considered excellent for relevance.

One week prior to distribution of the online experiment, the questions were also distributed to a panel of graduate students to pilot test the online experiment for flaws. This pilot study was used to aid in testing the feasibility and validity of the online experiment. Participants were provided with instructions to record the amount of time it took them to complete the study, note any problematic questions, or glitches they encountered with the experiment. The Pilot Test invitation is Appendix O. One respondent reported it took longer than the 15 minutes that was stipulated as an approximation of time needed. The balance of participants reported it took 15 minutes or less. Several articles were slightly shortened to ensure participants would finish in the time frame specified.

The Pilot Study Sample interpretation can be seen in Tables 1 and 2. A total of 10 individuals completed the pilot survey in its entirety. While 14 participants started the

survey, one is not a regular follower of the news, so he/she was sent to the end of the survey. Another three cases were deleted because of substantial missing data (<75% complete). The majority of respondents were female (75%), employed full time (75%), and reported that they watch the news "to stay up to date" on recent topics (75%). The mean age of the sample was 48 years old. Most pilot participants felt that news was credible if it came from the websites of major newspapers (M= 4.57, SD= .535). The scale range was 1-5. Other online sources of news such as websites of major TV news networks (M= 3.00, SD=1.00), online news outlets (M=2.71, SD=.756), and Social Media Feeds (M=1.57, SD= .535) were perceived as being less credible. Most respondents preferred to get their news from websites of newspapers, magazines, and cable news (M=4.29, SD= .488). The scales are made by adding the items together and then dividing by the number of items in the scale. A "one" would signify no agreement while a "five" would mean more agreement.

Table 1 reports the pilot study responses to demographic type questions.

Table 1 Frequency Statistics for Demographics (N=10) in Pilot Study

| | Frequency | Percent |
|-----------------------------|-----------|---------|
| Why do you follow the news? | | |
| To stay up-to date | 6 | 75 |
| Unintentionally | 2 | 25 |
| Employment Status | | |
| Full time | 6 | 75 |
| Part time | 1 | 12.5 |
| Student | 1 | 12.5 |
| Education | | |
| Bachelor's degree | 2 | 25 |
| Graduate/advanced degree | 5 | 62.5 |
| Some college/trade school | 1 | 12.5 |
| Gender | | |
| Male | 2 | 25 |
| Female | 6 | 75 |

Table 2 used experiment questions 11-18 and 23-26 (See Appendix P) to look at the pilot study's participants perceptions of native advertising as addressed in Research Question 1.H.2: Instagram consumers do not recognize postings as ads without the #ad. It seems that most pilot participants thought that celebrity posts were ads whether they were labeled as such or not. The Baddie Winkle post which was definitely an ad was not overwhelming perceived as one even though it contained labels "@hotels.com" and "#spon." It is possible that the younger (mean age =48) participants did not recognize the elderly woman as a celebrity influencer.

Table 2
Aggregate Descriptives for Perceptions of Social Media Advertising in Pilot Study

| Variable | N | Mean | SD |
|--|---|------|-------|
| Baddie Winkle's Instagram post is an AD ^{ADL} (138 k) | 4 | 2.25 | .500 |
| Amy Poehler's Instagram post is an AD ^{NO} (96K) | 4 | 1.75 | .500 |
| Kourtney Kardashian's Bahama's Instagram post is an AD ^{ADNL} (397k) | 3 | 4 | 1.00 |
| Kourtney Kardashian's Paris Texas Instagram post is an AD ^{ADNL} (970k) | 5 | 3.60 | 1.342 |
| Jessica Alba's Instagram post is an AD ^{ADNL} (110K) | 4 | 4.00 | .816 |
| Joelwy.n's Instagram post is an AD ^{NO} (62) | 4 | 3.50 | 1.291 |
| Salena Gomez's Instagram post is an AD ^{ADNL} (13,700K) | 4 | 3.50 | 1.732 |
| Chiara Ferragni's Instagram post is an AD ^{ADNL} (311K) | 4 | 4.25 | 1.500 |
| Susan Lucci's Instagram post is an AD ^{ADNL} (2.5K) | 5 | 4.40 | .894 |
| Susan Lucci's Instagram post is an AD ^{NO} (3.1K) | 3 | 4.00 | .000 |
| House of Harlow's Instagram post is an AD ^{ADL} (2.9k) | 3 | 4.00 | .000 |
| Jay Rel's Instagram post is an AD ^{NO} (592) | 5 | 3.00 | 1.00 |

Note. ADL = Ad Labeled, NO = Not an ad, ADNL = Ad not labeled

The same stimuli were presented to the study participants. Table 3 presents all the instrument stimuli, The Research Question(s) they apply to, and their corresponding instrument question number. The research questions for this study were:

RQ1: Do users conflate native ads and editorial content? The first research question attempts to understand participants recognition and perceptions of native advertising as it appears on the homepages of online legacy media.

• H1.1: There is a statistically significant group median difference in scores for recognition of marketing material between those exposed to homepages of news entities that include advertisements in native settings and those that are exposed to homepages that do not include advertisements in native formats.

This hypothesis was studied through the stimuli (See Appendix N) including the online homepages of the *Washington Post, TribLIVE*, and *The New York Times* which are arranged in separate blocks for the randomized groups. This online media content may/may not contain a native ad(s) within the scrollable content. To test for the gestalt qualities of perception, similarity, and proximity, the participants will view online native ads, labeled, and not labeled, and the users will respond to queries concerning recognition and identification of ads.

RQ2: Does the attachment of an ad label help consumers to recognize native ads?

- H2.1: There will be a group mean difference in recognition of advertisements between those exposed to advertisements without labels.
- H2.2: Participants will report higher scores for advertisement recognition for ads that are labeled than unlabeled.

For the first hypothesis of research question 2, participants either saw a native ad or a news article. Participants were tested on their perception of advertising content using Meyer (1988) and Flanagin and Metzger (2000) adapted scales for message source credibility and will respond through matrix scales with agreement choices for questions.

In 2010, Roberts used the Meyer scale to rate the source and the Flanagin and Metzger scale to rate the message. Roberts reports that these two scales are valid and suggest they work well together (2010). This research used the Meyer and the Flanagin and Metzger scales to create matrix tables for participants' responses.

For the second hypothesis, participants viewed Instagram posts with, and without, the FCC-prescribed label #AD or # SPONSORED or other labeling indicating a business transaction has occurred. The groups received these marketing materials with, or without, a label, but promoting products anyway. A variety of Instagram posts with obvious #ad, no ads, and ads not identified as such, were presented. Many Instagram posts only have a collection of hashtags and none of the recommended advertising designations. This may result in consumers' inability to differentiate between regular posts and advertisements.

RQ3: Does the perceived legitimacy of the spokesperson offer native advertising content a halo effect?

- H3.1: Those exposed to Instagram endorsement testimonials from influencers with higher levels (major influencers) of likes/followers will report higher perceptions of attractiveness than those endorsements made by influencers with less likes/followers (micro-influencers).
- H3.2: There is a statistically significant difference in perceptions of attractiveness, knowledge, and expertise between genders, age groups, and educational attainment levels.

This research question tested consumers' recognition of sponsored ads and testimonials for attractiveness and expertise of the product. Demographics were collected and to ascertain if they impact consumers' perception and trust of native content. For

Research Question 3, to test the halo effect in social media, one group was presented with the post of an influencer with a high number of likes and the other group, one with a smaller contingent of likes. Both influencers presented the same product. Ellen Matis, a social media professional wrote that "Instagram's algorithim is based off of how often a user engages with another user. Engagements are, more often than not, determined by people who are either following a hashtag or using Instagram's "Discover" feature. So, a certain number of people that never follow an influencer will like or comment on a post only because they were intrigued by it through these feeds" (personal communication, January 6, 2018). Matis reported that "likes" would be a better measurement, as it is based on the user's own interest—rather than who they follow.

This research question sought to understand if Hovland's "High Prestige" sources offer the native ads a halo effect "in which a communicator of generally 'trustworthy' character was used, and the other in which the communicator was generally regarded as 'untrustworthy'" (Hovland & Weiss, 1951, p. 636). In 1990, Roobina Ohanian defined Hovland's source credibility construct and "operationalized it by means of a reliable and valid scale" (Ohanian, 1990, p. 49). RQ3. H1 will be tested using semantic differential (Osgood, Suci, & Tannenbaum, 1957) scales adapted from Ohanian's work to measure the attractiveness, elegance, and quality of products and influencers (1990).

RQ4: Does changing the masthead of a native ad/article impact readers' perceptions of the content and quality?

• H4.1: There will be a group mean difference in credibility scores of those exposed to content from that of online legacy media or online-only media entity to the other will change readers' perceptions.

• H4.2: There is a statistically significant difference in credibility scores between genders, age groups, and educational attainment levels.

Research question 4 was tested using Meyer (1988) and Flanagin and Metzger (2000) scales for message source credibility though responses on a matrix scale. The stimuli were presented alternately with each group getting a *Raw Story* or *Cosmopolitan* and *BuzzFeed or The New York Times* masthead followed by the same article. This tested the credibility of the content host and its incumbent gestalt and halo effects.

Recognition of Native Content

A facet of the experiment consisted of participants reading the same native ad that appears to be editorial content with and without the appropriate ad label (Appendix P, Questions 19 and 20) in Research Question 1. H1.1. The stimulus for questions 19 and 20 was an article labeled "Partner News' from the TribLive website titled "Mistakes firsttime homebuyers should avoid." The article was presented in two fashions: Question 19 as it appeared originally with the partner tag at the top and a line at the end that said it was a paid advertisement by S& T Bank. Question 20 was the same exact article without the partner tag and ad label at the end. Both contained ad content such as "But a first-time buyer should consider face-to-face time with experts such as those at S & T Bank." The article quotes S & T Bank representatives but is presented as a news article. The goal of H1.1 was to understand if customers recognize native advertising content, as such, whether labeled or not? Participants were asked if the native content camouflaged as a news article was a believable, accurate, trustworthy, unbiased, and complete article. They were provided with a matrix scale of 1-5 with responses ranging from "Strongly agree" to "Strongly disagree."

Recognition of Ads in Instagram Feeds

Another facet of Research Question 1 involved the second hypothesis (H1.2) and employed Instagram posts labeled #AD, # SPON, or sans labeling. Using actual Instagram posts tested participants' recognition of sponsored ads and testimonials -- labeled and not (see Appendix P, questions 11-18, 23-26). Participants were asked to identify Instagram posts on a 5-point Likert-type scale with "Definitely not an ad" at one pole and "Definitely an ad" at the other.

In the case of online news stimuli, participants were tested for recognition of advertising content and recall of a product, if any were presented. When a stimulus was presented, a query of the participant's perception of advertising presence was given.

Participants responded on a slider scale selecting in a range from "ad" to "regular post."

Table 3
Experimental Stimuli Appearing in the Instrument

| | | | | Instrument | RQ and |
|-------|-----------|---------------------------|-----------|------------|------------|
| Ad or | Masthead: | Title or name of stimulus | News or | question # | Hypothesis |
| Not | Online or | | Instagram | (Appendix | Number |
| Ad | Legacy | | | M) | |
| Ad | | baddiewinkle Paris | Instagram | 11 | RQ1. H1.2 |
| Not | | amypoehlersmartgirls | Instagram | 12 | RQ1. H1.2 |
| Ad | | kourtneykardash Travel | Instagram | 13 | RQ1. H1.2 |
| | | Diary | | | |
| Not | | kourtneykardash Tokyo | Instagram | 14 | RQ1. H1.2 |
| Ad | | jessicaalba ZICO | Instagram | 15 | RQ1. H1.2 |
| Not | | joealwy.n | Instagram | 16 | RQ1. H1.2 |
| Ad | | selenagomez marshmello | Instagram | 17 | RQ1. H1.2 |
| | | music | | | |
| Not | | chiaraferragni | Instagram | 18 | RQ1. H1.2 |
| Ad | | TribLIVE – Mistakes | News | 19 | RQ2. H2.1 |
| | | Homebuyers | | | |
| Not | | TribLIVE – Mistakes | News | 20 | RQ2. H2.1 |
| | | Homebuyers | - | | |
| Ad | | TribLIVE homepage | News | 21 | RQ1. H1.1 |
| | | 11 110 | - | | RQ2. H2.1 |

| Not | | New York Times | News | 22 | RQ1. H1.1 |
|------|----------|----------------------------------|----------------|----|---|
| | | homepage | | | RQ2. H2.1 |
| Ad | | therealsusanlucci Pilates | Instagram | 23 | RQ2. H2.2 |
| | | Pro Chair | • | | |
| Not | | therealsusanlucci Erica | Instagram | 24 | RQ2. H2.2 |
| | | Kane | S | | |
| Ad | | houseofharlow1960 New | Instagram | 25 | RQ1. H2.2 |
| 114 | | Arrivals | 11100008101111 | | 11(111111111111111111111111111111111111 |
| Not | | jayrel The drummer after | Instagram | 26 | RQ1. H1.2 |
| 1101 | | church | mstagram | 20 | KQ1. 111.2 |
| | Online | BuzzFeed - Student | News | 27 | RQ4. H4.1 |
| | Omme | | INCWS | 21 | KQ4. 114.1 |
| | T | Suspended The Name Wards Times | N | 20 | DO4 114 1 |
| | Legacy | The New York Times – | News | 28 | RQ4. H4.1 |
| | 0.1: | Student Suspended | 3. T | 20 | DO4 114 1 |
| | Online | Raw Story – Daycare | News | 29 | RQ4. H4.1 |
| | _ | Worker Gets 20 Years | | | |
| | Legacy | Cosmopolitan- Daycare | News | 30 | RQ4. H4.1 |
| | | Worker Gets 20 Years | | | |
| Ad | | nyane- Lime Crime Venus | Instagram | 31 | RQ3. H3.1 |
| | | XL eyeshadow | | | |
| Ad | | maebae – LimeCrime | Instagram | 32 | RQ3. H3.1 |
| | | Venus XL eyeshadow | | | |
| Ad | | peaceloveshea - Stuart | Instagram | 33 | RQ3. H3.1 |
| | | Weitzman boots | · · | | |
| Ad | | laurenpagone -Stuart | Instagram | 34 | RQ3. H3.1 |
| | | Weitzman boots | S | | |
| Ad | | cocacola SpringBreak | Instagram | 35 | RQ3. H3.1 |
| Ad | | cocacola Long weekend | Instagram | 36 | RQ3. H3.1 |
| 114 | | Vibes | 11100008101111 | 50 | 1143.113.1 |
| Ad | | fashionnova – | Instagram | 37 | RQ3. H3.1 |
| 710 | | baddiewinkle | msugrum | 51 | 1003.113.1 |
| Ad | | fashionnova – | Inctagram | 38 | RQ3. H3.1 |
| Au | | | Instagram | 30 | KQ3. 113.1 |
| ٨.4 | Laggari | msashleyvee Forbes BrandVoice | Mayya | 20 | DO2 112 1 |
| Ad | Legacy | | News | 39 | RQ2. H2.1 |
| NT 4 | т | UNICEF | NT | 40 | DO2 112 1 |
| Not | Legacy | Forbes - UNICEF | News | 40 | RQ2. H2.1 |
| Ad | Legacy | TribLIVE – Year-round | News | 41 | RQ2. H2.1 |
| 3.7 | ~ | Irish Culture | N | | DO0 *** |
| Not | Legacy | New York Times –Carbon | News | 42 | RQ2. H2.1 |
| | | Footprint | | | |
| | | | | | |

Some aspects of internal validity are designed into the MTurk system by ensuring participants have valid accounts and by preventing workers from having direct communication with each other (Horton et al., 2010). Participants are randomly assigned

to groups and unable to communicate with each other. The online experiment format increases external validity (Sweetser et al., 2016).

One challenge to the external validity of this process is the question of whether this online workforce represents a valid sample of the population of the United States. Amazon pegs the number of MTurk workers at approximately 500,000 from 190 countries. This study used U.S. participants only. These participants are a self-selected convenience sample. As this research intends to make general statements about participants' reactions to the advertising stimuli, this sample should be appropriate. Even though it is a selective population, it is "much less [selective] than the students who make up the subjects in most physical laboratory experiments" (Horton et al.,2010, p.23). Sweetser (2016) speculated that the validity might be impacted if the participants complete the task for compensation. Reips (2000) reports online experiments have a more diverse participant pool. For these reasons, this study used the paid Amazon Turk workforce as participants.

Sample

The experiment was administered via the Qualtrics online platform to assess the perception, of a broad demographic sample, of native ads in online media. Participants were recruited from Amazon Mechanical Turk online workforce and paid \$1.50 to participate in the online experiment. This research sought to study the population of this research was the approximately 250 million adults (U.S. Bureau, 2016) in the United States through the population of Amazon MTurk. At a confidence level of 95%, and with a 5% margin of error, the desired sample was n≥ 385. In all, a total of 403 persons participated in the experiment. Complete results are reported in Chapter 4. The self-

selected, online workers were obtained from AmazonMechanicalTurk's labor market self-dubbed "Artificial Artificial Intelligence." Amazon Turk, which this study will refer to as MTurk, is an online, on-demand, scalable workforce (Amazon, 2017). The original "Mechanical Turk" was purportedly a chess-playing machine that held a chess master inside (Buhrmester, Kwang, & Gosling, 2011). Online labor markets such as MTurk provide a sample of both high and low-skilled workers (Horton et al., 2010). The research by Buhrmester et al. (2011) revealed the demographics of the MTurk pool as slightly more diverse than the usual Internet sample and significantly more diverse than college samples in the United States. In attention studies, MTurk participants are more attentive than undergraduate samples (Hauser & Schwarz, 2016).

This experiment required that respondents had a previous approval rating of at least 85% for assignment completion and were registered in the United States on the MTurk site. The objective of this research is to understand and draw conclusions about the perceptions of the U.S. population toward native advertising through the study of this M Turk sample. This experiment endeavored to advance understanding as to whether or not the perceived legitimacy of the media entity or spokesperson provides a halo and propaganda effect for native advertising. The goal is to ascertain if the gestalt effect renders consumers unable to discern the native ad from the adjacent content. This research may help to ascertain whether propaganda/persuasion and cognitive bias, created by this content, are mediated by factors such as media product type, age, gender, and education, and to determine whether advertising positioned with similar looking editorial content affords the ads a halo effect. Participants were exposed to various samples of online content including social media feeds and online news. Participants were queried

about the content after viewing and reading it for their perceptions of the existence of ads, trustworthiness, topics, and recall. Participants accessed the study through a link provided in Human Intelligence Tasks (HITs) on the AmazonMechanicalTurk site. The participants read the invitation and informed consent and decided to complete the task/experiment by clicking a link to the experiment hosted by Qualtrics. Funds were dispersed from an account (associated with the experiment) to participants shortly after they submitted the Qualtrics randomly-generated code to MTurk. Data was collected over approximately three days.

This research sought to understand participants' perceptions of native advertising using the gestalt concepts of the perceptual form including the factors of proximity and similarity (Wertheimer, 1923), the halo effect (a type of cognitive bias), and propaganda and persuasion (P&P). This study garnered demographic information which is explored using descriptive statistics.

Participants were asked to provide demographic background (See questions in Appendix P) including age, gender, highest attained educational level, household income, and ethnicity. Participants were asked general questions about their media use and advertising perceptions. The experimental questions and stimuli were provided, one per page, to allow participants to review the stimuli. The questions were worded neutrally. The instrument employed randomization of presentation.

Gestalt

To test for the gestalt perception of native advertising, two randomized groups viewed native ads which appear on the homepage of *The New York Times* or the *TribLIVE*. To test for these gestalt qualities of perception, similarity and proximity, the

participants viewed the homepage of online media entities and were asked to determine if advertising is present.

To test for gestalt perceptions on social media, participants viewed Instagram posts, some with the FCC-prescribed label #AD or # SPONSORED within the post and others with hashtags, some without a label but promoting products anyway, and some just regular (Non-ad) Instagram posts. Through the use of Instagram posts, this research tested consumers' recognition of sponsored ads and testimonials, labeled and not, as part of the whole post or as ads. It tested for credibility. Demographics were collected and were reported as descriptive statistics to ascertain if they impacted consumers' perception and trust of native content.

Manipulating Mastheads

Hovland & Weiss (1951) conducted a study of identical communication presented to two groups, one group receiving it from a communicator perceived as trustworthy and the other from an untrustworthy source. This research study substituted articles from an online legacy media and online-only media as proxies for the high credibility and low credibility sources. This research study tested stimuli with a legacy masthead (Mitchell, 2015) such as *Cosmopolitan* magazine or the *New York Times* (high credibility) or with an online-only media masthead of *Buzzfeed* or *Raw Story* (low credibility), both with the same article. This technique was used to test the credibility of the content host and its incumbent halo effect. After reading each stimulus article, the participant was asked questions about the perceived trustworthiness of the content provided and of the content provider using matrix table statements. This research sought to unveil whether a halo

effect is received by the content from a more trusted source and if online legacy media are more trusted than online-only news outlets.

Source Credibility of Instagram Influencers

To test this same halo effect for social media, Instagram posts for the same product were presented by two separate influencers. Instagram was selected because it has been dubbed the "Top social platform for engagement" with over 500 million users. Its list of advertisers doubled to over one million in last six months (DeMers, 2018, para. 3). According to Matis (2018, correspondence) the number of likes (representing Hovland's high credibility source) is the significant indicator of the impact of an Instagram post. One influencer had substantially more likes than the other. These stimuli (Appendix P, questions 31-38) tested the impact of the status of the social media influencer on the perception of the product. To test these stimuli, source credibility was operationalized through a scale developed by Ohanian (1990) to measure the perceived expertise, trustworthiness, and attractiveness of celebrities through a reliable and valid scale. Each of the three dimensions of source credibility contains five components. These were presented on a matrix table format with a 5-point Likert variation to choose from the range of "strongly agree" to "strongly disagree." The items of the attractivesness dimension are attractive, classy, beautiful, elegant, and sexy. This study added well-made to the choices of fashion attire. The trustworthiness factors are dependable, honest, reliable, sincere, trustworthy. The expertise items include expert, experienced, knowledgeable, qualified, and skilled (Ohanian, 1990). These questions were presented in a matrix table format employing the Likert variation. This research study used characteristics to query participants about the same clothing product being promoted by

an influencer or a micro-influencer. Those factors ask if the product presented is attractive, classy, elegant, beautiful, well-made, and sexy. The influencer had many more likes than the micro-influencer presenting the same product. In the case of Coca-Cola's Instagram posts (See Appendix P, Questions 35 and 36), the participants were queried about the characteristics of the influencer rather than the product. These factors were adopted from Ohanian's Source Crediblity Scale (1990) and include: attractive, class, elegant, honest, sincere, trustworthy, expert, experienced, knowlegeable, and qualified and were presented as a matrix table. See Appendix N for a copy of the research instrument.

To assess whether or not group mean differences exist in perceptions of attractiveness for LimeCrime Eyeshadow advertisements between micro and a major influencer an attractiveness scale was made by combining responses to statements that asked respondents to report their level of agreement that the eyeshadow was "attractive," "classy," "elegant," beautiful," "well-made," and "sexy". These domains of attractiveness have been found to be valid constructs of attractiveness in prior literature (Ohanian, 1990, p. 50).

This study explored participants perceptions of native advertising. An online experiment was administered to 403 MTurk workers. The methods used for this study have been briefly outlined in Chapter Three. In Chapter Four the findings of the study are presented.

CHAPTER FOUR

FINDINGS

Introduction

Native advertising is content that is created to look like surrounding content. This research attempted to assess participants' perceptions of whether content is editorial, advertising or nonmarketing social media posts. Some of the content was reviewed to see if the host provided a halo effect from a prestigious publication or social media influencer. Some content was studied to see if the participants perceived them as separate from the host considering the gestalt concepts of perceptual form including the factors of similarity and proximity (Wertheimer, 1923).

