



Behavioural Study on Social Media Marketing

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Economic Analysis and Evaluation

Agenda

- *Background*
- *Problematic practices*
 - **Disguised advertising**
 - **Distortion of social proof indicators**
 - **Aggressive personal data treatment**
 - **UCPD-Blacklisted practices**
- *Recommendations*

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Background

Objective: assess marketing in social media vs. UCPD + identify remedies for problematic practices

Study by GfK with CentERdata (behavioural expert) and Wageningen U (Legal expert), among other

*Evidence gathered in late 2016 + 2017
(GDPR became applicable in May 2018)*

Research tasks carried out

- *Literature review, market data analysis*
- *Desk research x3, online communities x4*
- *Stakeholder survey, mystery shopping x50*
- *Behavioural experiments x4*
- *Legal assessment, integrated analysis*

Problematic practices identified

- 1. Disguised advertising***
- 2. Distortion of social proof indicators***
- 3. Aggressive personal data treatment*
- 4. UCPD-Blacklisted practices*
- 5. Non-commercial misleading practices*

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Qualitative research

- *Consumers are confident they can spot and filter marketing on social media*
 - Clues: brand name, shop link, "sponsored" tags, different layout/position, commercial language
- *Difficulties: "socially wrapped" ads, non-obvious competitions/polls, light users/unfamiliar providers*
- *Stakeholders acknowledge it's increasingly difficult to differentiate marketing from organic posting*
- *Social media marketing not (sufficiently) marked as commercial (native ads, influencer posts, advertorials)*

Behavioural experiment: Identification of native ads

- *Objective: to measure users' ability to identify native ads in 2 social media (Facebook/Twitter)*
- *Mock-up news feeds show native ads, distractor and filler posts, with and without pictures*
- *Two types of ads per social media, presented with standard disclosure label*
- *Ads shown for a consumer product (watch) and service (restaurant)*

Facebook types of native ads shown

Voorgesteld bericht

 **Jimmy Crunch**
Gesponsord · €

[Pagina leuk vinden](#)

Wat een heerlijke plek om gezellig te dineren! ❤️🍷



De lekkerste gerechten van de streek
Steak & Grill house


[Meer informatie](#)

JIMMYCRUNCH.COM

32

Vind ik leuk Reageren Delen

"Article" advertisement

 **Jimmy Crunch** heeft 4 nieuwe foto's toegevoegd.
Gesponsord · €

Wat een heerlijke plek om gezellig te dineren! ❤️🍷



32

Vind ik leuk Reageren Delen

"Photo album" advertisement

Twitter types of native ads shown



"Photo" advertisement



"Text" advertisement

Consumers have difficulties to tell natives ads apart from user posts

- *Native ad identification 64% (two exposures)*
 - Twitter (min. 59%) lower than Facebook (max. 70%)
 - Comparison: magazine ads >80% after 0,1 second
 - *False identification of "distractor posts" at 60%*
 - Prominent product picture seems a strong determinant for consumer identification of post as commercial
- *Disclosure label not used for ad identification*
- Only 29% participants remembered seen it (prompted)



What can be done?

Behavioural experiment: increasing identification of native ads

Twitter mock-up only; same ad types and products
2 types of interventions:

- *Increasing label salience*
- *Highlighting ad (to make it less native)*

5 disclosure types x 2 (ad + product) combinations
= 10 treatments (1000 participants per country)

- *Two ad types per feed, one product in each ad.*
All participants see both ads and both products

Experimental treatments

No increased label salience

Increased label salience

Non-highlighted ad

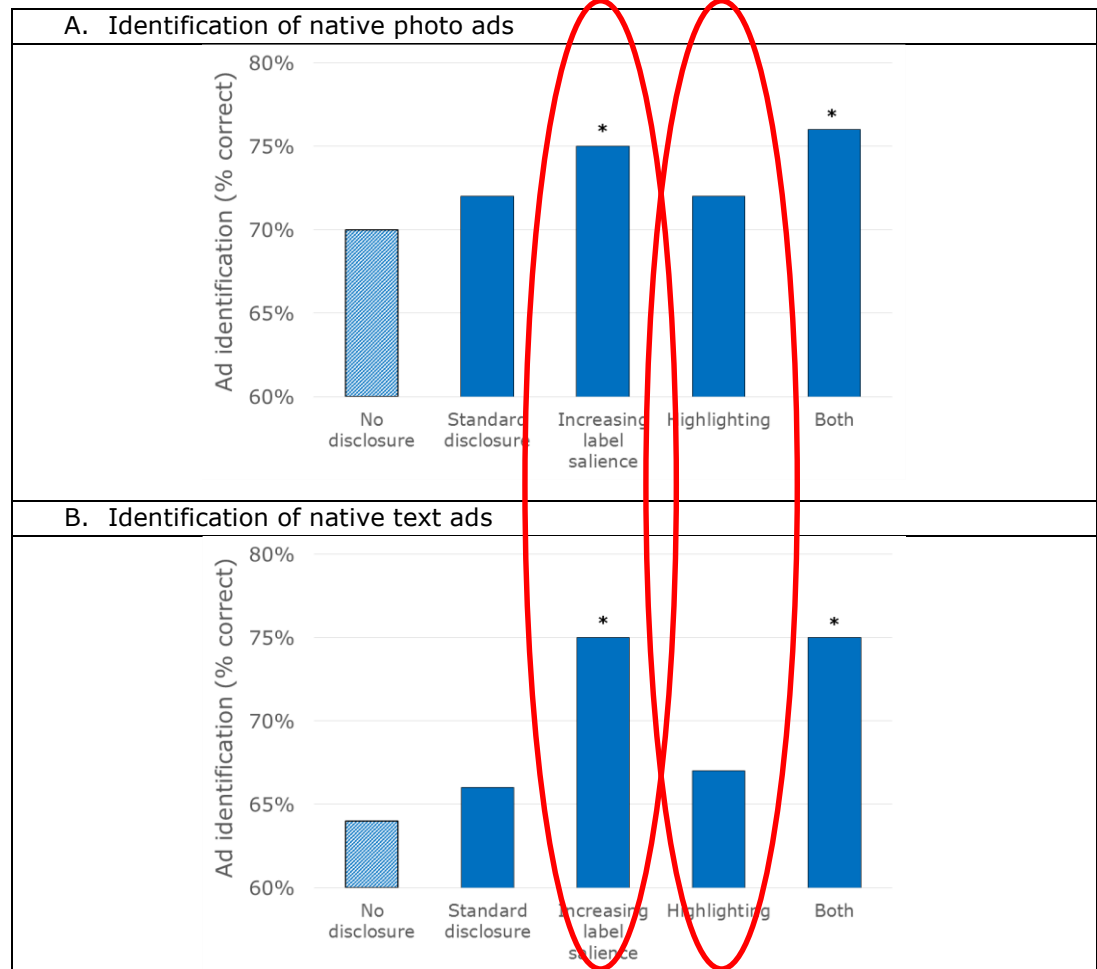


Highlighted ad



Increasing label salience improves ad identification

Highlighting the ad
does not help



Ambiguity in label wording drives country differences in effectiveness

Country	Disclosure label (translated)	Ad identification				
		Label absent	Standard label present	Increasing label salience	High-lighting	Both
<u>Twitter</u>						
Finland	Advertised	65%	70%	83%**	71%	80%**
Germany	Sponsored	60%	65%	75%**	61%	69%**
Italy	Sponsored	65%	64%	73%**	72%	79%**
Netherlands	Highlighted	66%	66%	70%	67%	75%**
Hungary	Recommended	73%	75%	79%*	75%	79%*
Bulgaria	Promoted	71%	71%	71%	70%	74%

The current disclosure label is not effective for identifying native ads

- *Two factors explain the ineffective disclosure*
 - Lack of salience = low attention/awareness by users
 - Label ambiguity (wording)
- *Salience of disclosure improves identification*
- *Most effective for unambiguous disclosure labels*
- *Increasing ad salience may increase attention but does not send an unambiguous message*

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Qualitative research

Social media representatives and intermediaries discourage artificial boosting of endorsements

- Low brand engagement, poor targeting, expensive ads
- Obsolete practice (early 2010's)

*Still easy to find methods / business to boost them
+used by algorithms choosing content to display*

*Facebook extrapolates individual friends' likes to
other products of same brand, no time reference*

Behavioural experiment: Artificial boosting of social proof ("fake likes")

- *Impact of ad endorsements on social media users*
- *Treatment conditions:*
 - **no likes**
 - **few likes (13 likes)**
 - **many likes (1.3K likes)**
 - **very many likes (130K likes)**
- *Product advertised: chocolate bar vs. sunglasses*
- *Outcome measures:*
 - **Immediate impact on perceptions / intentions**
 - **Choice behaviour**

Unauthentic social proof - treatments



Fake likes have little direct impact on consumer perceptions or choice

- *Immediate impact null on average - depends on product type, consumer group, country, etc.*
 - Hypotheses: user habituation to likes, author of likes (anonymous), low salience of likes...
 - Ads exposure effective in promoting choice
- *Number of likes may impact likelihood of display*
→ *fake likes might boost exposure and thus choice*



(Your Friend) likes s.Oliver.



s.Oliver

Sponsored ·

Like Page

De nieuwe Flash-collectie is binnen! #sOliver



Casual fashion pieces

[Learn More](#)



Altijd trendy

Like

Comment

Share

**Extrapolated
Facebook like**

Behavioural experiment: Extrapolation of likes (Facebook)

- *Impact of distorting individual friend likes of ads*
- *3 treatments - friend's like presented as:*
 - 1. Brand like:** "Friend X likes Brand Y."
 - 2. Product like:** "Friend X likes this."
 - 3. Separated brand like:** "Friend X likes brand Y. This is one of Brand Y's products"
- *Same products: chocolate bar vs. sunglasses*
- *Same outcome measures: perceptions + choice*