This chapter describes the analysis conducted and the results of the online experiment that included demographic items, Likert-type attitude scales, and scales in a matrix format. Data analysis focused on the perceptions of the study participants.

Sample

The experiment was administered via the Qualtrics online platform to assess the perception, of a broad demographic sample, of native ads in online media. Participants were recruited from Amazon Mechanical Turk online workforce and paid \$1.50 for participating in the online experiment. The population of this research was approximately 250 million adults (U.S. Bureau, 2016) in the United States. At a confidence level of 95%, and with a 5% margin of error, the desired sample was $n \ge 385$. In all, a total of 403 persons participated in the experiment prior to cleaning the data.

Thirteen respondents answered "no" to "do you follow the news?" and thus were directed to the end of the survey. After deleting those 14 cases from the dataset, the final

sample consisted of 389 respondents. The research by Buhrmester et al. (2011) revealed the demographics of the MTurk pool as slightly more diverse than the usual internet sample and significantly more diverse than college samples in the United States. In attention studies, MTurk participants are more attentive than undergraduate samples (Hauser & Schwarz, 2016). It is worth noting that as this sample was obtained from participants who are online, the elderly population may be underrepresented. MTurk is an "excellent resource" for studying young people interested in the news (Huff, C. & Tingley, D., 2015, p.8). Huff and Tingley further state that MTurk is a simple and cost-effective method of obtaining a sample that does not vary greatly from other survey platforms.

As can be seen in Tables 4 and 5, more than 61 percent of the respondents were male, which leaves a ratio of male to female in the sample 10 percent larger than the national average (United States Census Bureau, 2017). Most respondents were employed full time (74.8%) and reported that they watch the news "to stay up to date" on recent topics (88.9%). The mean age of the sample was 36.43 years old (SD = 11.059), which is close to median estimates (37.9) of the national average age of all US citizens (United States Census Bureau, 2016). Eighty-nine percent of the participants reported they had at least some college education (See table 5).

In terms of credibility of news sources, the highest mean-ranked news source was news that came from the websites of major newspapers (M = 3.64, SD = 1.151), followed by news coming from the websites of major television news networks (M = 3.26, SD = 1.190), news coming from online news outlets (M = 2.90, SD = 1.150), and news coming from social media feeds (M = 2.37, SD = 1.122). Most respondents preferred to get their

news from websites of newspapers, magazines, and cable news (M = 3.48, SD = 1.256), followed by "other" sources (M = 2.95, SD = 1.272), other news aggregation websites (M = 2.75, SD = 1.234), and social media feeds (M = 2.64, SD = 1.350). Participants reported a high level of agreement that they try to avoid reading or clicking on advertisements when looking for news online (M = 4.36, SD = .920). Table 4 reports the reports the frequencies and descriptives for the demographic variables of the entire sample.

Frequencies/Descriptives for Demographic Variables

Table 4
Frequency Statistics for Demographics (N=390)

| | Frequency | Percent |
|------------------------------------|-----------|---------|
| Why do you follow the news? | | |
| (n=389) | | |
| To stay up-to date | 346 | 88.9 |
| For entertainment | 22 | 5.7 |
| Unintentionally | 15 | 3.9 |
| Other | 6 | 1.5 |
| Employment Status (<i>n</i> =389) | | |
| Full time | 291 | 74.8 |
| Part time | 31 | 8.0 |
| Student | 22 | 5.7 |
| Contract Worker | 22 | 4.4 |
| Not employed, looking for work | 17 | 1.5 |
| Education $(n=388)$ | | |
| Middle School | 1 | .3 |
| High School/GED | 42 | 10.8 |
| Some college/trade school | 103 | 26.5 |
| Associates Degree/certification | 54 | 13.9 |
| Bachelor's degree | 139 | 35.8 |
| Graduate/advanced degree | 49 | 12.6 |
| Gender (<i>n</i> =390) | | |
| Male | 240 | 61.5 |
| Female | 150 | 38.5 |

Table 5 is a collection of information on participants age and news habits.

Table 5
Aggregate Descriptive Statistics for Demographic Block

| Variable | N | Mean | SD |
|--|-----|-------|--------|
| Age | 390 | 36.43 | 11.059 |
| News is credible if | | | |
| It comes from websites of major newspapers | 389 | 3.64 | 1.151 |
| It comes from websites of major TV news networks | 389 | 3.26 | 1.190 |
| It comes from online news outlets (i.e., Buzzfeed) | 389 | 2.90 | 1.150 |
| It comes from social media feeds (i.e., Facebook) | 389 | 2.37 | 1.122 |
| I prefer to get my news from | | | |
| Social media feeds | 387 | 2.64 | 1.350 |
| Websites of newspapers, magazines, and cable news | 387 | 3.48 | 1.256 |
| Other news aggregation websites | 387 | 2.75 | 1.234 |
| Other sources | 386 | 2.95 | 1.272 |
| I avoid reading or clicking on ads | 390 | 4.36 | .920 |

Table 6 shows mean scores from respondents to perceptions of Instagram postings being an advertisement. The scales ranged from 1 to 5 with response categories including "Definitely not an ad" (1), "Probably not an ad" (2), "Not sure" (3), "Probably an ad" (4), and "Definitely an ad" (5). Higher scores reflect greater agreement that the Instagram posting is an advertisement. Overall, participants felt that the Instagram post by Jessica Alba (M = 4.56, SD = .643), Selena Gomez (M = 4.25, SD = 1.016), and House of Harlow (M = 4.58, SD = .801) were all "definitely advertisements." Interestingly, all of these postings were advertisements that were not labeled with the required Instagram labeling (i.e., #advertisement). The lowest three mean-ranked items were for Jay Rel's Instagram post (M = 1.97, SD = .923), an Instagram post by Susan Lucci (M = 2.34, SD = 1.228), and Amy Poehler's Instagram post (M = 2.54, SD = 1.297). Interestingly, all of those postings are not advertisements.

Table 6
Aggregate Descriptive Statistics for Perceptions of Instagram Postings Being an Advertisement

| | ertisement | | | |
|------|---|------|------|-------|
| Rank | Variable | N | Mean | SD |
| 1 | House of Harlow's Instagram post is an AD ^{ADL} (2.9k) | 193 | 4.58 | .801 |
| 2 | Jessica Alba's Instagram post is an AD ^{ADNL} (110K) | 194 | 4.56 | .643 |
| 3 | Selena Gomez's Instagram post is an AD ^{ADNL} (13,700K) | 195 | 4.25 | 1.016 |
| 4 | Susan Lucci's Instagram post is an AD ^{ADNL} (2.5K) | 196 | 3.75 | 1.234 |
| 5 | Chiara Ferragni's Instagram post is an AD ^{ADNL} (311K) | 195 | 3.72 | 1.460 |
| 6 | Joelwy.n's Instagram post is an AD ^{NO} (62) | 196 | 3.62 | 1.211 |
| 7 | Kourtney Kardashian's Paris Texas Instagram post is an AD ^{ADNL} (970k) | 193 | 3.51 | 1.259 |
| 8 | Kourtney Kardashian's Bahama's Instagram post is an AD ^{ADNL} (397k) | 196 | 3.14 | 1.391 |
| 9 | Baddie Winkle's Instagram post is an AD ^{ADL} (138 k) | 194 | 2.96 | 1.340 |
| 10 | Amy Poehler's Instagram post is an AD ^{NO} (96K) | 195 | 2.54 | 1.297 |
| 11 | Susan Lucci's Instagram post is an AD ^{NO} (3.1K) | 194 | 2.34 | 1.228 |
| 12 | Jay Rel's Instagram post is an AD ^{NO} (592) | 1.97 | 1.99 | .923 |

Note. ADL= labeled advertisement; ADNL= Ad, not labeled; NO= not advertisement; Parenthesis indicate number of likes

Table 7 depicts descriptive statistics to responses to questions about perceptions of an article titled, "Mistakes First-time Homebuyers Should Avoid" published under the auspices of TribLIVE Partner News and TribLIVE. The article published as TribLIVE Partner News had a label depicting that it was an advertisement. The TribLIVE article did not contain a label. Participants were asked to report their level of agreement that each article was "believable," "accurate," "trustworthy," "unbiased" and "complete." The response categories ranged from 1 (strongly disagree) to 5 (strongly agree), with higher

number indicating greater agreement. Overall, participants reported moderate agreement that the article published under the auspices of *TribLIVE Partner News* was believable (M = 3.65, SD = 1.023), accurate (M = 3.40, SD = 1.037), trustworthy (M = 3.12, SD = 1.185), and complete (M = 3.03, SD = 1.213). However, they did feel that it was not unbiased (M = 2.52, SD = 1.289). When respondents were presented with the same article published under the guise of *TribLIVE*, they also reported moderate agreement for perceiving it as believable (M = 3.87, SD = .869), accurate (M = 3.63, SD = .866), trustworthy (M = 3.63, SD = 1.031), and complete (M = 3.23, SD = 1.098). Interestingly, mean scores for *TribLIVE* unbiased (M = 2.96, SD = 1.257) were slightly higher than those for the *TribLIVE Partner News* article, indicating that they may have felt that the article was less biased when it was fictitiously published by *TribLIVE* than when it was published by *TribLIVE Partner News*.

Table 7
Aggregate Descriptive Statistics for Perceptions for Article Titled, "Mistakes First-Time Homebuyers Should Avoid"

| Variable | N | Mean | SD |
|--------------------------------------|-----|------|-------|
| TribLIVE Partner News ^{ADL} | | | |
| Believable | 195 | 3.65 | 1.023 |
| Accurate | 193 | 3.40 | 1.037 |
| Trustworthy | 194 | 3.12 | 1.185 |
| Unbiased | 194 | 2.52 | 1.289 |
| Complete | 194 | 3.03 | 1.213 |
| TribLIVE | | | |
| Believable | 195 | 3.87 | .869 |
| Accurate | 195 | 3.63 | .866 |
| Trustworthy | 195 | 3.44 | 1.031 |
| Unbiased | 194 | 2.96 | 1.257 |
| Complete | 195 | 3.23 | 1.098 |

Note. ADL= labeled advertisement; ADNL= Ad, not labeled

Table 8 depicts descriptive statistics for responses to questions about perceptions of an article titled, "A Student Who Was Suspended After Calling a Congressmen's Office and Demanding Gun Control Won't Be Punished After All" published under the auspices of BuzzFeed and The New York Times. Participants were asked to report their level of agreement that each article was "believable," "accurate," "trustworthy," "unbiased" and "complete." Response categories ranged from 1 (strongly disagree) to 5 (strongly agree), with higher number indicating greater agreement. Overall, participants reported moderate agreement that the article published under the auspices of *Buzzfeed* was believable (M = 3.89, SD = .978), accurate (M = 3.49, SD = .995), trustworthy (M = 3.39, SD = 1.041), unbiased (M = 3.05, SD = 1.179) and complete (M = 3.38, SD = 1.145). When respondents were presented with the same article published under the guise of *The New* York Times, they also reported moderate agreement for perceiving it as accurate (M = 3.59, SD = 1.046), trustworthy (M = 3.74, SD = 1.089), and unbiased (M = 3.20, SD = 1.256). Interestingly, mean scores for believable (M = 4.03, SD = .984) were slightly higher than those for the BuzzFeed article, indicating that participants may have reacted to the halo effect when it was fictitiously published by *The New York Times* than when it was published by *Buzzfeed*.

Table 8
Aggregate Descriptive Statistics for Responses to Article Titled, "A Student Who Was Suspended After Calling a Congressmen's Office and Demanding Gun Control Won't Be Punished After All"

| Variable | N | M | SD |
|--|-----|------|-------|
| Buzzfeed ^{Online Media} | | | _ |
| Believable | 192 | 3.89 | .978 |
| Accurate | 193 | 3.49 | .995 |
| Trustworthy | 193 | 3.39 | 1.041 |
| Unbiased | 192 | 3.05 | 1.179 |
| Complete | 193 | 3.38 | 1.145 |
| New York Times ^{Legacy Media} | | | |
| Believable | 196 | 4.03 | .984 |
| Accurate | 196 | 3.59 | 1.046 |
| Trustworthy | 196 | 3.74 | 1.089 |
| Unbiased | 196 | 3.20 | 1.256 |
| Complete | 196 | 3.49 | 1.183 |

Table 9 depicts descriptive statistics to responses to questions about perceptions of an article titled, "Oregon Daycare Worker Gets 20 Years for Drugging Kids So She Could Go Tanning and to Crossfit" published under the auspices of online-only Raw Story and legacy Cosmopolitan magazine. Participants were asked to report their level of agreement that each article was "believable," "accurate," "trustworthy," "unbiased" and "complete." Response categories ranged from 1 (strongly disagree) to 5 (strongly agree), with higher number indicating greater agreement. Overall, participants reported moderate agreement that the article published under the auspices of Raw Story was believable (M = 3.89, SD = 1.100), accurate (M = 3.71, SD = 1.018), trustworthy (M = 3.61, SD = 1.097), unbiased (M = 3.32, SD = 1.203) and complete (M = 3.55, SD = 1.120). When respondents were presented with the same article published under the guise of Cosmopolitan, they also reported moderate agreement for perceiving it as believable (M

= 3.71, SD = 1.140), accurate (M = 3.44, SD = 1.015), trustworthy (M = 3.42, SD = 1.102), unbiased (M = 3.35, SD = 1.163), and complete (M = 3.37, SD = 1.111).

Table 9
Aggregate Descriptive Statistics for Perceptions of Credibility of Article Titled,
"Oregon Daycare Worker Gets 20 Years for Drugging Kids so She Could Go Tanning
and to Crossfit"

| Variable | N | Mean | SD |
|--------------------------------------|-----|------|-------|
| Raw Story ^{Online Media} | | | |
| Believable | 194 | 3.89 | 1.100 |
| Accurate | 194 | 3.71 | 1.018 |
| Trustworthy | 194 | 3.61 | 1.097 |
| Unbiased | 193 | 3.32 | 1.203 |
| Complete | 194 | 3.55 | 1.120 |
| Cosmopolitan ^{Legacy Media} | | | |
| Believable | 195 | 3.71 | 1.140 |
| Accurate | 195 | 3.44 | 1.015 |
| Trustworthy | 195 | 3.42 | 1.102 |
| Unbiased | 195 | 3.35 | 1.163 |
| Complete | 195 | 3.37 | 1.111 |

Table 10 depicts descriptive statistics for responses to questions designed asking participants to report their level of agreement that an advertisement for LimeCrime eyeshadow from both a major influencer and a micro-influencer are "attractive," "classy," "elegant," "beautiful," "well-made," and "sexy." Response categories ranged from 1 (strongly disagree) to 5 (strongly agree), with higher number indicating greater agreement. As can be seen in table 10, respondents reported moderate agreement that the advertisement from the major influencer was attractive (M = 3.52, SD = 1.278), classy (M = 3.09, SD = 1.311), elegant (M = 3.23, SD = 1.325), beautiful (M = 3.54, SD = 1.246), well-made (M = 3.51, SD = 1.190), and sexy (M = 3.40, SD = 1.293). When presented with a LimeCrime Eyeshadow advertisement from micro-influencer respondents reported moderately strong agreement that the advertisement was attractive

(M = 3.41, SD = 1.193), classy (M = 3.22, SD = 1.198), elegant (M = 3.21, SD = 1.259), beautiful (M = 3.37, SD = 1.254), well-made (M = 3.33, SD = 1.126), and sexy (M = 3.21, SD = 1.221).

Table 10
Aggregate Descriptive Statistics for Perceptions of Instagram Posts for LimeCrime
Eveshadow From Major and Micro-Influencers

| Variable | N | Mean | SD |
|--------------------------------------|-----|------|-------|
| LimeCrime Eyeshadow is ^{MA} | | | |
| Attractive | 195 | 3.52 | 1.278 |
| Classy | 192 | 3.09 | 1.311 |
| Elegant | 195 | 3.23 | 1.325 |
| Beautiful | 193 | 3.54 | 1.246 |
| Well-Made | 195 | 3.51 | 1.190 |
| Sexy | 194 | 3.40 | 1.293 |
| LimeCrime Eyeshadow is ^{MI} | | | |
| Attractive | 194 | 3.41 | 1.193 |
| Classy | 193 | 3.22 | 1.198 |
| Elegant | 193 | 3.21 | 1.259 |
| Beautiful | 194 | 3.37 | 1.254 |
| Well-Made | 194 | 3.33 | 1.126 |
| Sexy | 194 | 3.21 | 1.221 |

Note. MA= major influencer; MI= micro-influencer

Table 11 depicts descriptive statistics for responses to questions designed asking participants to report their level of agreement that an advertisement for Stuart Weitzman boots from both a major influencer and a micro-influencer are "attractive," "classy," "elegant," "beautiful," "well-made," and "sexy." Response categories ranged from 1 (strongly disagree) to 5 (strongly agree), with higher number indicating greater agreement. As can be seen in table 11, respondents reported moderate agreement that the advertisement from the major influencer was attractive (M = 3.51, SD = 1.203), classy (M = 3.20, SD = 1.270), elegant (M = 3.12, SD = 1.277), beautiful (M = 3.31, SD = 1.266), well-made (M = 3.52, SD = 1.121), and sexy (M = 3.51, SD = 1.266). When

presented with a Stuart Weitzman boot advertisement from micro-influencer respondents reported moderately strong agreement that the advertisement was attractive (M = 3.79, SD = 1.039), classy (M = 3.80, SD = 1.041), elegant (M = 3.62, SD = 1.105), beautiful (M = 3.70, SD = 1.085), well-made (M = 3.80, SD = .953), and sexy (M = 3.23, SD = 1.181).

Table 11
Aggregate Descriptive Statistics for Perceptions of Instagram Posts for Stuart
Weitzman Boots From Major and Micro-Influencers

| Variable | N | Mean | SD |
|--|-----|------|-------|
| Stuart Weitzman boots is ^{MA} | | | |
| Attractive | 195 | 3.51 | 1.203 |
| Classy | 194 | 3.20 | 1.270 |
| Elegant | 195 | 3.12 | 1.277 |
| Beautiful | 194 | 3.31 | 1.266 |
| Well-Made | 194 | 3.52 | 1.121 |
| Sexy | 195 | 3.51 | 1.266 |
| Stuart Weitzman boots is ^{MI} | | | |
| Attractive | 194 | 3.79 | 1.039 |
| Classy | 194 | 3.80 | 1.041 |
| Elegant | 194 | 3.62 | 1.105 |
| Beautiful | 194 | 3.70 | 1.085 |
| Well-Made | 194 | 3.80 | .953 |
| Sexy | 193 | 3.23 | 1.181 |

Note. MA= major influencer; MI= micro-influencer

Table 12 depicts descriptive statistics for responses to questions designed asking participants to report their level of agreement that an Instagram post for Coca-Cola products from both a major influencer and a micro-influencer are "attractive," "classy," "honest," "sincere," "trustworthy," expert," and "knowledgeable." Response categories ranged from 1 (strongly disagree) to 5 (strongly agree), with higher number indicating greater agreement. As can be seen in table 12, respondents reported moderate agreement that the advertisement from the major influencer was attractive (M = 3.71, SD = 1.046),

classy (M = 3.40, SD = 1.071), honest (M = 3.09, SD = 1.066), trustworthy (M = 3.04, SD = 1.100), expert (M = 2.93, SD = 1.1103), and knowledgeable (M = 3.10, SD = 1.106). When presented with a Coca-Cola Instagram post boot from micro-influencer respondents reported moderately strong agreement that the advertisement was attractive (M = 3.73, SD = 1.087), classy (M = 3.26, SD = 1.155), honest (M = 3.13, SD = 1.091), sincere (M = 2.99, SD = 1.142), trustworthy (M = 3.07, SD = 1.126), expert (M = 2.91, SD = 1.192) and Knowledgeable (M = 3.02, SD = 1.189).

Table 12
Aggregate Descriptive Statistics for Perceptions of Instagram Posts for Coca-Cola
Products From Major and Micro-Influencers

| Variable | N | Mean | SD |
|--|-----|------|-------|
| This spring break Coca-Cola Instagram poster | | | |
| is ^{MA} | | | |
| Attractive | 195 | 3.71 | 1.046 |
| Classy | 193 | 3.40 | 1.071 |
| Honest | 194 | 3.09 | 1.066 |
| Sincere | 194 | 3.09 | 1.102 |
| Trustworthy | 195 | 3.04 | 1.100 |
| Expert | 194 | 2.93 | 1.103 |
| Knowledgeable | 194 | 3.10 | 1.106 |
| This spring break Coca-Cola Instagram poster | | | |
| is ^{MI} | | | |
| Attractive | 194 | 3.73 | 1.087 |
| Classy | 194 | 3.26 | 1.155 |
| Honest | 194 | 3.13 | 1.091 |
| Sincere | 192 | 2.99 | 1.142 |
| Trustworthy | 191 | 3.07 | 1.126 |
| Expert | 194 | 2.91 | 1.192 |
| Knowledgeable | 194 | 3.02 | 1.189 |

Note. MA= major influencer; MI= micro-influencer

Table 13 depicts descriptive statistics for responses to questions designed asking participants to report their level of agreement that an Instagram post for a Blue Marthina Lounge Set from both a major influencer and a micro-influencer are "attractive,"

"classy," "elegant," "beautiful," "well-made," and "sexy." Response categories ranged from 1 (strongly disagree) to 5 (strongly agree), with higher number indicating greater agreement. As can be seen in Table 13, respondents reported moderate disagreement that the advertisement from the major influencer was attractive (M = 2.40, SD = 1.2227), classy (M = 2.30, SD = 1.236), elegant (M = 2.24, SD = 1.237), beautiful (M = 2.37, SD=1.220), well-made (M=2.91, SD=1.253), and sexy (M=2.12, SD=1.239). When presented with a posting for a Blue Marthina Lounge set from a micro-influencer, respondents reported moderately strong disagreement that the advertisement was attractive (M = 2.97, SD = 1.327), classy (M = 2.35, SD=1.305), elegant (M=2.38, SD=1.343), beautiful (M=2.71, SD=1.304), and well-made (M = 2.96, SD = 1.227). Interestingly, respondents reported moderate agreement that it is sexy (M = 3.15, SD = 1.368).

Table 13
Aggregate Descriptive Statistics for Perceptions of Instagram Posts From Major and Micro-Influencers

| Variable | N | Mean | SD |
|--|-----|------|-------|
| This "Blue Marthina Lounge Set" appears to | | | |
| be ^{MA} | | | |
| Attractive | 194 | 2.40 | 1.227 |
| Classy | 194 | 2.30 | 1.236 |
| Elegant | 194 | 2.24 | 1.237 |
| Beautiful | 194 | 2.37 | 1.220 |
| Well-Made | 193 | 2.91 | 1.253 |
| Sexy | 194 | 2.12 | 1.239 |
| Variable This "Blue Marthina Lounge Set" appears | | | |
| to be^{MI} | | | |
| Attractive | 195 | 2.97 | 1.327 |
| Classy | 195 | 2.35 | 1.305 |
| Elegant | 195 | 2.38 | 1.343 |
| Beautiful | 195 | 2.71 | 1.304 |
| Well-Made | 194 | 2.96 | 1.227 |
| Sexy | 194 | 3.15 | 1.368 |

Note. MA=Major Influencer; MI= Micro-Influencer

Table 14 depicts descriptive statistics to responses to questions about perceptions of an article titled, "UNICEF's Innovation Fund Backs Tech Start-ups That Aim to Change the Lives of Children in Need" published under the auspices of Forbes

BrandVoice (the native advertising unit of Forbes magazine) and Forbes. The Forbes

BrandVoice label may not indicate to readers that the content is advertising. Participants were asked to report their level of agreement that each article was "believable,"

"accurate," "trustworthy," "unbiased," "complete," "news," and "advertising." Response categories ranged from 1 (strongly disagree) to 5 (strongly agree), with higher number indicating greater agreement. Overall, participants reported moderate agreement that the article published under the auspices of Forbes BrandVoice, with a label indicating it was an advertisement, was accurate (M = 3.84, SD = .919), trustworthy (M = 3.88, SD =

.939), unbiased (M = 3.22, SD = 1.228), complete (M = 3.59, SD = 1.077), news (M = 3.64, SD = 1.179), and advertising (M = 3.31, SD = 1.287). Interestingly, compared to the other dimensions, participants were more likely to agree that the article was believable (M = 4.05, SD = .896). When respondents were presented with the same article with a without the euphamistic label as a *Forbes* article similar results were found. For instance, participants reported moderate agreement for perceiving it as accurate (M = 3.90, SD = .881), trustworthy (M = 3.92, SD = .937), unbiased (M = 3.32, SD = 1.145), complete (M = 3.68, SD = 1.051), news (M = 3.75, SD = 1.165) and advertising (M = 3.26, SD = 1.269). They also reported moderately strong agreement that it was believable (M = 4.17, SD = .812).

Table 14
Aggregate Descriptive Statistics for Perceptions of Article Titled, "UNICEF's
Innovation Fund Backs Tech Start-Ups That Aim to Change the Lives of Children in
Need"

| Variable | N | Mean | SD |
|----------------------------------|-----|------|-------|
| Forbes BrandVoice ^{ADL} | | | |
| Believable | 196 | 4.05 | .896 |
| Accurate | 196 | 3.84 | .919 |
| Trustworthy | 194 | 3.88 | .939 |
| Unbiased | 194 | 3.22 | 1.228 |
| Complete | 195 | 3.59 | 1.077 |
| News | 196 | 3.64 | 1.179 |
| Advertising | 195 | 3.31 | 1.287 |
| Forbes ^{ADNL} | | | |
| Believable | 193 | 4.17 | .812 |
| Accurate | 193 | 3.90 | .881 |
| Trustworthy | 192 | 3.92 | .937 |
| Unbiased | 193 | 3.32 | 1.145 |
| Complete | 193 | 3.68 | 1.051 |
| News | 193 | 3.75 | 1.165 |
| Advertising | 193 | 3.26 | 1.269 |

Note. ADL= Labeled advertisement; ADNL= not labeled advertisement

Table 15 depicts descriptive statistics to responses to questions about perceptions of an article, labeled as "Partner News" (their jargon for an advertisement), entitled, "Year-round Irish Culture: Pittsburgh is Greener Than You Realize" published by TribLIVE. Participants were asked to report their level of agreement that each article was "believable," "accurate," "trustworthy," "unbiased" "complete," "news," and "advertising." Response categories ranged from 1 (strongly disagree) to 5 (strongly agree), with higher number indicating greater agreement. Overall, participants reported moderately strong agreement that the article was believable (M = 3.83, SD = .926), accurate (M = 3.53, SD = .907), trustworthy (M = 3.48, SD = .958), complete (M = 3.32, SD = 1.020), and advertising (M = 3.48, SD = 1.204). They reported moderate disagreement that the article was unbiased (M = 2.93, SD = 1.157), and news (M = 2.89, SD = 1.209).

Table 15
Aggregate Descriptive Statistics for Perceptions of Credibility of Article Titled, "Year-Round Irish Culture: Pittsburgh Is Greener Than You Realize"

| Variable | N | Mean | SD |
|-------------------------|-----|------|-------|
| TRIBLIVE ^{ADL} | | | |
| Believable | 193 | 3.83 | .926 |
| Accurate | 193 | 3.53 | .907 |
| Trustworthy | 193 | 3.48 | .958 |
| Unbiased | 193 | 2.93 | 1.157 |
| Complete | 193 | 3.32 | 1.020 |
| News | 193 | 2.89 | 1.209 |
| Advertising | 193 | 3.48 | 1.204 |

Note. ADL= Labeled Advertisement (Partner News)

Table 16 depicts descriptive statistics to responses to questions about perceptions of an article, labeled as an advertisement, entitled, "How to Reduce Your Carbon Footprint" published by the New York Times. Participants were asked to report their level of agreement that each article was "believable," "accurate," "trustworthy,"

"unbiased" "complete," "news," and "advertising." Response categories ranged from 1 (strongly disagree) to 5 (strongly agree), with higher number indicating greater agreement. Overall, participants reported moderately strong agreement that the article was unbiased (M = 3.37, SD = 1.256), complete (M = 3.63, SD = 1.134), and news (M = 3.40, SD = 1.315). Overall, most respondents felt that it was believable (M = 4.22, SD = .876), accurate (M = 4.10, SD = .886), and trustworthy (M = 4.09, SD = .949).

Respondents reported moderate disagreement that the article was advertising (M = 2.93, SD = 1.157).

Table 16
Aggregate Descriptive Statistics for Perceptions of Credibility of Article Titled, "How to Reduce Your Carbon Footprint"

| Variable | N | Mean | SD |
|------------------------------|-----|------|-------|
| New York Times ^{NO} | | | |
| Believable | 196 | 4.22 | .876 |
| Accurate | 196 | 4.10 | .886 |
| Trustworthy | 196 | 4.09 | .949 |
| Unbiased | 196 | 3.37 | 1.256 |
| Complete | 195 | 3.63 | 1.134 |
| News | 196 | 3.40 | 1.315 |
| Advertising | 196 | 2.43 | 1.313 |

Note. NO= Not an advertisement

Hypothesis Testing

As a note on normality, the Kolmogorov-Smirnov and Shapiro-Wilk tests were statistically significant for the dependent variable in every scale variable described below. This indicates that the data is not normally distributed. Further, visual inspection of histograms and Normal Q-Q plots confirmed this finding as data points are not clustered in a solid linear line and data does not fall on the normal curve. This indicates that non-parametric statistics should be used (i.e., Mann-Whitney U, Kruskal-Wallis) instead of parametric tests as parametric statistics may not produce the most robust

statistic (Pallant, 2010). Thus, a decision was made to use non-parametric tests to test for differences between the two experimental groups for all research questions.

R1: Do users conflate native ads and editorial content?

• H1.1: There is a statistically significant group median difference in scores for recognition of marketing material between those exposed to homepages of news agencies that include advertisements in native settings and those that are exposed to homepages that do not include advertisements in native formats.

To test this hypothesis, all participants were presented with a sample website homepage. The stimulus presented to the experimental group (N=195) was a screen shot of a website homepage containing native advertisements published under the auspices of TribLive (Question 20). A similar homepage which did not contain native advertisements published under the auspices of the $New\ York\ Times$ (Question 21) was presented to the other experimental group (N = 195). Both groups were asked to report their level of agreement that the website homepage contained advertisements. A Mann-Whitney U test was used to test if this group median difference was statistically significant.

As seen in table 17, a Mann-Whitney U test revealed no significant differences in median scores for advertisement recognition between those exposed to marketing material in a native format (Md = 4.00, n = 195) and those exposed to marketing material in a non-native format (Md = 4.00, n = 195) (U = 18258, p = .482). Therefore, there is no statistically significant group mean difference found in the recognition of advertisement between those exposed to marketing material in native environments and those exposed to marketing material non-native settings. H1.1 is not

supported. Participants report similar levels of agreement that homepages contain advertisements for those that are in native and non-native settings.

Table 17
Perceptions of Marketing Material in a Native and Non-Native Format

| | N | M | SD |
|--|-----|------|-------|
| Does TribLIVE homepage have ads on it? Native | 195 | 3.48 | 1.386 |
| Does New York Times Homepage have ads on it? ^{No} | 195 | 3.56 | 1.396 |

Note. Native= Native Advertisement, No= No ads

A further interest of this study was to see if there were differences in ability to recognize advertisements across key demographic characteristics. Specifically, focus was directed to see if there were demographic differences based on gender, age, and educational attainment. To test for differences in recognition of advertisements, a series of non-parametric tests (e.g., Mann-Whitney U, Kruskal-Wallis) were ran. Tables 18 and 19 present results from those outputs.

As seen in table 18 there was no statistically significant differences in recognition of advertisements between genders (U = 17306, p = .506). Males (Md= 4.00) and females (Md = 4.00) reported the same level of recognition across posting types.

Table 18
Mann-Whitney U Test Comparing Median Scores for Recognition of Advertisements
Between Genders

| Group | N | Md | U | P |
|--------|-----|------|-------|------|
| Male | 240 | 4.00 | 17306 | .506 |
| Female | 150 | 4.00 | | |

Note. Results from a two-tailed test

Table 19 presents results from Kruskal-Wallis tests for differences in recognition scores across age groups and levels of educational attainment. The Kruskal-Wallis test is the non-parametric alternative to the one-way Analysis of Variance. Given that the data was abnormally distributed, this test was most appropriate to run. As seen in Table 19, there was no difference in recognition between age groups ($X^2 = .707$, p = .702) or

between levels of educational attainment ($X^2 = 1.342$, p = .511). All types of respondents reported moderately strong scores for recognitions of advertisements.

Table 19
Kruskal-Wallis Test Comparing Scores for Recognition of Advertisements by Age and Educational Attainment

| Variable/Group | N | M | X^2 | P |
|------------------------|-----|------|-------|------|
| Age | | | | |
| 18-29 | 120 | 3.58 | .707 | .702 |
| 30-39 | 155 | 3.53 | | |
| 40+ | 115 | 3.45 | | |
| Educational attainment | | | | |
| HS or less | 43 | 3.67 | 1.342 | .511 |
| College | 296 | 3.48 | | |
| Advanced Degree | 49 | 3.61 | | |

Note. Results from a two-tailed test

R2: Does the attachment of an ad label help consumers to recognize native ads?

• H.2.1: There will be a group mean difference in recognition of advertisements between those exposed to advertisements with labels and those exposed to advertisements without labels.

To answer this question, participants were exposed to articles published by Forbes. The first experimental group (N=195) was presented with an article titled "UNICEF's Innovation Fund Backs Tech Start-Ups That Aim to change The Lives of Children In Need" which was a labeled "Forbes BrandVoice" (the magazine's native and sponsored content creation arm) and "UNICEF USAVoice" in lieu of the term "advertisement" (Question 39). The other experimental group was exposed to a similar article published under the auspices of Forbes which did not contain a label indicating that it was an advertisement (Question 40). Both groups were asked to indicate their level of agreement/disagreement, on a 5-point Likert scale (1=SD, 5= SA), that the article

was 1) believable, 2) accurate, 3) trustworthy, 4) unbiased, 5) complete, 6) news, and 7) advertising. Table 20 depicts the descriptive findings from these questions.

Table 20
Aggregate Descriptives for Domains of Recognition for Article Titled,
"UNICEF's Innovation Fund Backs Tech Start-Ups That Aim to Change the
Lives of Children in Need"

| Variable | N | Mean | SD | α |
|-------------------------------|-----|------|-------|------|
| Forbes BrandVoiceADL | | | | |
| Recognition Scale | 195 | 3.16 | 1.04 | |
| News | 196 | 3.64 | 1.179 | |
| Advertising ^r | 195 | 3.31 | 1.287 | |
| Forbes | | | | |
| Recognition Scale | 193 | 3.24 | 1.01 | |
| News | 193 | 3.75 | 1.165 | |
| Advertising ^r | 193 | 3.26 | 1.269 | |
| Recognition Scale (aggregate) | 388 | 3.20 | 1.03 | .580 |

Note. ADL= Labeled advertisement; ADNL= not labeled advertisement, r= reverse coded.

To better assess participants' recognition of advertisements in native and nonnative environments, a recognition scale was made by combining responses to two items that asked respondents to report their level of agreement that an article entitled, "UNICEF's Innovation Fund Backs Tech Start-ups That Aim to Change the Lives of Children in Need" was "news" or an "advertisement." Before this could be done though, score for "news" were reverse coded so that the scales were assessing concepts in a similar direction. If one sees an article as advertisement, then it shouldn't also be seen as news. An additive scale was needed, so reverse coding was warranted. While the reliability of the recognition scale ($\alpha = .580$) was slightly lower than the widely accepted standard ($\alpha = .70$, DeVellis, 2012), this alpha is likely sensitive to the small number of items in the scale. Briggs and Cheek (1986) suggest since the mean inter-item correlation (.410) for the items is above .2, this scale can be regarded as reliable. Here again, the dependent variable was not normally distributed. And while both an independent samples t-test and Mann-Whitney U test were run, a decision was made to report the non-parametric alternative given this assumption violation. Regardless, the t-test produced similar results, and thus the findings are robust.

As depicted in Table 21, a Mann-Whitney U test found no statistically significant differences in median scores for recognition of advertisement between those exposed to media sources with labeled advertisements (Md = 3.00, n = 195) and those exposed to media sources with unlabeled advertisements (Md = 3.00, n = 193; U = 17913, p = .408). Therefore, there is no statistically significant group median difference in recognition of advertisement for those exposed to media sources with labeled advertisements and those exposed to media sources with unlabeled advertisements. And thus, at least for articles, the attachment of a pseudo ad label does not appear to help consumers to recognize native ads.

Table 21
Mann-Whitney U Test Comparing Median Scores of Domains of Advertisement
Recognition Between Those Exposed to a Labeled Media Source and Those Exposed to a
Non-Labeled Media Source

| Group (Stimuli) | N | Md | U | P | |
|-----------------|-----|------|-------|------|--|
| Labeled | 195 | 3.00 | 17913 | .408 | |
| Unlabeled | 193 | 3.00 | | | |

To help test the auxiliary research question "Does ability to recognize advertisements differ by demographic characteristics such as gender, age, and educational attainment?"—a series of non-parametric tests were run. Tables 22 and 23 present results from those outputs. As seen in Table 22, no significant difference in recognition of advertisements was found to exist between genders (U

= 17325, p = .622). Males (Md= 3.00) and females (Md= 3.00) reported the same median score for recognition of advertisements.

Table 22

Mann-Whitney U Test Comparing Median Scores for Recognition of Advertisements
Between Genders

| Group | N | Md | U | \overline{P} |
|--------|-----|------|-------|----------------|
| Male | 238 | 3.00 | 17325 | .622 |
| Female | 150 | 3.00 | | |

Note. Results from a two-tailed test

Table 23 presents results from Kruskal-Wallis tests comparing mean-ranked scores for recognition of advertisements by age and educational attainment. As can be seen in Table 23, a statistically significant group difference in ranked mean recognition scores was found to exist between age groups ($X^2 = 11.042$, p = .004). Interestingly, results from this analysis show that those who were over the age of 40 reported lower recognition scores than did those who were younger. No statistically significant group mean difference was found to exist between levels of educational attainment ($X^2 = 11.042$, p = .004).

Table 23
Kruskal-Wallis Test Comparing Scores for Recognition of Advertisements by Age and Educational Attainment

| Variable/Group | N | M | X^2 | P |
|------------------------|-----|------|--------|------|
| Age | | | | |
| 18-29 | 119 | 3.42 | 11.042 | .004 |
| 30-39 | 154 | 3.24 | | |
| 40+ | 115 | 2.93 | | |
| Educational attainment | | | | |
| HS or less | 43 | 3.06 | 1.167 | .558 |
| College | 294 | 3.23 | | |
| Advanced Degree | 49 | 3.18 | | |

Note. Results from a two-tailed test

To further test the second research question, "Does the attachment of an ad label help consumers to recognize native ads?" participants were exposed to a series of Instagram postings with labeled and unlabeled advertisements. The first experimental group was exposed to postings that were advertisements but were not labeled. The second group was exposed to postings that were either labeled advertisements or not advertisements at all. The specific hypothesis for this part of the analysis was:

• H.2.2: Participants will report higher scores for advertisement recognition for advertisements that are labeled then those that are not labeled.

Table 24 shows mean scores from respondents to perceptions of Instagram postings being an advertisement. The scales ranged from 1 to 5 with response categories including "Definitely not an ad" (1), "Probably not an ad" (2), "Not sure" (3), "Probably an ad" (4), and "Definitely an ad" (5). Higher scores reflect greater agreement that the Instagram posting is an advertisement. Overall, participants felt that the Instagram post by Jessica Alba (M = 4.56, SD = .643), Selena Gomez (M = 4.25, SD = 1.016), and House of Harlow (M = 4.58, SD = .801) were all "definitely advertisements." Interestingly, all these postings were advertisements that were not labeled with the required Instagram labeling (i.e., #advertisement). The lowest three mean-ranked items were for Jay Rel's Instagram post (M = 1.97, SD = .923), an Instagram post by Susan Lucci (M = 2.34, SD = 1.228), and Amy Poehler's Instagram post (M = 2.54, SD = 1.228) 1.297). Curiously, all those postings are not advertisements. In total, the average of the mean scores for labeled ads was 3.77, and the average of the mean scores for the advertisements not labeled was slightly higher at 3.82. The average of the mean scores of postings that were not advertisements was 2.62. This seems to suggest that participants can recognize Instagram postings that are unlabeled advertisements as advertisements. The attachment of an ad label does not help consumers to recognize the

native ads placed by celebrities, as they are good at recognizing unlabeled advertisements as such.

Table 24
Aggregate Descriptives for Perceptions of Instagram Postings Being an Advertisement

| Rank | Variable | N | Mean | SD |
|------|--|------|------|-------|
| 1 | House of Harlow's Instagram post is an AD ^{ADL} (2.9k) | 193 | 4.58 | .801 |
| 2 | Jessica Alba's Instagram post is an ADADNL (110K) | 194 | 4.56 | .643 |
| 3 | Selena Gomez's Instagram post is an AD ^{ADNL} (13,700K) | 195 | 4.25 | 1.016 |
| 4 | Susan Lucci's Instagram post is an AD ^{ADNL} (2.5K) | 196 | 3.75 | 1.234 |
| 5 | Chiara Ferragni's Instagram post is an ADADNL (311K) | 195 | 3.72 | 1.460 |
| 6 | Joelwy.n's Instagram post is an AD ^{NO} (62) | 196 | 3.62 | 1.211 |
| 7 | Kourtney Kardashian's Paris Texas Instagram post is an AD ^{ADNL} (970k) | 193 | 3.51 | 1.259 |
| 8 | Kourtney Kardashian's Bahama's Instagram post is an AD ^{ADNL} (397k) | 196 | 3.14 | 1.391 |
| 9 | Baddie Winkle's Instagram post is an AD ^{ADL} (138 k) | 194 | 2.96 | 1.340 |
| 10 | Amy Poehler's Instagram post is an AD ^{NO} (96K) | 195 | 2.54 | 1.297 |
| 11 | Susan Lucci's Instagram post is an AD ^{NO} (3.1K) | 194 | 2.34 | 1.228 |
| 12 | Jay Rel's Instagram post is an AD ^{NO} (592) | 1.97 | 1.99 | .923 |

Note. ADL= labeled advertisement; ADNL= Ad, not labeled; NO= not advertisement; Parenthesis indicate number of likes

RQ3: Does the perceived legitimacy of the spokesperson offer native advertising content a halo effect?

H.3.1: Those exposed to endorsements made by major influencers will report
higher perceptions of attractiveness than those exposed to postings made by
micro-influencers.

To test this hypothesis, respondents were presented with a series of advertisements and postings made by micro and major influencers. Here, the stimulus

was the type of influencer—micro or major. Macro influencers were those postings or posters who had a higher number of followers or likes. The first experimental group was exposed to an advertisements and postings from major influencers, whereas the second group was exposed to similar postings made by micro-influencers. In all, four different pairings of micro/major stimuli were presented to participants. Results are discussed below.

First, participants in one experimental group were presented with an advertisement for LimeCrime eyeshadow (Question 31) made by a major influencer (57,746 likes), and asked to report their level of agreement, on a 5-point Likert scale (1= SD, 5= SA), that the advertisement was 1) attractive, 2) classy, 3) elegant, 4) beautiful, 5) well-made, and 6) sexy. The other group was presented with a similar advertisement (Question 32) for LimeCrime eye shadow made by a micro-influencer (179 likes) and asked the same questions. Table 25 reflects mean responses for these questions.

Table 25
Aggregate Descriptives for Perceptions of a LimeCrime Eyeshadow Instagram
Advertisement From a Major Influencer and a Micro-Influencer

| Variable | Likes | N | Mean | SD | α |
|--------------------------------------|--------|-----|------|-------|------|
| LimeCrime Eyeshadow is ^{MA} | 57,746 | | | | |
| Attractive | | 195 | 3.52 | 1.278 | |
| Classy | | 192 | 3.09 | 1.311 | |
| Elegant | | 195 | 3.23 | 1.325 | |
| Beautiful | | 193 | 3.54 | 1.246 | |
| Well-Made | | 195 | 3.51 | 1.190 | |
| Sexy | | 194 | 3.40 | 1.293 | |
| LimeCrime Eyeshadow is [™] | 179 | | | | |
| Attractive | | 194 | 3.41 | 1.193 | |
| Classy | | 193 | 3.22 | 1.198 | |
| Elegant | | 193 | 3.21 | 1.259 | |
| Beautiful | | 194 | 3.37 | 1.254 | |
| Well-Made | | 194 | 3.33 | 1.126 | |
| Sexy | | 194 | 3.21 | 1.221 | |
| Attractiveness Scale | | 381 | 3.34 | 1.11 | .913 |
| Major Influencer | | 190 | 3.39 | 1.14 | |
| Micro-Influencer | | 192 | 3.30 | 1.08 | |

Note. MA=Major Influencer; MI= Micro-Influencer

To see if there were group median differences in perceptions of attractiveness, an attractiveness scale was created by combining the six variables into one standardized measure. A composite score was created by combining response scores ranging from 1 to 5 for each question. The composite score was then divided by the number of items (6) to average the results for ease of interpretation. The final scale ranged from 1 to 5 with higher numbers reflecting more agreement that the posting was attractive. Analysis of Cronbach's alpha (α = .913) suggests good internal consistency (> α = .70, DeVellis, 2012).

As noted above, a Mann-Whitney U test was used because the assumption of normality for a t-test was not met. As can be seen in Table 26, the median score was 3.50

for the one experimental, and 3.58 for the other group. These data suggest that most participants reported a moderately strong agreement that the postings were attractive.

Table 26
Mann-Whitney U Test Comparing Perceptions of Attractiveness
for LimeCrime Eyeshadow Instagram Postings by Major and Micro-Influencers

| Group (Stimuli) | N | Md | U | P |
|------------------|-----|------|-------|------|
| Major Influencer | 190 | 3.50 | 17364 | .416 |
| Micro-Influencer | 192 | 3.58 | | |

Next, all participants were presented with an Instagram posting for Stuart Weitzman boots. The one experimental group was presented with a posting (Question 33) made by a major influencer (11,329 likes). The other group was presented with a similar posting (Question 34) advertising Stuart Weitzman boots made by a micro-influencer (797 likes). Both groups were asked to report their level of agreement, on a 5-point Likert Scale (1=SD, 5= SA), that the boots appear 1) attractive, 2) classy, 3) elegant, 4) beautiful, 5) well-made, and 6) sexy.

Here again to help test for differences in scores for perceptions of attractiveness between the one experimental group and other group, an attractiveness scale was created by combining the six variables into one standardized measure. Similar to the method employed for the analysis above, a composite score was created by combining response scores ranging from 1 to 5 for each question. The composite score was then divided by the number of items (6) to average the results for ease of interpretation. The final scale ranged from 1 to 5 with higher numbers reflecting more agreement that the posting was attractive. Analysis of Cronbach's alpha (α = .926) suggests good internal consistency (α = .70, DeVellis, 2012).

Table 27
Descriptives for Perceptions of Stuart Weitzman Boot Advertisement From a
Major Influencer and a Micro-Influencer

| Variable | Likes | N | Mean | SD | α |
|----------------------------|--------|-----|------|-------|------|
| The Stuart Weitzman | 11,329 | | | | |
| boots appear ^{MA} | | | | | |
| Attractive | | 195 | 3.51 | 1.203 | |
| Classy | | 194 | 3.20 | 1.270 | |
| Elegant | | 195 | 3.12 | 1.277 | |
| Beautiful | | 194 | 3.31 | 1.266 | |
| Well-Made | | 194 | 3.52 | 1.121 | |
| Sexy | | 195 | 3.51 | 1.266 | |
| The Stuart Weitzman | 797 | | | | |
| boots appear ^{MI} | | | | | |
| Attractive | | 194 | 3.79 | 1.039 | |
| Classy | | 194 | 3.80 | 1.041 | |
| Elegant | | 194 | 3.62 | 1.105 | |
| Beautiful | | 194 | 3.70 | 1.085 | |
| Well-Made | | 194 | 3.80 | .953 | |
| Sexy | | 193 | 3.23 | 1.181 | |
| Attractiveness Scale | | 385 | 3.50 | 1.00 | .926 |
| Major Influencer | | 192 | 3.35 | 1.07 | |
| Micro-Influencer | | 193 | 3.66 | .914 | |

Note. MA=Major Influencer; MI= Micro-Influencer

As can been seen in Table 28, the median score for perceptions of attractiveness for the experimental group (N=192) was 3.50, and the median score for the other group (N=193) was 3.83. Here again, this suggests that both groups perceive the boots as moderately attractive. However, a Mann-Whitney U test revealed significant differences in perceptions of Attractiveness for Stuart Weitzman between the two experimental groups (U=15609, p=.007). Therefore, this research concludes that there is a statistically significant group mean difference in perceptions of Attractiveness for postings made by a major influencer compared to micro-influencers in this example. Interestingly, the difference was not in the anticipated direction. Perceptions of attractiveness were actually higher for the group exposed to the micro-influencer.

Table 28
Mann-Whitney U Test Comparing Perceptions of Attractiveness of Stuart Weitzman
Boots Posted by Major and Micro-Influencers

| Group (Stimuli) | N | Md | U | P |
|------------------|-----|------|-------|------|
| Major Influencer | 192 | 3.50 | 15609 | .007 |
| Micro-Influencer | 193 | 3.83 | | |

A third pairing of advertisements made by major and micro-influencers were presented to participants. This time they were presented with advertisements for Coca-Cola. The one experimental group was presented with posting (Question 35) for Coca-Cola made by a major influencer (55,311 views) and the other group was presented with a posting (Question 36) made by a micro-influencer (15,937) views. This time both groups were asked slightly different questions designed to assess their perceptions of the posting as attractive, honest, and expert. Specifically, both groups were asked to report their level of agreement that the Instagram posting was 1) attractive, 2) classy, 3) honest, 4) sincere, 5) trustworthy, 6) expert, and 7) knowledgeable.

To test for group differences in perceptions of the Coca-Cola advertisement. To help facilitate this comparison, three semantic differential scales were created—attractive scale, honesty scale, expert scale. An attractiveness scale was constructed by combining and averaging scores to perceptions of attractive and classy. Analysis of Cronbach's Alpha suggests good internal consistency (α >.70, DeVellis,2012). A second scale was created to assess perceptions of trustworthiness. This scale was created by combining and averaging responses to statements saying that the posts were "honest," "sincere," and "trustworthy." Analysis of Cronbach's alpha suggests good internal consistency (α >.70, DeVellis,2012). A third scale, designed to assess perceptions of expertise, was created by combining scores from responses to two statements asking respondents to report their level of agreement that the post was "expert" and "Knowledgeable." Analysis of

Cronbach's alpha also suggests good internal consistency for this scale (α >.70, DeVellis,2012). Overall, scores in the three domains were higher for those exposed to postings made by major influencers than exposed to postings made by minor influencers.

Table 29
Aggregate Descriptives for Perceptions of a Coca-Cola Ad From a Major and Micro Instagram Influencer

| Variable | Likes | N | Mean | SD |
|---------------------------------------|--------|-----|------|-------|
| This spring break Coca-Cola Instagram | 55,311 | | | |
| poster is ^{MA} | | | | |
| Attractive Scale | | 193 | 3.55 | .947 |
| Attractive | | 195 | 3.71 | 1.046 |
| Classy | | 193 | 3.40 | 1.071 |
| Honesty Scale | | 193 | 3.02 | .983 |
| Honest | | 194 | 3.09 | 1.066 |
| Sincere | | 194 | 3.09 | 1.102 |
| Trustworthy | | 195 | 3.04 | 1.100 |
| Expert Scale | | 191 | 3.29 | .822 |
| Expert | | 194 | 2.93 | 1.103 |
| Knowledgeable | | 194 | 3.10 | 1.106 |
| This spring break Coca-Cola Instagram | 15,937 | | | |
| poster is ^{MI} | | | | |
| Attract Scale | | 194 | 3.50 | 1.01 |
| Attractive | | 194 | 3.73 | 1.087 |
| Classy | | 194 | 3.26 | 1.155 |
| Honesty Scale | | 191 | 2.99 | 1.051 |
| Honest | | 194 | 3.13 | 1.091 |
| Sincere | | 192 | 2.99 | 1.142 |
| Trustworthy | | 191 | 3.07 | 1.126 |
| Expert Scale | | 191 | 3.23 | .913 |
| Expert | | 194 | 2.91 | 1.192 |
| Knowledgeable | | 194 | 3.02 | 1.189 |

Note. MA= Major Influencer, MI=Micro-Influencer

To test for differences in median scores, a series of Mann-Whitney U tests were run. Tables 30, 31, and 32 display results from these analyses. Mann-Whitney U test revealed no significant group median differences in perceptions of Attractiveness between the experimental group (Md=3.50, n=193) and the other experimental group

(*Md*= 3.50, n=194; U=18506, p=.843). Similarly, a Mann-Whitney U test revealed no significant group median differences in perceptions of knowledge between the first experimental group (Md= 3.00, n=193) and the second experimental group (Md= 3.00, n=191; U=17937, p=.647). A Mann-Whitney U test revealed no significant group median differences in perceptions of expert between the one experimental (*Md*= 3.41, n=191) and the other experimental group (*Md*= 3.33, n=191; U=17776, p=.667). These findings provide further support for the null hypothesis.

Table 30

Mann-Whitney U Test Comparing Perceptions of Attractiveness of Instagram Postings
Advertising Coca-Cola Made by Major and Micro-Influencers

| Group (Stimuli) | N | Md | U | P |
|------------------|-----|------|-------|------|
| Major Influencer | 193 | 3.50 | 18506 | .843 |
| Micro-Influencer | 194 | 3.50 | | |

Table 31
Mann-Whitney U Test Comparing Perceptions of Knowledge of Instagram Postings
Advertising Coca-Cola Made by Major and Micro-Influencers

| Group (Stimuli) | N | Md | U | P |
|------------------|-----|------|-------|------|
| Major Influencer | 193 | 3.00 | 17937 | .647 |
| Micro-Influencer | 191 | 3.00 | | |

Table 32

Mann-Whitney U Test Comparing Perceptions of Expert of Instagram Postings

Advertising Coca-Cola Made by a Major Influencer and a Micro-Influencer

| Group (Stimuli) | N | Md | U | P |
|------------------|-----|------|-------|------|
| Major Influencer | 191 | 3.41 | 17776 | .667 |
| Micro-Influencer | 191 | 3.33 | | |

A fourth set of comparison stimuli were administered to participants to further test the third research question. In this set, one experimental group was exposed to an Instagram posting for a Marthina Lounge Set (Question 37) made by a major influencer (87,127 likes). The other experimental group was presented with a similar posting (Question 38) for a Marthina Lounge Set made by a micro-influencer (18,872 likes). Both

groups were asked to report their level of agreement, using a 5-point Likert scale (1= SD, 5= SA), that the Marthina Lounge Set appears to be; 1) attractive, 2) classy, 3) elegant, 4) Beautiful, 5) Well-Made, 6) Sexy.

To assess the whether or not group median differences exist in perceptions of attractiveness between those exposed to a Coca-Cola posting made by a major Instagram influencer and those exposed to a similar advertisement made by a minor Instagram influencer an attractiveness scale was made by combining responses to statements that asked respondents to report their level of agreement that the lounge Set was "attractive," "classy," "elegant," beautiful," "well-made," and "sexy". These domains of attractiveness have been found to be valid constructs of attractiveness in prior literature tested using semantic differential (Osgood, Suci, & Tannenbaum, 1957) scales adapted from Ohanian's work to measure the attractiveness, elegance, and quality of products and influencers (1990). First, a composite score was created by combining response scores ranging from 1 to 5 for each question the composite score was then divided by the number of items (6) to average the results for ease of interpretation. The final scale ranged from 1 to 5 with higher numbers reflecting more agreement that the posting was attractive. Analysis of Cronbach's alpha ($\alpha = .921$) suggests good internal consistency $(>\alpha = .70, DeVellis, 2012).$

Table 33
Aggregate Descriptives for and Scale for Assessing Perceptions of a
Blue Marthina Lounge Set Ad From Those Exposed to an Instagram Posting Made by a
Major Influencer and Those Exposed to a Micro Instagram Influencer

| | Likes | N | Mean | SD | α |
|-------------------------------------|--------|-----|------|-------|------|
| This "Blue Marthina Lounge Set" | 87,127 | | | | |
| appears to be ^{MA} | | | | | |
| Attractive | | 194 | 2.40 | 1.227 | |
| Classy | | 194 | 2.30 | 1.236 | |
| Elegant | | 194 | 2.24 | 1.237 | |
| Beautiful | | 194 | 2.37 | 1.220 | |
| Well-Made | | 193 | 2.91 | 1.253 | |
| Sexy | | 194 | 2.12 | 1.239 | |
| Variable This "Blue Marthina Lounge | 18,872 | | | | |
| Set" appears to be ^{MI} | | | | | |
| Attractive | | 195 | 2.97 | 1.327 | |
| Classy | | 195 | 2.35 | 1.305 | |
| Elegant | | 195 | 2.38 | 1.343 | |
| Beautiful | | 195 | 2.71 | 1.304 | |
| Well-Made | | 194 | 2.96 | 1.227 | |
| Sexy | | 194 | 3.15 | 1.368 | |
| Attractiveness Scale | | 386 | 2.57 | 1.10 | .921 |
| Major Influencer | | 193 | 2.39 | 1.04 | |
| Micro-Influencer | | 193 | 2.76 | 1.13 | |

Note. MA=Major Influencer; MI= Micro-Influencer

As depicted in Table 32, A Mann-Whitney U test revealed significant differences in perceptions of Attractiveness for the Blue Marthina lounge set between the first experimental group (Md= 3.17, n=193) and the other group (Md= 3.67, n=193; U=15122, p=.001). Here again, the difference was not in the anticipated direction. In this example, perceptions of attractiveness were actually higher for the group exposed to the micro-influencer, than those exposed to the posting made by a major influencer.

Table 34
Mann-Whitney U Test Comparing Median Scores on Attractiveness of
Blue Marthina Lounge Set Between Groups Exposed to an Instagram Posting Made by a
Major Influencer and Those Exposed to a Posting Made by a Micro-Influencer

| Group (Stimuli) | N | Md | U | P |
|------------------|-----|------|-------|------|
| Major Influencer | 193 | 3.17 | 15122 | .001 |
| Micro-Influencer | 193 | 3.67 | | |

In all results from these analyses do not support my research hypothesis. Of the six total inferential tests ran for the four pairings of stimuli, only two produced statistically significant findings. Further, in both cases, participants perceived the postings made by micro-influencers to be more legitimate—as operationalized with an attractiveness scale--than postings made by major influencers. Therefore, if a relationship even exists, it is not in the hypothesized direction.

Tests for Demographic Differences and Halo Effect

To test to see if a halo effect was more prominent for one demographic than others, a series of non-parametric tests (i.e., Mann-Whitney U, Kruskal-Wallis) were run to compare scores across gender, age, and educational attainment. My specific hypotheses for this analysis were:

• H.3.2: There is a statistically significant difference in perceptions of attractiveness, knowledge, and expertise between genders, age groups, and educational attainment levels.

To test for gender differences in scores for the semantic differentials, a series of Mann-Whitney U tests were run. Table 35 depicts results from those analyses. As can be seen in Table 35, the only statistically significant group mean difference was found for perceptions of attractiveness in the blue Marthina posting pairing (U = 15548, p = .042). On average, males (Md= 2.67) were more likely to view the postings as advertisements than were females (Md = 2.25). Overall, of the 6 tests ran, only one produced statistically significant results. This suggests that there are no group median differences for semantic differential scores between males and females.

Table 35
Mann-Whitney U Tests Comparing Median Scores for Semantic Differential
Scales Between Genders

| Scale/Group | N | Md | U | P |
|----------------------------------|-----|------|-------|------|
| Attractiveness (LimeCrime) | | | | |
| Male | 223 | 3.50 | 15519 | .080 |
| Female | 149 | 3.67 | | |
| Attractiveness (Stuart Weitzman) | | | | |
| Male | 237 | 3.83 | 16380 | .275 |
| Female | 148 | 3.67 | | |
| Attractiveness (Coca-Cola) | | | | |
| Male | 238 | 3.50 | 17556 | .868 |
| Female | 149 | 4.00 | | |
| Attractiveness (Blue Marthina) | | | | |
| Male | 238 | 2.67 | 15448 | .042 |
| Female | 148 | 2.25 | | |
| Expert | | | | |
| Male | 236 | 3.00 | 15658 | .086 |
| Female | 148 | 3.00 | | |
| Knowledge | | | | |
| Male | 235 | 3.33 | 16175 | .296 |
| Female | 147 | 3.50 | | |

Note. Results from a two-tailed test

To test for differences in semantic differential scale scores between age groups a series of Kruskal-Wallis Tests were ran. Table 36 depicts results from those analyses. As can be seen in Table 36, there were no group mean differences in semantic differential scores between young adults (18-29), adults (30-39), and older adults (40+) (p>.05). These results suggest that there are no differences in impact of halo effect across age groups. All groups report similar scores for perceptions of attractiveness, knowledge, and expert.

Table 36

Kruskal-Wallis Test Comparing Scores for Semantic Differentials by Age

| Variable/Group | N | M | X^2 | P |
|----------------------------------|-----|------|-------|------|
| Attractiveness (LimeCrime) | | | | |
| 18-29 | 116 | 3.38 | 1.210 | .546 |
| 30-39 | 153 | 3.38 | | |
| 40+ | 113 | 3.25 | | |
| Attractiveness (Stuart Weitzman) | | | | |
| 18-29 | 118 | 3.63 | 4.975 | .083 |
| 30-39 | 154 | 3.53 | | |
| 40+ | 113 | 3.34 | | |
| Attractiveness (Coca-Cola) | | | | |
| 18-29 | 119 | 3.43 | .888 | .641 |
| 30-39 | 154 | 3.57 | | |
| 40+ | 114 | 3.56 | | |
| Attractiveness (Blue Marthina) | | | | |
| 18-29 | 118 | 2.77 | 5.530 | .063 |
| 30-39 | 155 | 2.55 | | |
| 40+ | 113 | 2.40 | | |
| Expert (Coca-Cola) | | | | |
| 18-29 | 116 | 3.04 | .267 | .875 |
| 30-39 | 154 | 2.99 | | |
| 40+ | 114 | 2.99 | | |
| Knowledge (Coca- Cola) | | | | |
| 18-29 | 116 | 3.23 | .022 | .989 |
| 30-39 | 153 | 3.28 | | |
| 40+ | 113 | 3.26 | | |

Note. Results from a two-tailed test

To test for differences in scores for semantic differential scales between educational levels a series of Kruskal-Wallis tests were ran. Table 37 presents results from this analysis. As can be seen in Table 37, no statistically significant group ranked mean differences were found between one's educational level and their score for the semantic differential items (p>.05). As none of the six tests reveal statistically significant results it appears that the impact that macro/micro-influencers have on perceptions of attractiveness, knowledge, and expert are stable across education levels. These analyses of key demographic characteristics suggest that there is not much variation in the results across demographic types.

Table 37

Kruskal-Wallis Test Comparing Scores for Semantic Differentials by Education Level

| Variable/Group | N | M | X^2 | P |
|----------------------------------|-----|------|-------|------|
| Attractiveness (LimeCrime) | | | | |
| HS or less | 43 | 3.03 | 3.160 | .206 |
| College | 289 | 3.39 | | |
| Advanced degree | 48 | 3.28 | | |
| Attractiveness (Stuart Weitzman) | | | | |
| HS or less | 43 | 3.33 | 1.519 | .468 |
| College | 291 | 3.51 | | |
| Advanced degree | 49 | 3.50 | | |
| Attractiveness (Coca-Cola) | | | | |
| HS or less | 43 | 3.63 | 3.251 | .197 |
| College | 294 | 3.47 | | |
| Advanced degree | 48 | 3.72 | | |
| Attractiveness (Blue Marthina) | | | | |
| HS or less | 43 | 2.54 | .170 | .919 |
| College | 293 | 2.57 | | |
| Advanced degree | 48 | 2.55 | | |
| Expert (Coca-Cola) | | | | |
| HS or less | 43 | 3.01 | .564 | .754 |
| College | 291 | 2.99 | | |
| Advanced degree | 48 | 3.07 | | |
| Knowledge (Coca- Cola) | | | | |
| HS or less | 43 | 3.31 | 2.841 | .242 |
| College | 290 | 3.22 | | |
| Advanced degree | 47 | 3.42 | | |

Note. Results from a two-tailed test

RQ4: Does changing the masthead of an ad/article impact readers' perceptions of the credibility?

• H.4.1: There will be a group mean difference in credibility scores for those exposed to online media sources and those exposed to legacy media sources.

To test this hypothesis, respondents were presented with a series of postings made by various forms of media. Here, the stimulus was the type of media—online-legacy media or online-only media. Legacy media sources were those companies have had a

York Times. Online media sources were those that only published articles online, such as the Huffington Post. In all, two different pairings of legacy/online only stimuli were presented to participants. Results are discussed below.

First, participants in both groups were presented with an article titled "Oregon daycare worker gets 20 years for drugging kids, so she could go tanning and to Crossfit." The one experimental group was presented with the article published under the auspices of RawStory (Question 29), an online-only media source. The other group was presented with the same article published under the auspices of Cosmopolitan (Question 30), a legacy-online publication. After reading the article, both groups were asked to report their level of agreement, on a 5-point Likert scale (1= SD, 5= SA), that the article was 1) believable, 2) accurate, 3) trustworthy, 4) unbiased, and 5) complete. Table 38 reflects mean responses for these questions.

To better assess the relationship between online news media platform and perceptions of credibility, a credibility scale was made. An online media credibility scale was created by combining responses to statements. Aggregate scores from all responses cores were combined and averaged to create the credibility score for online media (M = 3.53, SD = .940). Analysis of Cronbach's Alpha suggests good internal consistency ($\alpha = .901$).

Table 38
Descriptivism for Scores of Perceptions of Credibility for Article Titled, "Oregon Daycare Worker Gets 20 Years for Drugging Kids so She Could Go Tanning and to Crossfit"

| Variable | N | Mean | SD | α |
|--------------------------------------|-----|------|-------|------|
| Raw Story ^{Online Media} | | | | |
| Credibility Score | 193 | 3.61 | .959 | |
| Believable | 194 | 3.89 | 1.100 | |
| Accurate | 194 | 3.71 | 1.018 | |
| Trustworthy | 194 | 3.61 | 1.097 | |
| Unbiased | 193 | 3.32 | 1.203 | |
| Complete | 194 | 3.55 | 1.120 | |
| Cosmopolitan ^{Legacy Media} | | | | |
| Credibility Score | 195 | 3.46 | .916 | |
| Believable | 195 | 3.71 | 1.140 | |
| Accurate | 195 | 3.44 | 1.015 | |
| Trustworthy | 195 | 3.42 | 1.102 | |
| Unbiased | 195 | 3.35 | 1.163 | |
| Complete | 195 | 3.37 | 1.111 | |
| Credibility Score (aggregate) | 388 | 3.53 | .940 | .901 |

Note. Legacy Media= online legacy media source; Online media= online-only media source

Again, because the scale violated the assumption of normality a decision was made to report only the results from the Mann-Whitney U, as this test statistic is the most appropriate for abnormally distributed data. As depicted in Table 39, A Mann-Whitney U test found no significant differences in median scores for perceptions of credibility between the first experimental group (Md = 3.60, n = 193) and the second group (Md = 3.60, n = 195; U =17,130, p = .125). This suggests that at least for this type of popculture legacy media and online media there is no difference in perceptions of credibility for articles published.

To further assess the relationship, a second set of pairing of legacy media sources and online only media sources were presented to participants. Participants in the both groups were presented with an article titled "A Student Who Was Suspended After Calling A Congressman's Office and Demanding Gun Control Won't Be Punished

After All." The one experimental group was presented with the article published under the auspices of Buzzfeed News (Question 27), an online-only media source. The other group was presented with the same article published under the auspices of The New York Times (Question 28), a legacy media brand. After reading the article, both groups were asked to report their level of agreement, on a 5-point Likert scale (1= SD, 5= SA), that the article was 1) believable, 2) accurate, 3) trustworthy, 4) unbiased, and 5) complete. Table 26 reflects mean responses for these questions.

To better assess the relationship between online news media platform and perceptions of credibility, a credibility scale was made, as in the test above. This scale was created by combining responses to statements and dividing by the number of statements to produce an average score (M = 3.53, SD = .927). Analysis of Cronbach's Alpha suggests good internal consistency ($\alpha = .899$). See Table 39 for results.

Table 39
Descriptivism for Scores of Perceptions of Credibility for Article Titled, "A Student Who Was Suspended After Calling a Congressmen's Office and Demanding Gun Control Won't Be Punished After All"

| Variable | N | M | SD | α |
|----------------------------------|-----|------|-------|------|
| Buzzfeed ^{Online Media} | | | | |
| Credibility Score | 191 | 3.44 | .888 | |
| Believable | 192 | 3.89 | .978 | |
| Accurate | 193 | 3.49 | .995 | |
| Trustworthy | 193 | 3.39 | 1.041 | |
| Unbiased | 192 | 3.05 | 1.179 | |
| Complete | 193 | 3.38 | 1.145 | |
| New York Times Legacy Media | | | | |
| Credibility Score | 196 | 3.61 | .958 | |
| Believable | 196 | 4.03 | .984 | |
| Accurate | 196 | 3.59 | 1.046 | |
| Trustworthy | 196 | 3.74 | 1.089 | |
| Unbiased | 196 | 3.20 | 1.256 | |
| Complete | 196 | 3.49 | 1.183 | |
| Credibility Score (aggregate) | 387 | 3.53 | .927 | .899 |
| | | | | |

Note. Legacy Media= legacy media source; Online media= online-only media source

As depicted in table 40, A Mann-Whitney U test found a statistically significant differences in median scores for perceptions of credibility between an online media source (Md = 3.60, n = 193) and a legacy media source (Md = 3.60, n = 195; U = 16,451, p = .125). This contradicts the results from the first test and suggests that there is a statistically significant group median difference in perceptions of credibility for online-only media sources and legacy media sources. However, when analyzing the median score, there is no difference between them (Md = 3.60), and analysis of Cohens d (.221) indicates a small effect size (Cohen, 1988). Therefore, this result should be considered with caution. Further, a supplemental analysis with using a t-test found no group mean difference to exist. If there is a statistically significant median difference in the population, in practical terms, it is likely small. The legacy source (New York Times) differed in credibility.

Table 40
Mann-Whitney U Test Comparing Median Scores of Domains of Credibility Between
Those Exposed to Online-Only Media Masthead and Those Exposed to Legacy Media
Masthead

| Group (Stimuli) | N | Md | U | P | d |
|---------------------|-----|------|--------|------|------|
| Online Media Source | 191 | 3.60 | 16,451 | .039 | .221 |
| Legacy Media Source | 196 | 3.60 | | | |

As a group, when paired with results from the t-test, 3 of the 4 total models ran found no group mean difference. Therefore, this failed to reject the null hypothesis and conclude that there is likely no difference in perceptions of credibility between online-only media sources and legacy media sources.

To test to see if type of influencer had a greater impact for one demographic compared to others, a series of non-parametric tests (i.e., Mann-Whitney U,

Kruskal-Wallis) were ran to compare scores across gender, age, and educational attainment. The specific hypothesis for this analysis was:

• H.4.2: There is a statistically significant difference in credibility scores between genders, age groups, and educational attainment levels.

To test to see if differences in credibility scores existed across genders two Mann-Whitney U tests were ran for the questions assessing credibility described above. As can be seen in Table 41, a statistically significant group median difference in perceptions of credibility was found between genders for the Daycare worker article (U = 15398, p = .022). Interestingly, females (Md = 3.80) reported higher median scores for perceptions of credibility compared to males (Md= 3.60). No group median difference was found to exist between genders in the article describing a student being suspended.

Table 41

Mann-Whitney U Test Comparing Median Scores for Recognition of Advertisements

Between Genders

| Between Gentler's | | | | |
|---|-----|------|-------|------|
| Credibility (Daycare Worker Article) | N | Md | U | P |
| Male | 238 | 3.60 | 15398 | .022 |
| Female | 150 | 3.80 | | |
| Credibility (Student Suspended Article) | | | | |
| Male | 237 | 3.60 | 17466 | .773 |
| Female | 150 | 3.60 | | |

Note. Results from a two-tailed test

Two Kruskal-Wallis tests were run to test for differences in perceptions of credibility across age. Table 42 displays results from those analyses. As can be seen in Table 42, no statistically significant difference in perceptions of credibility was found between age categories (p>.05). All age groups reported moderately strong agreement that both articles were credible.

Table 42
Kruskal-Wallis Test Comparing Scores for Credibility Scores by Age

| Variable/Group | N | M | X^2 | P |
|---|-----|------|-------|------|
| Credibility (Daycare Worker Article) | | | | |
| 18-29 | 119 | 3.57 | .807 | .668 |
| 30-39 | 154 | 3.48 | | |
| 40+ | 115 | 3.55 | | |
| Credibility (Student Suspended Article) | | | | |
| 18-29 | 118 | 3.62 | 1.249 | .536 |
| 30-39 | 154 | 3.52 | | |
| 40+ | 115 | 3.43 | | |

Note. Results from a two-tailed test

Finally, two Kruskal-Wallis tests were run to see if perceptions of credibility varied across educational attainment levels. Table 43 presents results from those analyses. As seen in Table 43, no statistically significant variation in credibility scores was found across educational attainment levels. Those with high school degrees, those with college experience, and those with advanced degrees all reported moderately strong scores for perceptions of credibility for both articles. Given these data, this research concludes that there are no differences in perceptions of credibility across genders, age groups, and educational attainment.

Table 43
Kruskal-Wallis Test Comparing Scores for Credibility Scores by Educational Level

| 11. tishti ii tani sa | | | | | |
|---|-----|------|-------|------|--|
| Variable/Group | N | M | X^2 | P | |
| Credibility (Daycare Worker Article) | | | | | |
| HS or less | 43 | 3.64 | .793 | .673 | |
| College | 294 | 3.51 | | | |
| Advanced degree | 49 | 3.55 | | | |
| Credibility (Student Suspended Article) | | | | | |
| HS or less | 43 | 3.48 | 0.030 | .985 | |
| College | 294 | 3.53 | | | |
| Advanced degree | 48 | 3.47 | | | |
| | | | | | |

Note. Results from a two-tailed test

Table 44 *Summary of Hypotheses*

| Hypothesis | Prediction | Actual | Sig. |
|------------|---|---|------|
| H.1.1 | Recognition of homepage with ads (Trib) v no ads | Respondents thought that both stimuli had ads | no |
| | (Times) | Stillfull flad ads | |
| H.2.1 | Attachment of label aids ad recognition | No significant difference | no |
| | Attachment of Label aids | Over age 40 less recognition | yes |
| H.2.2 | recognition by age Higher recognition of | of ads than younger groups Does not help, good at | no |
| | labeled Instagram posts | recognizing labeled and not labeled | |
| H.3.1 | Major influencers' postings will be perceived as more | Significance in opposite direction. Micro-influencers | yes |
| | attractive | received more positively | |
| H.3.2 | Demographic differences in perceptions of attractiveness, | 6 tests run. Only attractiveness in blue | no |
| | knowledge, expertise | Marthina significant (.042). | |
| | between genders and education | | |
| H.4.1 | Anticipated online legacy | Legacy NY Times was | yes |
| | media would be viewed as more credible than online | viewed more credible, accurate, trustworthy and | |
| | only media | unbiased than Buzzfeed. | no |
| | | Legacy Cosmopolitan did not vs. Raw Story. | |
| H.4.2 | Difference in scores between | Gender differences on | yes |
| | gender, age, education | Cosmo/ Raw story (p=.022). | No |
| | | No differences on age or education | |

Note. Sig=Significance found.

Chapter Four was a compilation of the aggregate descriptives of the data and the statistical tests run. Chapter 5 will be a discussion of the findings. This next chapter will also look ahead to future research for which this analysis has provided incentive.

CHAPTER FIVE

DISCUSSION AND RECOMMENDATIONS

Introduction

It seems that savvy digital natives, Generation Z, Gen Xers, and Boomers cannot say for sure whether they are being marketed to or not—especially on social media. Most spotted ads but could not tell if regular posts were ads, too. It seems that participants expected that they are always the target of marketing. These same study participants seem slightly better at separating their news from ads than their social media posts from ads. However, all the pseudo advertising labeling may confuse consumers where a clear "advertisement" label would not. Titles like "partner news" and "brandvoice" may not signal that the content is advertising and not editorial. These euphamistic labels being used by many media outlets camoufage the advertising intent of the content and may have impacted study participants perceptions. On social media, it may be that the participants of the study assume that when a celebrity social media influencer posts something on Instagram, they are selling a product.

Despite the FTC regulations for influencers that require #ad or #sponsored in the first three lines of Instagram posts, many are not complying. The FTC contends that many people do not understand that #spon means the social media post is an ad. Many brands are not using due diligence in insisting that influencers state a connection to remuneration received. "Knowing about the connection is important information for anyone evaluating the endorsement" (FTC, 2017, para, 4). Further, the ersatz advertising labels used by some online newspapers and magazines may not suggest the real intent of the content.

Discussion

Participants of this study seemed uncertain if what they see on social media sites are compensated ads masquerading as posts or merely posts. An Instagram post by influencer Baddiewinkle (Question 11) contained "#spon" in the third line, yet about 45% of participants thought the post was not an ad and just over 41% properly identified it as an ad. In addition to the #spon tag, the post also contained "#BadAssBucketList" (the ad campaign name) and the sponsor "@hotelsdotcom." The first indication of this confusion and the role of macro and micro-influencer emerged in the pilot study on these same stimuli. Much uncertainty was uncovered in the perceptions of the study participants, and the gestalt theory of perception may be a mediating a role in this finding since when scrolling through an Instagram feed, consumers may not perceive ads as distinct from traditional posts because of the number of hashtags prevalent in social media. A post by Taylor Swift's actor boyfriend Joe Alwyn dressed in a suit was not an ad. However, the Instagram post contained several lines of hashtags that may have confused participants as only slightly more than 20% found the Joe Alwyn post was probably not an ad, 19% reported they were not sure, but the majority incorrectly pegged the post as an ad. This again points to the assumption that consumers may assume that celebrity posters are always selling and that micro-influencers are more authentic and posting because they sincerely like something.

As we saw in the Baddiewinkle Instagram posting labeled #spon, consumers are uncertain if they are seeing ads or just people posting about their favorite things with all the customary hashtags. Kourtney Kardashian's unlabeled selfie (Question 13) featured her prominently wearing a "Casamigos Tequila" baseball cap and Chanel sunglasses and

was not labeled as an ad. Ten percent of the respondents were not sure, but About 52 % thought it was an ad. The balance said it was not an ad. Consumers are confused and often cannot recognize unlabeled ads as such.

The online homepages of the TribLIVE, and The New York Times were presented to participants to scroll through at their own pace. To test for the gestalt qualities of perception, similarity, and proximity, the participants viewed these online homepages and responded to queries concerning recognition and identification of ads present on the homepage. The *TribLIVE* online media content stimuli contained a section of native ads described as "Partner News," while *The New York Times* did not present native advertising on its homepage. Almost 36% of the participants mistakenly thought the Times definitely posted native ads on their homepage and only about 31% recognized the "Partner News" on the TribLIVE page. These results may indicate a lack of recognition and hint at the power of the gestalt effect that manifests itself as participants seeing the news page and being unable separate and identify the components even when specifically asked to determine if ads were a part of the whole page. Again, it appears that participants expect ads will always be present on a news page. Additionally, participants may have anticipated see advertising since the informed consent document advised or perhaps primed them that the study was about their perceptions of advertising. "The purpose of this online experiment is to understand participants' recognition and perceptions of native advertising. Participants will view images of Instagram posts and newspaper home pages and read news articles and native ads. Participants will answer questions regarding their perceptions of the content they viewed and read. These responses will be used to generalize public perceptions of this new advertising genre."

Future research on the topic of native advertising in news and social media may want to employ deception.

A Forbes article about UNICEF was a native ad labeled with "ForbesBrandVoice," which is the *Forbes Magazine* content (Native advertising) creation team (they design native ads). It was also tagged with a UNICEF logo with the tag "UNICEF USAVoice" and was found believable by almost 83 % of participants and the not labeled version presented was found believable by about 85%. When queried if the article was news, only one percentage point separated the two formats among participants in the two groups. Only 3% more recognized the labeled ad as advertising than did those who viewed the unlabeled story. The notoriety of the UNICEF brand as a humanitarian charity may have mediated the participants' perceptions of the marketing piece, but it seems as if there should have been a greater understanding about content. The labels "Brand Voice," "Partner News," and "USAVoice" may not suggest the content is advertising directed at consumers while the FTC prescribed "Advertisement" label may have cleared the matter up promptly. Old-fashioned print advertorials were generally surrounded by a box and topped with the term "advertisement." Upon an August inspection of the same UNICEF article, it was found that it is now labeled "UNICEF USA BrandVoice" and when you hove over that label "Paid for by the Brand" appears. This may indicate UNICEF is moving closer to compliance with FTC's policy on labeling.

Another example of this type of deceptive labeling was explored in Question 41. *TribLIVE's* "Year-round Irish culture: Pittsburgh is greener than you realize" article carried a "Partner News" tag above the headline and a paragraph about the sponsor immediately before this study's participants were asked about the advertising article. Sixty percent of the participants correctly identified it as advertising while 38% incorrectly thought it was news despite a paragraph about the sponsor directly above the questions. Again, using the term "Partner News" is not as clear as the term "Advertisement" would be. An authentic news article about Reducing your Carbon Footprint (Question 42) was correctly identified as news by over half of the participants and only a quarter mistakenly thought it was an ad. The participants recognized this news article as such but seem misled by other terminology that does not clearly disclose an advertisement. It seems the terms that marketers and publications select to camouflage these types of advertisements may be very effective even if outside the bounds of government regulations.

The greatest surprise in this research emerged from the paired social media native ads which assessed consumers' recognition of sponsored ads and testimonials and queried for credibility. These ads were paired with the same product presented by an influencer with a low number of likes or many likes in an effort to understand if the perceived legitimacy of the influencer provides a halo to the products they endorse. To test the halo effect in social media, half of the participants received the Instagram post of an influencer with a high number of likes (Major/Macro influencer) and the other an influencer with a smaller contingent of likes (Minor/micro-influencer). Both types of influencers presented the same product. Interestingly, the micro-influencers were found more attractive than the macro-influencers among study participants opening an interesting area of future research. It seems that participants in this study may think that major influencers are expected to be marketing products while micro-influencers may

appear more genuine. Engagement rates for Generation Z with social media celebrities is often greater by 10% than their interaction with traditional celebrities (Fromm, 2018) and micro-influencers are having a large impact.

Source credibility was also tested among news entities using Meyer (1988) and Flanagin and Metzger (2000) scales through responses on a matrix scale. The stimuli presented alternately with each participant getting a Raw Story (Question 29) or Cosmopolitan (Question 30) and BuzzFeed (Question 27) or The New York Times (Question 28) masthead followed by the same article. These articles and questions gauged the credibility of the content host and its incumbent gestalt and halo effects. Twothirds of the participants found the "Student" article trustworthy when presented under the New York Times masthead while just over half found the same article trustworthy under the *Buzzfeed* masthead. Participants did not find the legacy masthead of Cosmopolitan magazine (55%) more trustworthy than the online-only Raw Story that 58% trusted. The halo effect from the masthead of the prominent legacy media entity New York Times was definitely present, but the same did not hold for the less prestigious legacy Cosmopolitan fashion, sex quiz, and beauty magazine. It seems that the differential may not be online versus legacy online, rather the prestige of the media entity whether legacy or online-only. It may be worthwhile to study a group of the highest prestige online-only and online legacy media using The Pew Center's (Barthel, 2015) data based on the number of impressions and then compare the two groups. This study could be conducted in an online or lab setting and use a number of stimuli from both legacy-online and online-only media outlets. Additionally, it may be interesting to tease out data by definitive age or generational groups since the mean for credibility of online

newspapers in the pilot was 4.55, SD .535 among a mean age of 48 and the study sample mean of 3.64, SD 1.15 with an average age 10 points lower. This may indicate a downward trend in perceived credibility of online newspapers as the age of participants declines.

Limitations

The information derived in this study may only be generalized to the MTurk workers and the stimuli employed. Limitations may include the consumers' response to the phrasing of questions. This research attempted to mitigate this problem through jury validation of survey questions and a pilot study. An additional limitation may include the selected stimulus materials and the experimental design. Additionally, because of the online nature of the study, the number of stimuli was limited. To fully study the issue, each genre would need to be studied independently to provide the rigor that could be gained through repetitions of similar stimuli.

The average age of the population of United States is 37.9 years, and the average age of MTurk workers is 32 (Huff & Tingley, 2015), while the average age of this sample was 36.43, closer to the national average than the MTurk average. Because this sample is obtained from participants who are online, the elderly population may be underrepresented. According to Pew (2017), only about 67% of seniors aged 65 and over go online. The study was limited to a U.S. population of those over 18 years of age and MTurk workers are also required to be over that age.

This study of the perceptions of respondents to native ads on Instagram and in online news cannot overlook the effects of external factors including the participants' screen size, environmental distractions, and other unforeseen factors. The study contains

limiting conditions inherent in the research design, such as the selection of native advertisements by the researcher. The phrasing of survey questions may impact the degree of the halo effect (Wilkie, McCann & Reibstein, 1973).

The halo effect may be more significant than these results report as participants are being asked to reflect on what they read. The halo effect usually occurs when people make quick decisions on what they see rather than from an examination of the process (Forgas, 2011). This research provided the participants time to review what they read and saw, possibly dulling the impact of the halo and gestalt effects.

Additionally, this research may have exhibited stronger results through selection of additional stimuli of editorial and native format. Also, the required Informed Consent notifed participants they would be expressing their perceptions of advertising which could have tipped some into selecting that the presented stimuli were indeed ads.

Influencer and micro-influencer comparisons on the same products exploring the halo effect was very interesting. The role of micro-influencers on Instagram appeared to be more positive with participants. However, this research cannot conclude that it is just the number of "likes" that is influencing result.

Recommendations for Future Research

A troubling trend recently observed in social social media features attractive young people puffing on cigarettes. On August 24, 2018, the Federal Trade Commission received a "Request for investigation and enforcement action to stop deceptive advertising online" as a result of these "smoking" posts (Campaign for Tobacco Free Kids, 2018, cover page) and insist that these be labeled as sponsored content. The Campaign for Tobacco-Free Kids was joined in this petition by other health interests

Pediatrics, American Academy of Family Physicans, the American Academy of Pediatrics, American Heart Association, and others, requesting that the FTC take action against four tobacco companies using social media to "renormalize tobacco use" (Campaign for Tobacco Free Kids, 2018, p.1). The petition says the the tobacco companies are using social media influencers around the world to promote their brands to audiences of all ages. This request for investigation and enforcement by the FTC contends that just 123 hashtags they have discovered are associated with Philip Morris International, British American Tobacco, PLC., JT International, SA., and Imperial Brands, PLC. "have been viewed 8.8 billion times in the United States (and 25 billion times globally) on Twitter alone (Campaign for Tobacco Free Kids, 2018, p.1). This petition outlined how influencers receive instructions for posts and sponsor parties where tobacco is distributed at no charge. This marketing trend should provide the impetus for future research into native advertising using social media influencers.

Influencers

Micro-influencers may be perceived as more authentic and less obvious promoters than celebrity influencers to consumers. Through observations on Instagram, it seems that brands are reaching out to not only Chiara or Kardashians but to small influencers. This research found a significant affinity of participants with micro-influencers. Future research may explore the role of micro-influencers on the public's perceptions of native advertising. Markerly, an influencer platform researching "likes" found that mega influencers with more than a million followers get "likes" at a rate of 1.7 % whereas very minor influencers with less than a 1,000 followers get "likes" at about 8%. Markerly identified a range of 1,000 – 10,000 followers as a target for marketing because of their

4% "likes" level and dubbed this group micro-influencers (Chen, 2016). The role of micro-influencers in academic native advertising research has begun to be explored in 2017 and 2018 provides great opportunity for study. A study of the three ranges of social media influencers and their impact on consumers' perceptions of native advertising would certainly add to the knowledge in the field.

Amazon is now welcoming influencers through a program which enables them to be vetted through one of their social media accounts. Those that meet Amazon's threshold receive a customized free page and may promote their Amazon product with URLs. When purchases are made through one of their URLs, influencers are rewarded with a commission. *Condé Nast's* Italian Academy is offering a certificate for social media influencers who upon completion will become part of their network (Lang, 2017).

Parasocial relationships with influencers were reported in a 2016 study conducted by Twitter and Annalect. The *AdWeek* headline proclaims "Twitter Says Users Now Trust Influencers Nearly as Much as Their Friends" (Swant, 2016). The article discussed a Twitter/Annalect Study that found 56% of respondents turned to friends for recommendations while 49% reported the reliance on social media influencers. An academic study of Parasocial Interaction Theory in light of the power of influencers may shed light on this marketing trend. It would be interesting to understand if people develop stronger bonds with the macro- or micro-influencers and how these bonds compare with other parasocial relationships.

The Instagram posts reviewed by this study's participants indicate that they expect celebrity influencers to be selling to them--even when they are not. And as the social media feeds fill with ads and regular folks posting images of their dinner or dog are

minimized or obscured, social media outlets may become the "shopper tabloids" of the 21th century stripped bare of all interpersonal communication. This may be the consequence identified through the native advertising tetrad when taken to the extreme – reversing any possible good identified by media and public relations professionals.

Individual Studies

This research contained a variety of types of stimuli. There is a need for future research to conduct separate studies on these various types of native ads and sponsored content. It will be interesting to conduct an in-lab experiment with participants reading only news/native ads from various sources. This would require a commitment of hours of time by participants but has the potential to reveal if consumers can tell the difference between a well-designed native ad and the news from the top media both legacy and online-only media.

It would be enlightening to separately study social media especially Twitter,
Instagram, and SnapChat in a single study to observe college students' perceptions of
native advertising on these popular platforms. In light of the research presented to the
FTC concerning the social media promotion of cigarettes, it is imperative that these
media be studied further to discern potential impact on youth and the certain evolution of
the tobacco company promotions.

Propaganda and Persuasion

The cognitive bias associated with the halo effect may mesh with and increase the propaganda and persuasive effects of the influencer marketing. Further research into the impact of the halo by prominent media should be explored. This type of study should look at various kinds of online and legacy media. The halo differential between the well-

respected New York Times and the fashion magazine Cosmopolitan may provide some guidance into the investigation of both online-only and legacy online media. Even though persuasive techniques in marketing have been studied for over a century, propaganda and persuasion theories may offer great insights for native advertising scholars especially considering the strength of influencers in advertising. Most prior research on persuasion involved self-reporting and there are new neuroimaging techniques that offer the ability to track in real time responses to stimuli and predict future actions (Lieberman, Falk, & Vezich, 2016). This kind of neuroimaging will also be invaluable is studying the gestalt impact of native ads on consumers. Again, gestalt is most observable upon initial perception, rather than the retrospective examination allowed to participants in this experiment. Future research exploring the persuasive techniques and effects on consumers may be salient in a climate of ever-increasing native ads. Research involving neuroscience techniques to test persuasiveness are in the early stages. An emerging area in the field of persuasion is the "automatic (nonconscious) processing and responses to stimuli" (Shru, Liu, Nespoli & Lowrey, 2012).

Tetrad of Media Effects

It may be advantageous to apply McLuhan's Tetrad of Media Effects (McLuhan & McLuhan, 1988) to native advertising in a future research project. Moving forward, the academy will have the results of exhaustive studies on the placement of labels on these pervasive ads, eye-tracking experiments, and from this work, consumers' perceptions of native ads. It may be valuable to study native advertising through a media effects prism using the four laws of media and technology described by McLuhan. This simplistic look at tetrads below may be expounded on through reflection and moving beyond the basics

to alternate chains and clusters. "A chain forms when, one tetrad's reversal (or retrieval, etc.) provides the subject of the next tetrad, or provides the enhancement (etc.) of the next tetrad" (McLuhan, p. 130) which would lead itself to native advertisements.

A basic and preliminary perspective of the tetrads may include:

What does native advertising *enhance*? Native ads may enhance consumer engagements with editorial content and provide the financial impetus for the creation of better content supported by the native advertising. The availability of engaging marketing content while helping to fund quality editorial content. Quality content sponsored by major corporations is becoming available through all types of media, but so is mundane clickbait.

What does native advertising displace or *render obsolete*? On the internet, native advertising is displacing both banner and pop-up ads. Media literacy may be sacrificed as it becomes increasingly difficult to comprehend when you are consuming something provided by a marketer, media entity, or a private individual. As average people join the ranks of influencers, it will be a grueling task to evaluate who is selling to you and who is just saying something positive about a restaurant, film, cosmetics, or their new sweater. It may be that human authenticity is supplanted by native ads.

What technology does native advertising *retrieve*? Native advertising has rekindled the media's affection/disdain for advertorials which were previously found in print editions of magazines and newspapers as well as inserts that resembled the publication. Native ads retrieve the product placement that occurred in early films such as Hershey Chocolate in the 1927 film "Wings." Native ads may prove the salvation for the stumbling news media if the ads are employed in a transparent and ethical manner. Native

ads are also retrieving the banned tobacco ads in Western magazines that featured beautiful people smoking. The cigarettes are now being replaced by e-cigarettes in social media posts.

What does native advertising *reverse* become when pushed to the extreme? *Reversal- the unintended opposite effect.* Native ads may provide interesting and sometimes entertaining content that many people now prefer to traditional ads but when taken to the extreme they become omnipresent and limit actual media voices since people are using social media feeds to access and curate information and news. Native ads have become ubiquitous and are evolving rapidly. Through use of artificial intelligence and super computers the placement and matching of these ads will increase the camouflage and decrease consumer awareness of marketing attempts. These native ads will become more indistinguishable from news, social media posts, and videos and may pose a threat to democracies worldwide.

Elections and Native Ads

In August of 2018, social media platforms removed about a thousand accounts seeking to sow discord in the American electorate. A senate intelligence subcommittee conducted hearings

An investigation into the Russian advertising on social media during election cycles in the U.S. and worldwide will open areas of native advertising inquiry as "the tools and techniques of political messaging and manipulation are exactly the same as those used by commercial publishers to create new types of advertising revenue," (Bell, 2017). Since Cambridge Analytica disclosed that its most effective marketing piece in the 2016 campaign was a native ad, it may be valuable to conduct content analyses of native

advertising in elections. It may be interesting to query consumers perceptions of native advertising in a pre- and post- format in light of the increased visibility. The Cambridge Analytica revelation also illustrated how through the use of artificial intelligence it is possible to target individuals with the specific native ads, quizzes, and websites needed to adjust their attitude toward a candidate or a product. Identity politics may also be used to become active in various online communities and target native ads designed to polarize groups and undermine democracy.

The single most interesting and problematic take-away from this study is confusion about exactly what is/is not an ad. Half of the participants were provided with the native advertising article "Mistakes first time homebuyers should avoid" that contained "Partner News" label at the top of the article and a statement just above the questions that clearly stated it was a paid article (Question 19). The other half of the participants received the same article without the partner news label and statement that it was an advertisement (Question 20). Both groups expressed moderate agreement that the article was trustworthy and believable, however, the group that got the advertising labeled article reported a higher mean score than those viewing the article presented as news. This may indicate that people may not be discerning the labels or perhaps when they do, they feel it was less biased since the advertisement label was presented. Both Articles had the *TribLIVE* masthead, but one was also labeled *TribLIVE* Partner News, a term which may not be comprehensible.

Conclusion

"If we continue the current trajectory, confusion, manipulation, and obfuscation will only get worse. Independent media voices will be overtaken by marketers, who will

be the only ones left who can afford to pay for content, leaving us with a warped perception of reality" (Einstein, 2016, p.210).

For over a hundred years journalism has been historically paid for by advertisers. However, consumers could easily sort the ads from the news in print and were saavy enough to go for a snack during an obvious television or radio break. The danger comes when average consumers absorb messages designed to persuade but do not have the tools to devine these slick messages from news, social media, or entertainment. "Proponents argue that consumers also benefit from a shift toward native advertising because the sponsored content they consume will be better made and more tailored to their tastes" (Knoll, 2015, para. 4). Native ads and their incumbent camouflage techniques will still be marketing material just more cleverly and strategically targeted at consumers who may be uncertain if what they surrender their attention and trust in exchange for is actual news or content designed to look like news. Social media paints the bullseye of native ads squarely on the foreheads of younger, less sophisticated, and more defenseless audiences.

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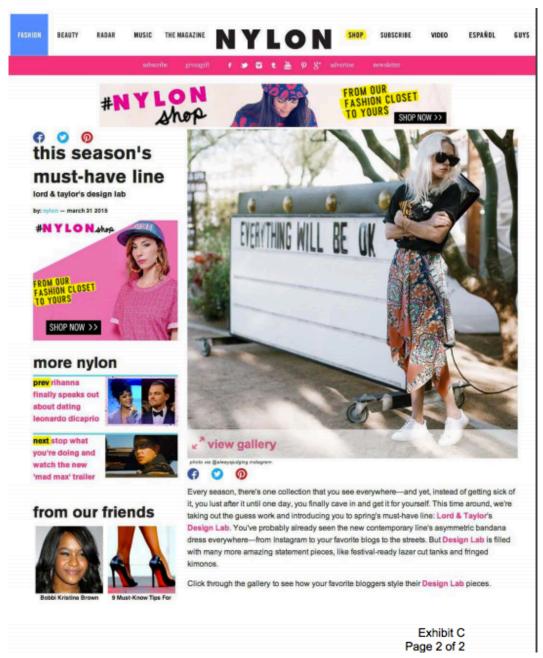
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Appendix A

FTC Exhibit of Nylon Magazine



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Appendix B

Federal Trade Commission to Instagram Endorsers



United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

{Date}

{Address}

Dear {Influencer}:

The Federal Trade Commission is the nation's consumer protection agency. As part of our consumer protection mission, we work to educate marketers about their responsibilities under truth-in-advertising laws and standards, including the FTC's Endorsement Guides. ¹

I am writing regarding your attached Instagram post endorsing {product or service}. You posted a picture of {description of picture}. You wrote, "{quotation from Instagram post}"

The FTC's Endorsement Guides state that if there is a "material connection" between an endorser and the marketer of a product – in other words, a connection that might affect the weight or credibility that consumers give the endorsement – that connection should be clearly and conspicuously disclosed, unless the connection is already clear from the context of the communication containing the endorsement. Material connections could consist of a business or family relationship, monetary payment, or the provision of free products to the endorser.

The Endorsement Guides apply to marketers and endorsers. [If there is a material connection between you and {Marketer}, that connection should be clearly and conspicuously disclosed in your endorsements.] or [It appears that you have a business relationship with {Marketer}. Your material connection to that company should be clearly and conspicuously disclosed in your endorsements.] To make a disclosure both "clear" and "conspicuous," you should use unambiguous language and make the disclosure stand out. Consumers should be able to notice the disclosure easily, and not have to look for it. For example, 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.

Federal Trade Commission. (2017). FTC Staff Reminds Influencers and Brands to Clearly Disclose Relationship. April 19, 2017. Retrieved from https://www.ftc.gov/news-events/press-releases/2017/04/ftc-staff-reminds-influencers-brands-clearly-disclose

¹ The Endorsement Guides are published in 16 C.F.R. Part 255.

² The post is available at $\{URL\}$.

Appendix C

Informed Consent

Indiana University of Pennsylvania Informed Consent Form

You are invited to participate in this research study which attempts to gather participants' perceptions of native advertising.

The following information is provided to help you make an informed decision on whether or not to participate.

All participants must be at least 18 years old and self-report that they follow the news.

The purpose of this online experiment is to understand participants' recognition and perceptions of native advertising. Participants will view images of Instagram posts and newspaper home pages and read news articles and native ads. Participants will answer questions regarding their perceptions of the content they viewed and read. These responses will be used to generalize public perceptions of this new advertising genre. This experiment should take approximately 15 minutes to complete. This is an anonymous experiment, and completion of this study implies consent. Your participation in this study is voluntary. If you choose to participate, you may withdraw at any time by exiting the experiment. Your data will not be able to be withdrawn after submission as there would be no way of knowing which data belonged to which individual.

This study may increase the participant's awareness of advertising materials appearing alongside editorials and social media posts. Additionally, the study may add to the knowledge on perceptions of native advertising and lead to greater good. The risk of participating in this study is no more than they would experience in everyday life.

Participants will receive a code randomly generated by the Qualtrics instrument on the last page of the experiment. Participants will submit this code on Mechanical Turk. Participants will receive remuneration of \$1.50 through Amazon Turk for the completion of the Human Intelligence Task (HIT).

The questions that deal with the subject's background are general in nature and would not make it possible to identify individual respondents. Only summary information will be distributed, not individual record-level data. Once the data is extracted from Qualtrics for analysis, identification of emails directed to the researcher or the dissertation committee chair will be deleted. All data collected will be kept for three years on a secure Indiana University of Pennsylvania (IUP) secure server under the supervision of the dissertation committee chair. These steps will assure the anonymity of the information.

If you decide to participate, you will be asked to sign this form electronically by clicking the "I consent" button below in place of a written signature. You may print this page for your records or request a hard copy.

Your decision to participate or withdraw will have no effect on your relationship with the researchers or IUP. You have the right to ask the researcher questions. Darlene W. Natale is a doctoral candidate at IUP conducting her research under the guidance of Mary Beth Leidman, Ph.D. You are welcome to contact them at:

Darlene W. Natale Doctoral Candidate d.w.natale@iup.edu

Mary Beth Leidman, Ph.D.
Professor
Communications Media and Instructional Technology
mbleid@iup.edu

THIS PROJECT HAS BEEN APPROVED BY THE INDIANA UNIVERSITY OF PENNSYLVANIA INSTITUTIONAL REVIEW BOARD FOR THE PROTECTION OF HUMAN SUBJECTS (PHONE 724-357-7730).

By clicking "I consent," I acknowledge that I have read this form. I do this freely and voluntarily.

Appendix D

Content Validity Instrument

Indiana University of Pennsylvania

Darlene W. Natale

You are invited to take part in a panel to help establish the validity of an online experiment about perceptions of native advertising. The panel will be used to establish the validity of the online experiment instrument through jury validation. Buddebbaum and Novak (2001) suggest recruiting a panel of experts or a group like those who will participate in the actual study to "and have them decide whether the measures are reasonable" (p.110). The Content Validity will be evaluated on a scale of 1-4. With 1=not relevant, 2 = somewhat relevant, 3 = quite relevant, 4 = highly relevant (Davis, 1992). The Content Validity Index (CVI) is calculated by the number of panelists giving a rating of either 3 or 4, divided by the number of panelists (Polit, Beck, & Owen, 2007). Each question/statement's validity will be rated on a scale of 1-4, with 4 being the clearest. There will also be a space if you feel a comment is necessary. Grades of 3 and 4 are considered acceptable. A CVI of greater than or equal to 0.78 is considered excellent. "Tests scoring a CVI of ≥ 0.78 were equivalent to a probability of a chance occurrence (Pc) of <0.07 indicating an excellent level of the expert agreement concerning the tests' relevance" (Larsson H, Tegern M, Monnier A, Skoglund J, Helander C, & Persson E, 2015, p. 6).

You will be provided with instruction along with the experiment. Thank you for your generous offer of time in this research that is a critical contribution to my research.

Yours truly,

Darlene W. Natale

Doctoral Candidate

d.w.natale@iup.edu

Mary Beth Leidman, Ph.D.

Professor

Communications Media and Instructional Technology

mbleid@iup.edu

THIS PROJECT HAS BEEN APPROVED BY THE INDIANA UNIVERSITY OF PENNSYLVANIA INSTITUTIONAL REVIEW BOARD FOR THE PROTECTION OF HUMAN SUBJECTS (PHONE 724-357-7730).

Establishing Content Validity Assessment Response Form RECOGNITION AND PERCEPTIONS OF NATIVE ADVERTISING IN MEDIA

| Name of Reviewer | |
|---------------------|---|
| Position | • |
| Place of Employment | _ |

You were selected to participate in the evaluation of the content validity of this experimental study because of your expertise in the field of communication. Thank you for your generous offer of your time in this research.

You will use the link provided to look at the study online and respond on this form with the question and answer choice. Since the stimuli are visual, viewing the pdf or online experiment will be important.

Each question/statement's validity will be rated on a scale of 1-4, with 4 being the clearest. There will also be a space if you feel a comment is necessary. The scale was scored accordingly: With 1 = not relevant, 2 = somewhat relevant, 3 = quite relevant, 4 = highly relevant (Davis, 1992). Grades of 3 and 4 are considered acceptable. A CVI of greater than or equal to 0.78 is considered excellent. "Tests scoring a CVI of \geq 0.78 were equivalent to a probability of a chance occurrence (P_c) of <0.07 indicating an excellent level of the expert agreement concerning the tests' relevance" (Larsson H, Tegern M, Monnier A, Skoglund J, Helander C, & Persson E, 2015, p. 6).

Instructions for what the statement/questions are testing for appear in blue type. The evaluation box has light blue shading as seen below. Please contact me with any questions at 724-713-1079 or FTCV@iup.edu.

| The statement or question is: | | | | | | | | |
|-------------------------------|-----------------------|--------------------|---------------------------|--|--|--|--|--|
| 1 = not relevant | 2 = somewhat relevant | 3 = quite relevant | $\underline{}$ 4 = highly | | | | | |
| relevant | | | | | | | | |

Q1 Indiana University of Pennsylvania Informed Consent Form

You are invited to participate in this research study which attempts to gather participants' perceptions of native advertising.

The following information is provided to help you make an informed decision on whether or not to participate.

All participants must be at least 18 years old.

The purpose of this online experiment is to understand participants' recognition and perceptions of native advertising. This experiment should take approximately 15 minutes to complete. This is an anonymous experiment, and completion of this study implies consent. Your participation in this study is voluntary. If you choose to participate, you may withdraw at any time by exiting the experiment. Your data will not be able to be withdrawn after submission as there would be no way of knowing which data belonged to which individual.

The questions that deal with the subject's background are general in nature and would not make it possible to identify individual respondents. Only summary information will be distributed, not individual record-level data. Once the data is extracted from Qualtrics for analysis, any specific identifying fields (e.g. response email) will be deleted. All data collected will be kept for three years on a secure Indiana University of Pennsylvania (IUP) secure server under the supervision of the dissertation committee chair. These steps will assure the anonymity of the information.

If you decide to participate, you will be asked to sign this form electronically by clicking the "I consent" button below in place of a written signature. You may print this page for your records or request a hard copy.

Your decision to participate or withdraw will have no effect on your relationship with the researchers or IUP. You have the right to ask the researcher questions. Darlene W. Natale is a doctoral candidate at IUP conducting her research under the guidance of Mary Beth Leidman, Ph.D. You are welcome to contact them at:

Darlene W. Natale Doctoral Candidate d.w.natale@jup.edu

Mary Beth Leidman, Ph.D. Professor Communications Media and Instructional Technology mbleid@iup.edu

THIS PROJECT HAS BEEN APPROVED BY THE INDIANA UNIVERSITY OF

PENNSYLVANIA INSTITUTIONAL REVIEW BOARD FOR THE PROTECTION OF HUMAN SUBJECTS (PHONE 724-357-7730).

| By clicking "I consent," I acknowledge that I have read this form. I do this freely and voluntarily. | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| O I Consent | | | | | | | | |
| O I do not consent | | | | | | | | |
| The statement or question-is: | | | | | | | | |
| 1 = not relevant2 = somewhat relevant3 = quite relevant4 = highly | | | | | | | | |
| relevant | | | | | | | | |
| Q2 What is your age? | | | | | | | | |
| The statement or question is: | | | | | | | | |
| 1 = not relevant2 = somewhat relevant3 = quite relevant4 = | | | | | | | | |
| highly relevant | | | | | | | | |
| Q3 Do you follow the news? Yes No | | | | | | | | |
| The statement or question is: | | | | | | | | |
| 1 = not relevant2 = somewhat relevant3 = quite relevant4 = | | | | | | | | |
| highly relevant | | | | | | | | |

| Q4 I follow the news |
|--|
| O To stay up to date on general happenings |
| O For entertainment value |
| O Unintentionally, while web surfing |
| O other |
| The statement or question is: |
| 1 = not relevant2 = somewhat relevant3 = quite relevant4 = |
| - highly relevant |
| Q5 Are you employed? O Yes, full-time |
| O Yes, part-time |
| O Not employed, looking for work |
| O Not employed |
| O Not employed, Full-time student |
| O Contract worker |
| The statement or question is: |
| 1 = not relevant2 = somewhat relevant3 = quite relevant4 = |
| highly relevant |

| | Middle School |
|------------|--|
| \bigcirc | High School Diploma |
| \bigcirc | Bachelor's degree |
| \bigcirc | Master's degree |
| 0 | Other |
| The s | statement or question is: |
| 1 | = not relevant2 = somewhat relevant3 = quite relevant4 = |
| highl | y relevant |
| Q7 Wha | at is your gender? Male Female |
| 0 | Nonbinary Prefer not to say Prefer to self-describe |

Q8 I think the news is trustworthy from

| | Strongl y disagree | Disagre e | Somewha t disagree | Neither agree nor disagre e | Somewha t agree | Agre e | Strongl y agree | | | |
|---|--|--------------|-----------------------|---|--------------------|-----------|--------------------|--|--|--|
| Traditional online publications(Wal 1 Street Journal, New York Times, etc. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Online sites of cable and network broadcast news such as CNN, NBC, CBS, FOX, etc. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Online-only media such as BuzzFeed, Huffington Post, Raw Story, Medium, or Vox. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Social media platforms such as Facebook, Instagram, Reddit, and Twitter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| The statement or | | | | | 2 – quito # | | 4 – bio | | | |
| relevant | 1 = not relevant2 = somewhat relevant3 = quite relevant4 = highly relevant | | | | | | | | | |

| C | 9 | Ι | prefer | to | get my | online | news | throu | σl | h |
|--------|---|---|--------|----|-----------|--------|---------|---------|----|---|
| \sim | _ | - | PICICI | • | 500 111 1 | OIIIII | 110 110 | uii o u | ~~ | |

| | Definitely not | Probably not | Might or might not | Probably yes | Definitely yes | | | |
|--|-------------------|----------------------|----------------------------|--------------------|--|--|--|--|
| Social media feeds (Facebook, Twitter, Reddit, etc.) | 0 | 0 | 0 | 0 | 0 | | | |
| Websites of traditional newspapers, magazines, cable news, or television stations | 0 | | 0 | 0 | 0 | | | |
| Other news aggregation websites (Huffington Post, Buzz Feed, etc.) | 0 | 0 | 0 | 0 | 0 | | | |
| Other | 0 | \circ | 0 | 0 | 0 | | | |
| The statement or question is: 1 = not relevant2 = somewhat relevant3 = quite relevant4 = highly relevant | | | | | | | | |
| Q10 I avoid rea | ding or clickir | ng on ads when r | eading news | or articles online | ?? | | | |
| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree | | | |
| Click to write Statement 1 | 0 | 0 | 0 | 0 | 0 | | | |
| The statement | or question is | • | | | | | | |
| 1 = not rel | evant | 2 = somewhat re | elevant _ | 3 = quite relev | $\frac{1}{2}$ ant $\frac{1}{2}$ 4 = highly | | | |
| relevant | | 160 | 6 | | | | | |

| The | falla | wing | anestions | will | ack | ahout | vour | nerce | ntions | of . | advertising | 7 |
|------|-------|------|-----------|--------|-----|-------|------|-------|--------|------|-----------------|----|
| 1111 | 10110 | wing | questions | ** 111 | asn | avvui | your | perce | puons | UI | au v Ci tisiiiş | ś٠ |

| The following Instagram post | s are being | evaluated | for the | participants' | recognition |
|-------------------------------|-------------|-----------|---------|---------------|-------------|
| or perception of advertising. | | | | | |

| \sim 1 1 | - T-1 | T . | | • |
|------------|--------|-----------|------|----|
| Q11 | Thic | Instagram | noct | 10 |
| OII | 1 1113 | mstagram | DOSL | 19 |
| • | | | | - |

| | No ad | Probably not ad | Not sure | Might be ad | Ad | |
|--------------------|-----------------|------------------|-----------|--------------------|-----|----------|
| Select your choice | 0 | 0 | 0 | 0 | 0 | |
| The statemen | t or question i | s: | | | | |
| 1 = not relevant | | _2 = somewhat re | elevant _ | 3 = quite relevant | 4 = | = highly |
| relevant | | | | | | |
| | | | | | | |

The following questions will ask about your perceptions of advertising.

| 010 | TC1 . | T . | | |
|-------|--------|------------|------|----|
| (112) | Thie | Instagram | noct | 10 |
| O12 | 1 1113 | motagram | post | 13 |

| | No ad | Probably not ad | Not sure | Might be ad | Ad | |
|--------------------|-------|-----------------|----------|-------------|---------|--|
| Select your choice | 0 | 0 | \circ | 0 | \circ | |

| The statement or question is: | | | | | |
|-------------------------------|-----------------------|--------------------|-----|--|--|
| 1 = not relevant | 2 = somewhat relevant | 3 = quite relevant | 4 = | | |
| highly relevant | | | | | |

| Q13 This Instagram post is | | | | | | |
|-------------------------------|---------------|-----------------------|----------|---------------------|----|------------|
| | Not ad | Probably not ad | Not sure | Might be ad | Ad | |
| Select your choice | 0 | 0 | 0 | 0 | 0 | _ |
| The statement | or question i | s: | | | | |
| 1 = not rel | evant | $_2$ = somewhat rel | levant | _3 = quite relevant | 4 | = highly |
| relevant | | | | | | |
| Q14 This Instagram post is | | | | | | |
| | Not ad | Probably not ad | Not sure | Might be ad | Ad | |
| Select your choice | 0 | | 0 | | 0 | |
| The statement or question is: | | | | | | |
| 1 = not relevant | | 2 = somewhat relevant | | 3 = quite relevant | 4 | l = highly |

relevant

| 015 | - T-1 | T . | | • |
|----------|-------|-----------|------|----|
| () 5 | Thia | Instagram | noct | 10 |
| OI. | 11115 | mstagram | DOSE | 15 |
| ~ | | | P | |

| | Not ad | ad | Not sure | Might be ad | Ad | |
|--------------------|----------------------------|------------------|----------|------------------------------------|-------|--------|
| Select your choice | 0 | 0 | 0 | 0 | 0 | |
| The statement | t or question i | is: | | | | |
| 1 = not re | levant | _2 = somewhat re | levant _ | 3 = quite relevant | 4 = h | ighly |
| relevant | | | | | | |
| | | | | | | |
| Q16 This Insta | gram post is | | | | | |
| Q16 This Insta | gram post is Not ad | Probably not ad | Not sure | Might be ad | Ad | |
| Q16 This Instage | | • | Not sure | Might be ad | Ad | |
| Select your choice | Not ad | ad | Not sure | Might be ad | Ad | |
| Select your | Not ad Output or question | ad | 0 | Might be ad O 3 = quite relevant | 0 | nighly |

| Q17 | This | Instagram | post | is |
|-----|------|-----------|------|----|
| | | | | |

| | Not ad | Probably not ad | Not sure | Might be ad | Ad | |
|--------------------|-------------------------|--------------------|-----------------|---------------------|---------------------------|--|
| Select your choice | 0 | 0 | 0 | 0 | 0 | |
| The statemen | t or question i | S: | | | | |
| 1 = not re | levant | $_2$ = somewhat re | elevant | _3 = quite relevant | $\underline{}$ 4 = highly | |
| relevant | | | | | | |
| Q18 This Inst | agram post is Not ad | not sure | Probably not ad | Might be ad | Ad | |
| Select your choice | 0 | | 0 | 0 | | |
| The statemen | t or question i | S: | | | | |
| | _ | | | | | |
| 1 = not re | levant | $_2$ = somewhat re | elevant | _3 = quite relevant | 4 = highly | |

The next two questions seek to understand participants perceptions' and recognition of native advertising in the format of a news article.

Q19 The article" Mistakes First-Time Homebuyers Should Avoid" is

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|-------------|----------------------|-------------------|----------------------------|----------------|----------------|
| Believable | 0 | 0 | \circ | 0 | 0 |
| Accurate | 0 | \circ | \circ | \circ | \circ |
| Trustworthy | 0 | \circ | \circ | \circ | \circ |
| Unbiased | 0 | \circ | \circ | \circ | \circ |
| Complete | 0 | \circ | \circ | 0 | 0 |

| The statement or quest | ion is: | | |
|------------------------------|-----------------------|--------------------|------------|
| 1 = not relevant relevant | 2 = somewhat relevant | 3 = quite relevant | 4 = highly |

| Q20 The article "Mistakes First-Time H | Iomebuyers Should Avoid" is |
|--|-----------------------------|
|--|-----------------------------|

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree | | |
|-------------------------------|-------------------|-------------------|----------------------------|-----------------|----------------|--|--|
| Believable | \circ | \circ | \circ | 0 | \circ | | |
| Accurate | \circ | \circ | \circ | 0 | \circ | | |
| Trustworthy | \circ | \circ | \circ | 0 | \circ | | |
| Unbiased | \circ | 0 | 0 | 0 | \circ | | |
| Complete | \circ | 0 | 0 | \circ | \circ | | |
| The statement or question is: | | | | | | | |
| 1 = not rel | evant | 2 = somewhat r | elevant | 3 = quite relev | 4 = high | | |

| The statement or ques | tion is: | | |
|-----------------------|-----------------------|--------------------|---------------------------|
| 1 = not relevant | 2 = somewhat relevant | 3 = quite relevant | $\underline{}$ 4 = highly |
| relevant | | | |

The next two homepages seek participants' recognition and /or perceptions of native ads on the homepages to newspapers. Q21 Does this TribLIVE have any advertisements? Definitely not Probably not Might or might not Probably yes Definitely yes The statement or question is: 3 = quite relevant1 = not relevant2 = somewhat relevant 4 = highlyrelevant Q22 Does this New York Times Homepage contain advertising? Definitely not Probably not Might or might not Probably yes Definitely yes The statement or question is: $_3$ = quite relevant 1 = not relevant2 =somewhat relevant 4 = highly

relevant

| The following I | Instagram posts | are being | evaluated | for the | participants' | recognition |
|-----------------|-----------------|-----------|-----------|---------|---------------|-------------|
| or perception o | of advertising. | | | | | |

| α | CC1 . | T , | | • |
|----------|-------|-----------|------|----|
| Q23 | This | Instagram | post | 1S |

| Q23 This Insta | gram post is | | | | |
|--------------------|---------------|------------------|-----------|--------------------|---------------------------|
| | Not ad | Probably not ad | Not sure | Might be ad | Ad |
| Select your choice | 0 | 0 | 0 | 0 | 0 |
| The statemen | t or question | is: | | | |
| 1 = not re | levant | _2 = somewhat re | elevant _ | 3 = quite relevant | 4 = highly |
| relevant | | | | | |
| Q24 This Insta | gram post is | Probably not | | | |
| | Not ad | ad | Not sure | Might be ad | Ad |
| Select your choice | 0 | 0 | 0 | 0 | 0 |
| The statemen | t or question | is: | | | |
| 1 = not re | levant | _2 = somewhat re | elevant _ | 3 = quite relevant | 4 = highly |
| Q25 This Insta | gram post is | | | | |
| | Not ad | Probably not ad | Not sure | Might be ad | Ad |
| Select your choice | 0 | 0 | 0 | 0 | 0 |
| The statemen | t or question | is: | | | |
| 1 = not re | levant | _2 = somewhat re | elevant _ | 3 = quite relevant | $\underline{}$ 4 = highly |
| relevant | | 174 | 1 | | |

| 000 | CC1 . | T . | | • |
|-------------|--------|------------|------|----|
| (17)6 | Thie | Instagram | noct | 10 |
| U 20 | 1 1113 | motagram | posi | 13 |
| | | | | |

| 0 | 0 | 0 | 0 | 0 | | |
|---|--|---|---|--|--|--|
| , | | | | | | |
| The statement or question is: | | | | | | |
| 1 = not relevant2 = somewhat relevant3 = quite relevant4 = highly | | | | | | |
| | | | | | | |
| e of the mas | sthead. | | | lo effect to | | |
| WAS | | | | | | |
| Definitely not | Probably not | Might or might not | Probably yes | Definitely yes | | |
| \circ | \circ | \circ | 0 | 0 | | |
| \circ | 0 | \circ | 0 | 0 | | |
| \circ | 0 | \circ | 0 | \circ | | |
| \circ | 0 | \circ | \circ | \circ | | |
| | | | | | | |
| | ion will seek e of the mas your respon WAS | ion will seek to understand e of the masthead. t your response to the statem WAS Definitely Probably not | ion will seek to understand if participal e of the masthead. t your response to the statement on the left WAS Definitely Probably not Might or | ion will seek to understand if participants' bestow a hade of the masthead. E your response to the statement on the left column WAS Definitely Probably not Might or Probably yes | | |

| statement: THIS ARTICLI | E WAS | | | | | |
|-------------------------------|--|--------------|--------------------|--------------|----------------|--|
| | Definitely not | Probably not | Might or might not | Probably yes | Definitely yes | |
| Believable | 0 | \bigcirc | \circ | \bigcirc | \circ | |
| Accurate | 0 | 0 | \circ | 0 | 0 | |
| Trustworthy | 0 | 0 | \circ | 0 | 0 | |
| Unbiased | 0 | \circ | \circ | \circ | \circ | |
| Complete | 0 | 0 | 0 | 0 | 0 | |
| The statement or question is: | | | | | | |
| | 1 = not relevant 2 = somewhat relevant 3 = quite relevant 4 = highly | | | | | |
| relevant | | | | | | |

Q28 Please select your response to the description in the left column to respond to the

Q29 Please select your response to the description in the left column to reply to the statement:

THIS ARTICLE WAS.____

| | Definitely not | Probably not | Might or might not | Probably yes | Definitely yes | |
|-------------------------------|----------------|-----------------|--------------------|-----------------|-------------------------------|--|
| Believable | 0 | \circ | \circ | 0 | \circ | |
| Accurate | 0 | \circ | \circ | \circ | \bigcirc | |
| Trustworthy | 0 | \circ | \circ | \circ | 0 | |
| Unbiased | 0 | \circ | \circ | \circ | \circ | |
| Complete | 0 | 0 | \circ | 0 | \circ | |
| The statement or question is: | | | | | | |
| 1 = not rel | evant | 2 = somewhat re | elevant _ | 3 = quite relev | ant $\underline{}$ 4 = highly | |
| relevant | | | | | | |

Q30
Please select your response to the description in the left column to reply to the

| statement: | |
|------------------|--|
| THIS ARTICLE WAS | |

relevant

| | Definitely not | Probably not | Might or might not | Probably yes | Definitely yes |
|---------------|----------------|-----------------|--------------------|-----------------|----------------|
| Believable | 0 | 0 | \circ | 0 | 0 |
| Accurate | 0 | \circ | \circ | \circ | \circ |
| Trustworthy | 0 | \circ | \circ | \circ | \circ |
| Unbiased | 0 | \circ | \circ | \circ | \circ |
| Complete | 0 | \circ | \circ | 0 | \circ |
| | | | | | |
| The statement | or question is | | | | |
| 1 = not rel | levant | 2 = somewhat re | elevant | 3 = quite relev | ant 	 4 = his |

These next eight Instagram posts are paired to see if the poster of the products with more likes receives more positive feedback, or if the poster is rated more highly on appearance.

Q31 This LimeCrime Venus XL eyeshadow appears

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|------------|----------------------|-------------------|----------------------------------|----------------|----------------|
| Attractive | 0 | \circ | 0 | \circ | 0 |
| Classy | 0 | \circ | 0 | \circ | 0 |
| Elegant | 0 | \circ | 0 | \circ | 0 |
| Beautiful | 0 | \circ | \circ | \circ | \circ |
| Well-made | 0 | \circ | \circ | \circ | \circ |
| Sexy | 0 | \circ | \circ | 0 | \circ |

| The statement or ques | tion is: | | |
|-----------------------|-----------------------|--------------------|---------------------------|
| 1 = not relevant | 2 = somewhat relevant | 3 = quite relevant | $\underline{}$ 4 = highly |
| relevant | | | |

Q32 This LimeCrime Venus xl eyeshadow palette appears

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|------------|----------------------|-------------------|----------------------------------|----------------|----------------|
| Attractive | 0 | \circ | 0 | \circ | 0 |
| Classy | 0 | \circ | \circ | \circ | 0 |
| Elegant | 0 | \circ | \circ | \circ | 0 |
| Beautiful | 0 | \circ | \circ | \circ | 0 |
| Well-made | 0 | \circ | \circ | \circ | 0 |
| Sexy | 0 | \circ | \circ | \circ | 0 |

| The statement or question is: | | | | | | |
|-------------------------------|-----------------------|--------------------|------------|--|--|--|
| 1 = not relevant relevant | 2 = somewhat relevant | 3 = quite relevant | 4 = highly | | | |

Q33 These Stuart Weitzman white boots appear

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|------------|----------------------|-------------------|----------------------------------|----------------|----------------|
| Attractive | 0 | \circ | \circ | \circ | 0 |
| Classy | 0 | \circ | \circ | 0 | 0 |
| Elegant | 0 | \circ | 0 | \circ | \circ |
| Beautiful | 0 | 0 | 0 | \circ | \circ |
| Well-made | 0 | \circ | 0 | \circ | 0 |
| Sexy | 0 | \circ | \circ | 0 | \circ |

| The statement or ques | etion is: | | |
|-----------------------|-----------------------|--------------------|---------------------|
| 1 = not relevant | 2 = somewhat relevant | 3 = quite relevant | $_{__4} = highly$ |
| relevant | | | |

Q34 These Stuart Weitzman white boots appear

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|------------|-------------------|-------------------|----------------------------------|----------------|----------------|
| Attractive | 0 | \circ | 0 | \circ | 0 |
| Classy | 0 | \circ | \circ | \circ | \circ |
| Elegant | 0 | \circ | \circ | \circ | \circ |
| Beautiful | 0 | \circ | \circ | \circ | \circ |
| Well-made | 0 | \circ | \circ | \circ | \circ |
| Sexy | 0 | \circ | \circ | 0 | \circ |

| The statement or question is: | | | | | | |
|-------------------------------|-----------------------|--------------------|------------|--|--|--|
| 1 = not relevant relevant | 2 = somewhat relevant | 3 = quite relevant | 4 = highly | | | |

Q35 This Instagram poster is

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|---------------|-------------------|-------------------|----------------------------|----------------|----------------|
| Attractive | \circ | 0 | \circ | \circ | \circ |
| Classy | \circ | 0 | \circ | 0 | \circ |
| Honest | \circ | \circ | \circ | 0 | \circ |
| Sincere | \circ | \circ | \circ | 0 | \circ |
| Trustworthy | \circ | \circ | \circ | 0 | \circ |
| Expert | \circ | 0 | \circ | 0 | \circ |
| Knowledgeable | \circ | 0 | \circ | \circ | \circ |
| | | | | | |

| The statement or quest | tion is: | | |
|------------------------|-----------------------|--------------------|---------------------------|
| 1 = not relevant | 2 = somewhat relevant | 3 = quite relevant | $\underline{}$ 4 = highly |
| relevant | | | |

| 000 | CC1 . | T . | | |
|----------|-------|------------|--------|----|
| 036 | This | Instagram | noster | 10 |
| Q_{20} | 11113 | mstagram | poster | 13 |

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|---------------|-------------------|-------------------|----------------------------|----------------|----------------|
| Attractive | 0 | \circ | \circ | 0 | 0 |
| Classy | 0 | \circ | 0 | 0 | 0 |
| Honest | 0 | \circ | \circ | 0 | \circ |
| Sincere | 0 | 0 | \circ | \circ | \circ |
| Trustworthy | 0 | 0 | \circ | \circ | \circ |
| Expert | 0 | 0 | 0 | \circ | \circ |
| Knowledgeable | 0 | \circ | \circ | \circ | \circ |

| The statement or question is: | | | | | | |
|-------------------------------|-----------------------|--------------------|---------------------------|--|--|--|
| 1 = not relevant | 2 = somewhat relevant | 3 = quite relevant | $\underline{}$ 4 = highly | | | |
| relevant | | | | | | |

Q37 This blue "Marthina Lounge Set" appears to be

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|------------|-------------------|-------------------|----------------------------------|----------------|----------------|
| Attractive | 0 | \circ | 0 | \circ | 0 |
| Classy | 0 | \circ | \circ | \circ | \circ |
| Elegant | 0 | \circ | \circ | \circ | \circ |
| Beautiful | 0 | \circ | \circ | \circ | \circ |
| Well-made | 0 | \circ | \circ | \circ | \circ |
| Sexy | 0 | \circ | \circ | \circ | \circ |

| The statement or question is: | | | | | | |
|-------------------------------|-----------------------|--------------------|------------|--|--|--|
| 1 = not relevant relevant | 2 = somewhat relevant | 3 = quite relevant | 4 = highly | | | |

Q38 This blue "Marthina Lounge Set" appears to be

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|------------|-------------------|-------------------|----------------------------------|----------------|----------------|
| Attractive | \circ | \circ | \circ | \circ | \circ |
| Classy | \circ | \circ | \circ | \circ | \circ |
| Elegant | \circ | \circ | \circ | \circ | \circ |
| Beautiful | \circ | \circ | \circ | \circ | \circ |
| Well-made | \circ | \circ | \circ | \circ | \circ |
| Sexy | \circ | \circ | \circ | \circ | \circ |
| | | | | | |

| The statement or quest | ion is: | | |
|---------------------------|-----------------------|--------------------|------------|
| 1 = not relevant relevant | 2 = somewhat relevant | 3 = quite relevant | 4 = highly |

Questions 39 and 40 are paired to gauge if participants' rate a native ad article more positively if labeled or not.

Q39 The article "UNICEF's Innovation Fund" is

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|-------------|-------------------|-------------------|----------------------------|----------------|----------------|
| Believable | 0 | 0 | \circ | \circ | 0 |
| Accurate | 0 | \circ | \circ | \circ | 0 |
| Trustworthy | 0 | \circ | \circ | \circ | 0 |
| Unbiased | 0 | \circ | \circ | \circ | 0 |
| Complete | 0 | \circ | \circ | \circ | 0 |
| News | 0 | \circ | \circ | \circ | 0 |
| Advertising | 0 | \circ | 0 | \circ | \circ |

| The statement or ques | tion is: | | |
|------------------------------|-----------------------|--------------------|------------|
| 1 = not relevant relevant | 2 = somewhat relevant | 3 = quite relevant | 4 = highly |

Q40 The article "UNICEF's Innovation Fund" is

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|-------------|-------------------|-------------------|----------------------------|----------------|----------------|
| Believable | 0 | 0 | 0 | 0 | 0 |
| Accurate | 0 | \circ | \circ | \circ | \circ |
| Trustworthy | 0 | \circ | \circ | \circ | \circ |
| Unbiased | 0 | \circ | \circ | \circ | 0 |
| Complete | 0 | \circ | \circ | \circ | \circ |
| News | 0 | \circ | \circ | \circ | \circ |
| Advertising | 0 | 0 | 0 | 0 | 0 |
| | | | | | |

| The statement or ques | tion is: | | |
|-----------------------|-----------------------|--------------------|---------------------------|
| 1 = not relevant | 2 = somewhat relevant | 3 = quite relevant | $\underline{}$ 4 = highly |
| relevant | | | |

The next two questions seek participants' perceptions of native editorial or actual editorial.

Q41 The "Irish Culture" article is

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|-------------|-------------------|-------------------|----------------------------|----------------|----------------|
| Believable | 0 | \circ | 0 | \circ | \circ |
| Accurate | 0 | \circ | 0 | 0 | 0 |
| Trustworthy | 0 | \circ | \circ | 0 | 0 |
| Unbiased | 0 | \circ | \circ | 0 | 0 |
| Complete | 0 | \circ | \circ | \circ | 0 |
| News | 0 | \circ | \circ | 0 | 0 |
| Advertising | 0 | \circ | 0 | \circ | \circ |

| The statement or ques | tion is: | | |
|------------------------------|-----------------------|--------------------|------------|
| 1 = not relevant relevant | 2 = somewhat relevant | 3 = quite relevant | 4 = highly |

Q42 The article "Carbon Footprint" is

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
|-------------|-------------------|-------------------|----------------------------|----------------|----------------|
| Believable | 0 | \circ | 0 | 0 | 0 |
| Accurate | \circ | \circ | \circ | \circ | \circ |
| Trustworthy | 0 | 0 | \circ | 0 | \circ |
| Unbiased | 0 | 0 | 0 | 0 | 0 |
| Complete | 0 | \circ | 0 | 0 | 0 |
| News | 0 | \circ | 0 | 0 | 0 |
| Advertising | \circ | \circ | \circ | \circ | \circ |
| I | | | | | |

| The statement or quest | ion is: | | |
|---------------------------|-----------------------|--------------------|------------|
| 1 = not relevant relevant | 2 = somewhat relevant | 3 = quite relevant | 4 = highly |

Appendix E

Pilot Test

Indiana University of Pennsylvania

Darlene W. Natale

You are invited to take part in a pilot test of my research on the Recognition and Perceptions of Native Advertising in Media. This pilot study will aid in testing the feasibility and validity of this online experiment. You will be provided with instructions to record the amount of time it takes you to complete the study, any problematic questions, or glitches you may encounter with the experiment.

Thank you for your generous offer of time in this research that is a critical contribution to my research.

Yours truly,

Darlene W. Natale

Doctoral Candidate

d.w.natale@iup.edu

Mary Beth Leidman, Ph.D.

Professor

Communications Media and Instructional Technology

mbleid@iup.edu

THIS PROJECT HAS BEEN APPROVED BY THE INDIANA UNIVERSITY OF PENNSYLVANIA INSTITUTIONAL REVIEW BOARD FOR THE PROTECTION OF HUMAN SUBJECTS (PHONE 724-357-7730).

Appendix F

Instrument

| Block Demographic |
|---|
| Q1. Indiana University of Pennsylvania Informed Consent Form |
| You are invited to participate in this research study which attempts to gather participants' perceptions of native advertising. |
| The following information is provided to help you make an informed decision on whether or not to participate. |
| All participants must be at least 18 years old and self-report that they follow the news. |
| The purpose of this online experiment is to understand participants' recognition and perceptions of native advertising. Participants will view images of Instagram posts and newspaper home pages, and read news articles and native ads. Participants will answer questions regarding their perceptions of the content they |
| viewed and read. These responses will be used to generalize public perceptions of this new advertising genre. This experiment should take approximately 15 minutes to complete. This is an anonymous experiment, and completion of this study implies consent. Your participation in this study is voluntary. If you choose to participate, you may withdraw at any time by exiting the experiment. Your data will not be able to be withdrawn after submission as there would be no way of knowing which data belonged to which individual. |
| This study may increase the participant's awareness of advertising materials appearing alongside editorials and social media posts. Additionally, the study may add to the knowledge on perceptions of native advertising and lead to greater good. The risk of participating in this study is no more than they would experience in everyday life. |
| Participants will receive a code randomly generated by the Qualtrics instrument on the last page of the experiment. Participants will submit this code on Mechanical Turk. Participants will receive remuneration of \$1.50 through Amazon Turk for the completion of the Human Intelligence Task (HIT). |
| The questions that deal with the subject's background are general in nature and would not make it possible to identify individual respondents. Only summary information will be distributed, not individual record-level data. Once the data is extracted from Qualtrics for analysis, identification of emails directed to the researcher or the dissertation committee chair will be deleted. All data collected will be kept for three years on a secure Indiana University of Pennsylvania (IUP) secure server under the supervision of the dissertation committee chair. These steps will assure the anonymity of the information. |
| If you decide to participate, you will be asked to sign this form electronically by clicking the "I consent" button below in place of a written signature. You may print this page for your records or request a hard copy. |
| Your decision to participate or withdraw will have no effect on your relationship with the researchers or IUP. You have the right to ask the researcher questions. Darlene W. Natale is a doctoral candidate at IUP conducting her research under the guidance of Mary Beth Leidman, Ph.D. You are welcome to contact them at: |
| Darlene W. Natale Doctoral Candidate |
| d.w.natale@iup.edu |
| Mary Beth Leidman, Ph.D. Professor |
| Communications Media and Instructional Technology mbleid@iup.edu |
| THIS PROJECT HAS BEEN APPROVED BY THE INDIANA UNIVERSITY OF PENNSYLVANIA INSTITUTIONAL REVIEW BOARD FOR THE PROTECTION OF HUMAN SUBJECTS (PHONE 724-357-7730). |
| By clicking "I consent," I acknowledge that I have read this form. I do this freely and voluntarily. |
| ○ I Consent |
| O I do not consent |
| |

| Yes No No A4. I follow To stay u For enter Unintentic other Yes, full-t Yes, part- Not emple Not emple Contract | up to date on general happenings rtainment value ionally, while web surfing u employed? time time loyed, looking for work | | | |
|---|--|--|--|--|
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| Middle So High Sch Bachelor | worker | | | |
| High Sch | last academic status completed | | | |
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| Other | | | | |
| Q7. What is | your gender? | | | |
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| Female | | | | |
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| Fraditional online oublications(Wall Street Journal, New York Times, etc. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Online sites of cable and network broadcast news such as CNN, NBC, CBS, FOX, etc. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Online only media such as BuzzFeed, Huffington Post, Raw Story, Medium, or Vox. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Social media platforms such as Facebook, Instagram, Reddit, and Twitter | 0 | 0 | | 0 | 0 | 0 | 0 |
| Q9. I prefer to get my online : | news through | | | | | | |
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| Social media feeds (Facebook, Fwitter, Reddit, etc.) | 0 | | C | | 0 | | |
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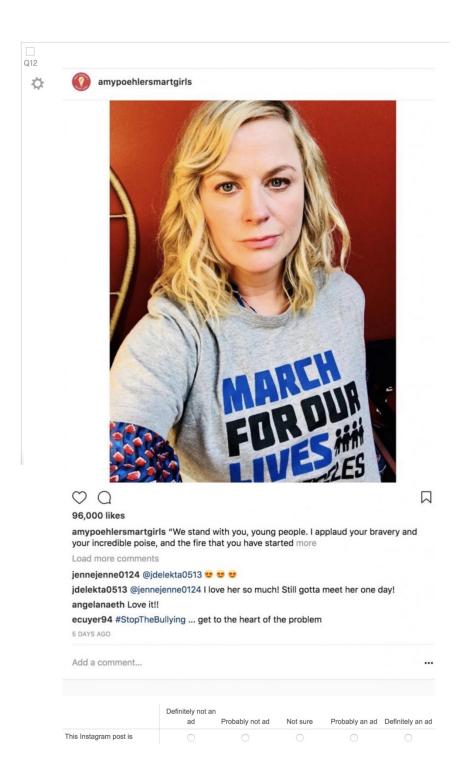


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|------------------------|------------------|-----------------|----------|----------------|------------------|--|
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| This Instagram post is | 0 | 0 | 0 | 0 | 0 | |

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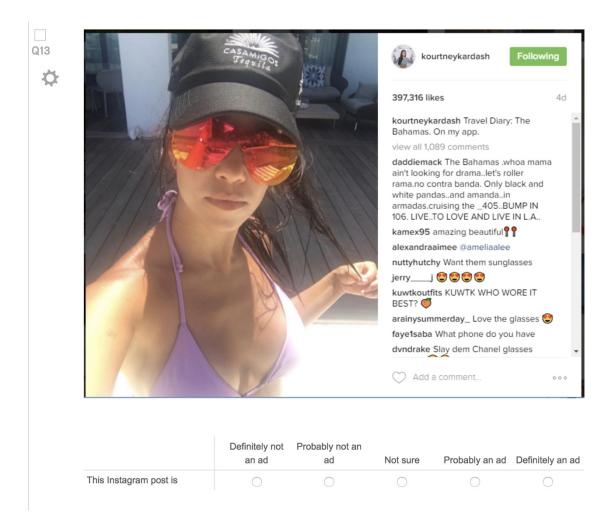
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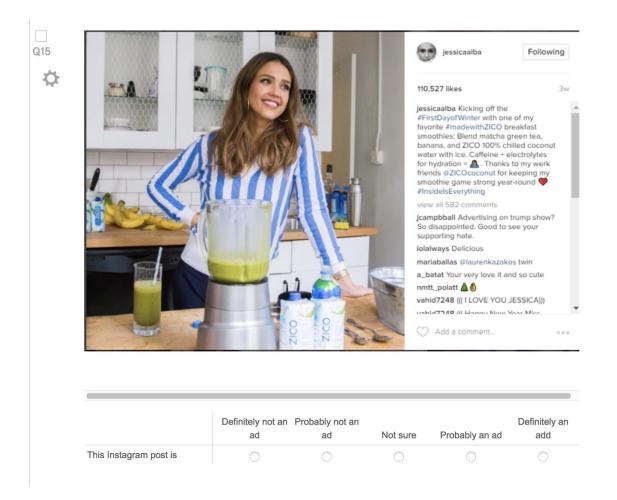
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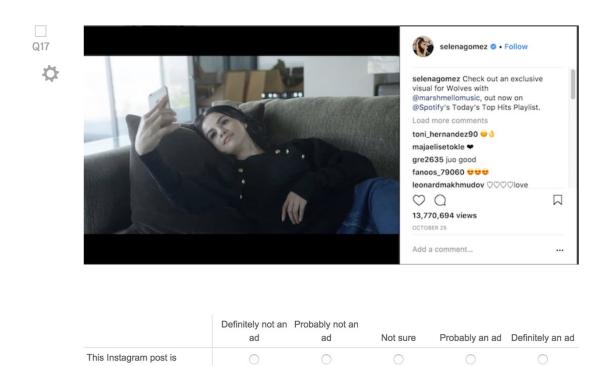
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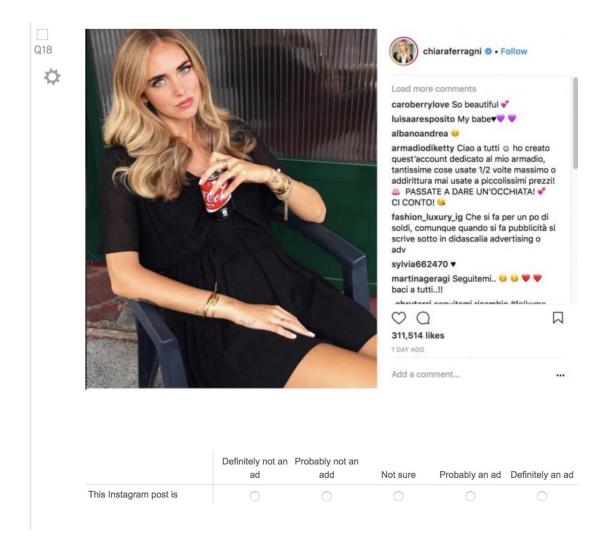
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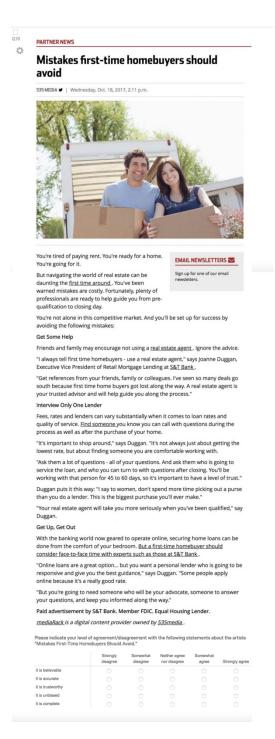


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http://TribLIVE.com/news/partnernews/12847243-74/mistakes-first-time-homebuyers-should-avoid

Q20



LOCAL SPORTS NEWS OPINION LIFESTYLES

Mistakes first-time homebuyers should avoid

535 MEDIA 🛩

Get Some Help

avoiding the following mistakes:

Friends and family may encourage not using a $\underline{\text{real estate agent}}$. Ignore the advice.

"I always tell first time homebuyers - use a real estate agent," says Joanne Duggan, Executive Vice President of Retail Mortgage Lending at S&T Bank.

"Get references from your friends, family or colleagues. I've seen so many deals go south because first time home buyers got lost along the way. A real estate agent is your trusted advisor and will help guide you along the process."

Interview Only One Lender

Fees, rates and lenders can vary substantially when it comes to loan rates and quality of service. Find someone you know you can call with questions during the process as well as after the purchase of your home.

"It's important to shop around," says Duggan. "It's not always just about getting the lowest rate, but about finding someone you are comfortable working with.

"Ask them a lot of questions - all of your questions. And ask them who is going to service the loan, and who you can turn to with questions after closing. You'll be working with that person for 45 to 60 days, so it's important to have a level of trust."

Duggan puts it this way: "I say to women, don't spend more time picking out a purse than you do a lender. This is the biggest purchase you'll ever make."

"Your real estate agent will take you more seriously when you've been qualified," say

Get Up, Get Out

With the banking world now geared to operate online, securing home loans can be done from the comfort of your bedroom. But a first-time homebuyer should consider face-to-face time with experts such as those at S&T Bank.

"Online loans are a great option... but you want a personal lender who is going to be responsive and give you the best guidance," says Duggan. "Some people apply online because it's a really good rate.

"But you're going to need someone who will be your advocate, someone to answer your questions, and keep you informed along the way.'

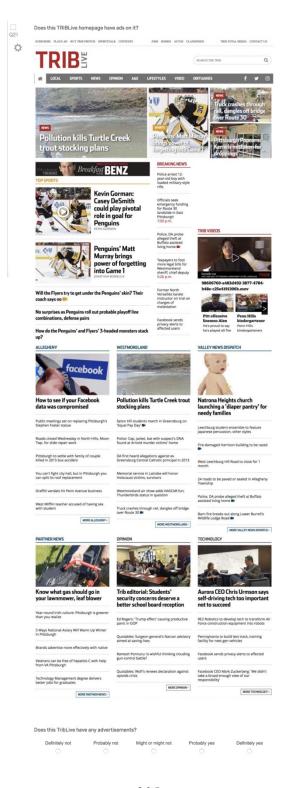
Please indicate your level of agreement/disagreement with the article "Mistakes that first time homeowners should avoid."

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
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| It is believable | | | | | |
| It is accurate | 0 | 0 | 0 | 0 | 0 |
| It is trustworthy | 0 | 0 | 0 | 0 | 0 |
| It is unbiased | 0 | 0 | 0 | 0 | 0 |
| It is complete | 0 | 0 | 0 | 0 | 0 |

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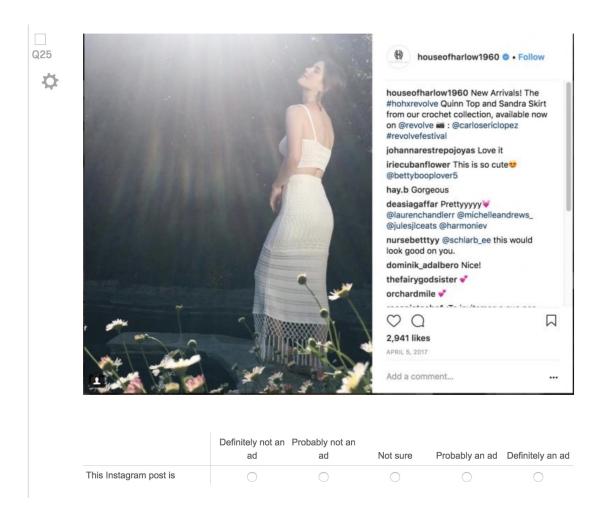
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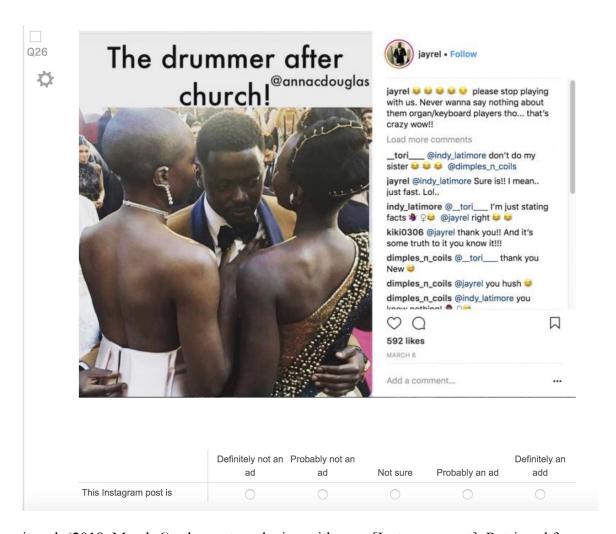
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The 17-year-old was suspended from school for two days after an aide for a Nevada congressman called his school and complained.

Posted on March 23, 2018, at 11:00 p.m.

Salvador Hernandez
BuzzFeed News Reporte



Near Distillations via KRM / Va myrteu A.com

A Nevada high school student who was suspended last week after he called a congressmen's office and told an aide that lawmakers should "get off their fucking asses" and act on gun control will have his punishment lifted.

The Washoe County School District in Nevada made the decision Friday, four days after the American Civil Libertles Union sent a letter demanding the disciplinary action against the 17veer-old junior be overturned.

District officials, in a statement, said it would withdraw the suspension rather than risk or be involved in *expensive and protracted litigation.*

Though officials were reversing their decision, the district stood by their action to punish the teenager, arguing that the phone call occurred on the grounds of Robert McQueen High School and provoked other students to yell and curse at students.

Noah Christiansen was one of thousands of students who took part in walkouts across the country on March 14 demanding gun control legislation after a mass shooting left 17 students and faculty dead at Marjory Stoneman Douglas High School in Florida.

Despite revoking the suspension, Washoe County School District officials seemed to stand firm in the decision to suspend Noah, stating that the school's principal Tesponded in accordance with the WCSD's educational mission and its progressive discipline procedures. District leadership feels strongly that McQueen High School administrators followed all policies and procedures in this case.*

Noah, according to the school statement, claimed to be speaking on behalf of the school's students and "proceeded to shout, curse, and demean the Congressional staffer."

"However, because WCSD is mindful of its fiscal responsibilities to local taxpayers and in order to ensure that its resources are spent on educating students rather than on expensive and protracted litigation, the District has agreed to the ACLU's request," it concluded.

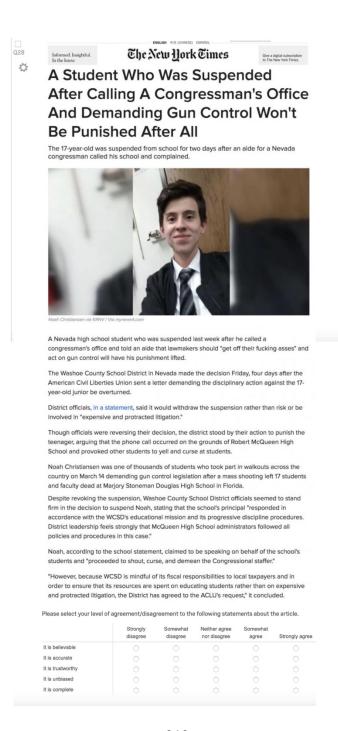
Please select your level of agreement to the following statements.

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
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| This article is believable | | | | | |
| This article is accurate | | | | | |
| This article is trustworthy | | | | | |
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| This article is complete | | | | | |

BuzzFeed News. (2018, March 23). A Student Who Was Suspended After Calling A

Congressman's Office and Demanding Gun Control Won't Be Punished After All.

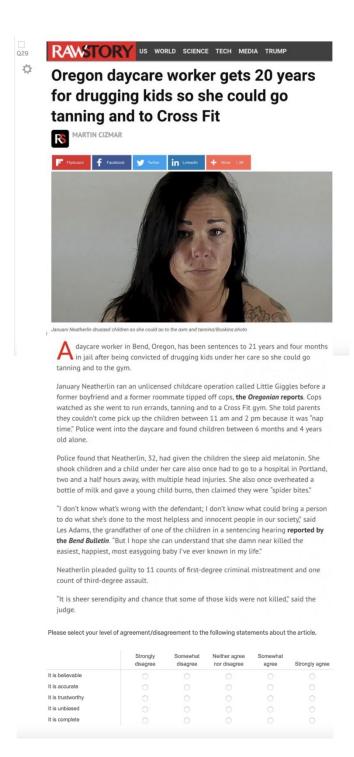
https://www.buzzfeed.com/salvadorhernandez/a-student-who-was-suspendedafter-calling-a-congressmans?utm_term=.iezxayDna#.ct2BQXdzQ



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Congressman's Office and Demanding Gun Control Won't Be Punished After All.

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A daycare worker in Bend, Oregon, has been sentences to 21 years and four months in jail after being convicted of drugging kids under her care so she could go tanning and to the gym.

January Neatherlin ran an unlicensed childcare operation called Little Giggles before a former boyfriend and a former roommate tipped off cops, the *Oregonian* reports. Cops watched as she went to run errands, tanning and to a Cross Fit gym. She told parents they couldn't come pick up the children between 11 am and 2 pm because it was "nap time." Police went into the daycare and found children between 6 months and 4 years old alone.

Police found that Neatherlin, 32, had given the children the sleep aid melatonin. She shook children and a child under her care also once had to go to a hospital in Portland, two and a half hours away, with multiple head injuries. She also once overheated a bottle of milk and gave a young child burns, then claimed they were "spider bites."

"I don't know what's wrong with the defendant; I don't know what could bring a person to do what she's done to the most helpless and innocent people in our society," said Les Adams, the grandfather of one of the children in a sentencing hearing reported by the Bend Bulletin. "But I hope she can understand that she damn near killed the easiest, happiest, most easygoing baby I've ever known in my life."

Neatherlin pleaded guilty to 11 counts of first-degree criminal mistreatment and one count of third-degree assault.

"It is sheer serendipity and chance that some of those kids were not killed," said the judge.

Please Select your level of agreement to the following statements about the article.

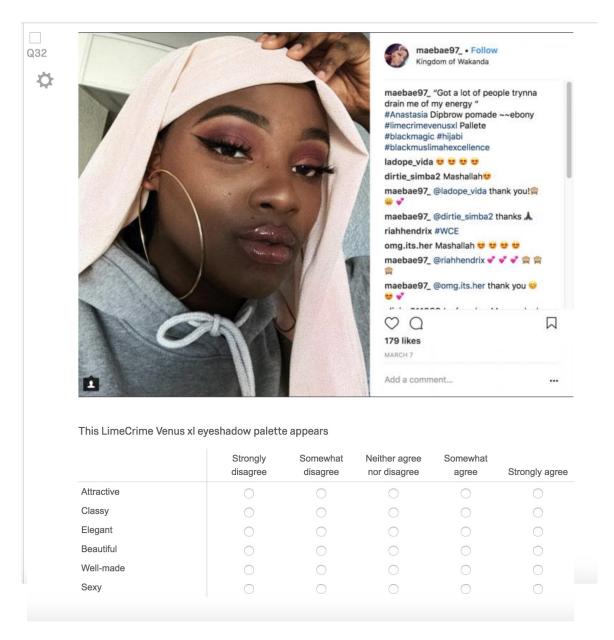
| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
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RawStory (2018, March 10). Oregon daycare worker gets 20 years for drugging kids so she could go tanning and to Cross Fit. Retrieved from

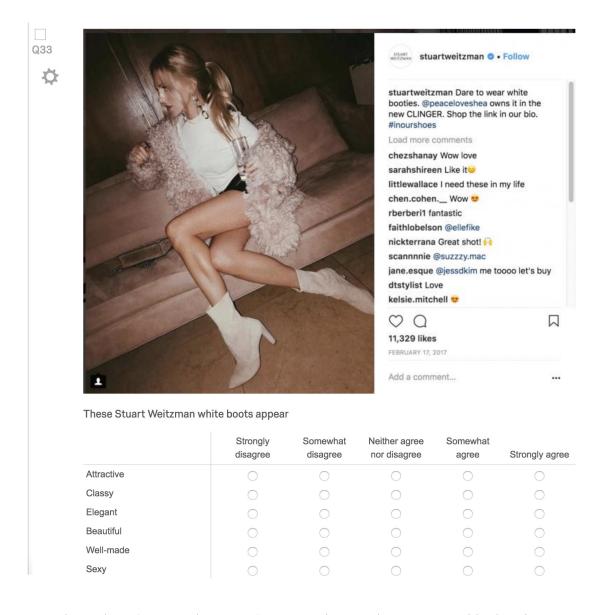
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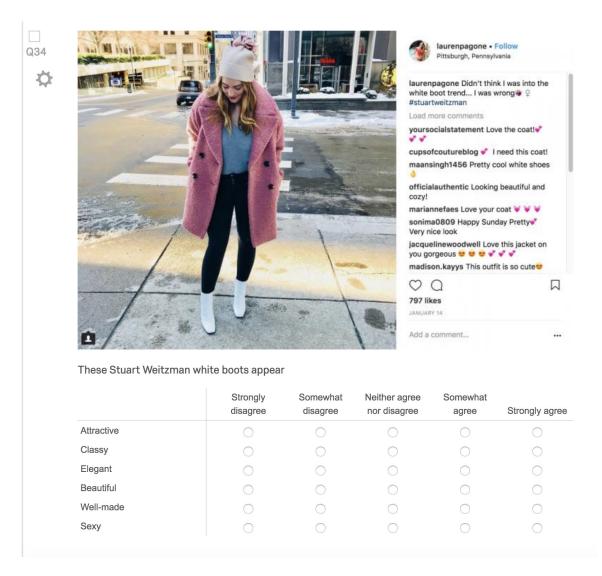
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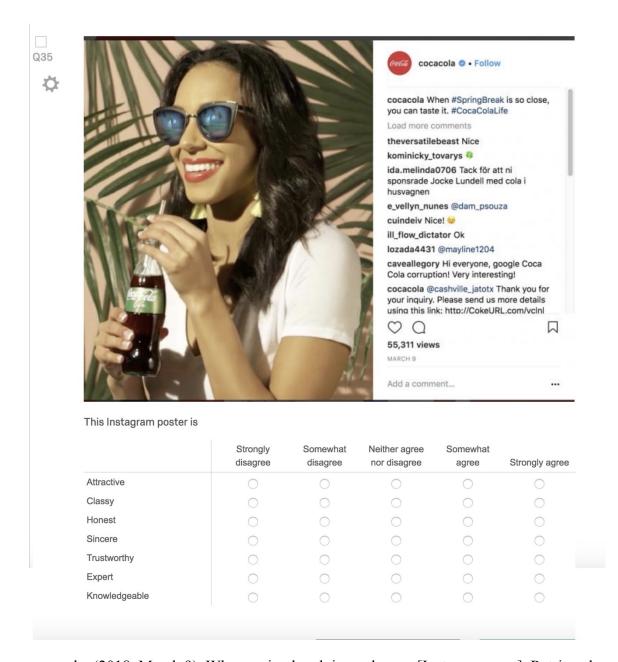
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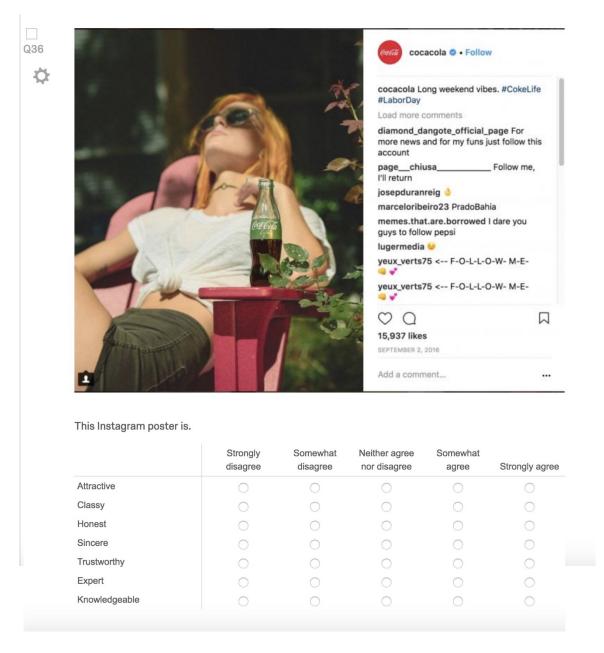


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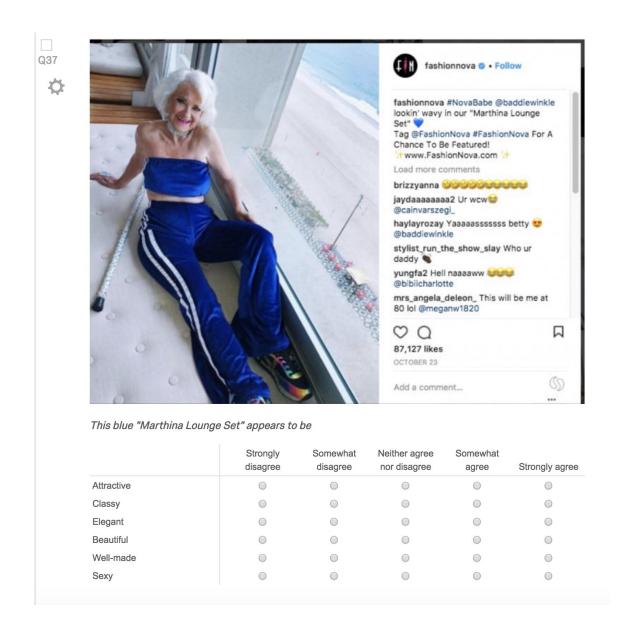
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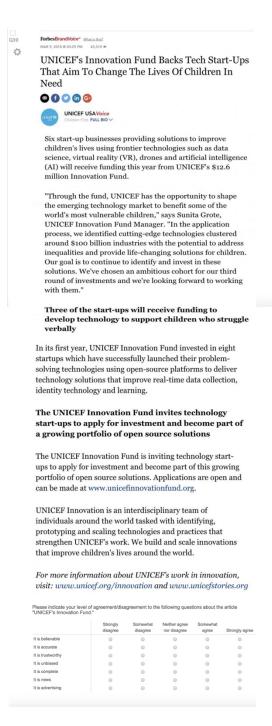
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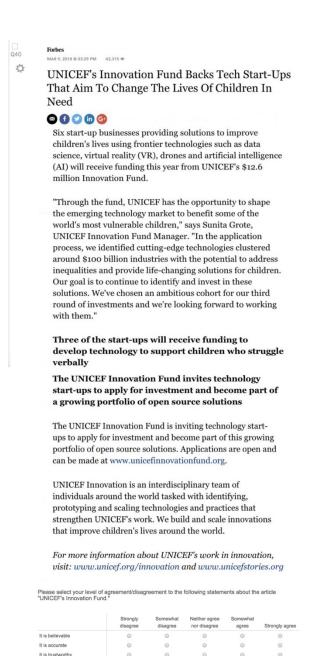
This blue "Marthina Lounge Set" appears to be

| | Strongly disagree | Somewhat disagree | Neither agree nor disagree | Somewhat agree | Strongly agree |
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| Beautiful | 0 | 0 | 0 | | |
| Well-made | 0 | 0 | | | |
| Sexy | 0 | 0 | | | |

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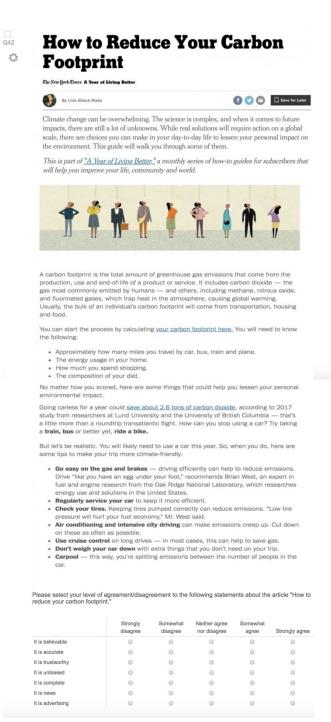
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It is unbiased



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