Brand likes are interpreted as product (or post) likes

	Memory for what was being "liked" (aided recall)	
	Brand	Specific product
Brand like	34%	66%
Separated brand like (remedy)	36%	64%
Product like	35%	65%

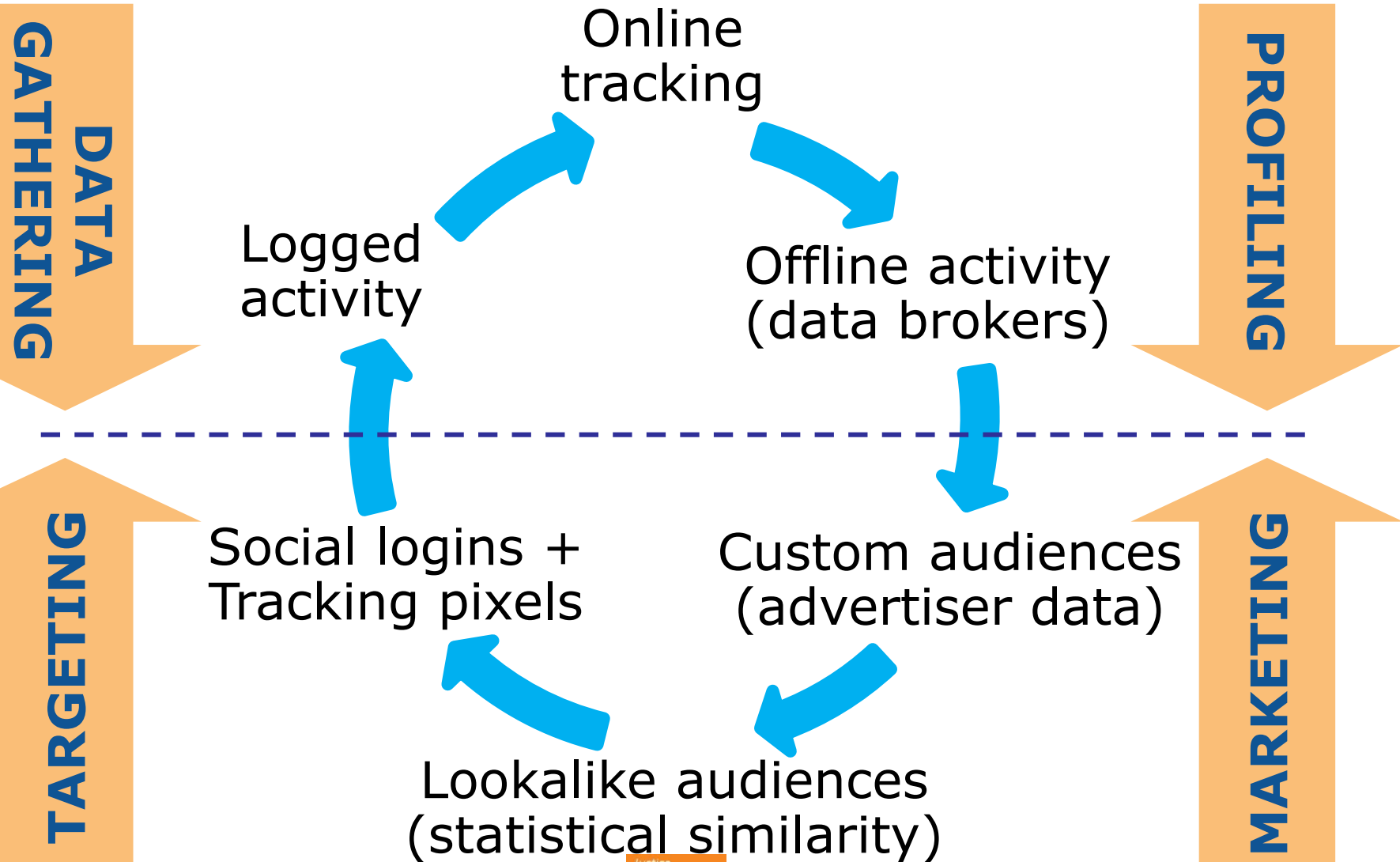
Awareness of extrapolation → (limited) negative impact

	Intention to "like" the post	Product evaluation	Brand interest	Purchase intention	Product choice	N
Brand like	3.5	4.3	3.8	3.6	34%	1195
Product like	3.4	4.2*	3.7*	3.5	34%	1234
Separated brand like	3.3*	4.1*	3.6*	3.4*	32%	1202

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Data practices



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UCPD black-listed practices common online also found in social media

Frequent: false free offers, false limited quantity or time offers, and false prize winning competitions

Often shown via third-party display advertising networks, outside of OSM provider control

Also approved via in-house advertising platforms (native advertising managed by OSM providers)

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Recommendations on opportunities for policy intervention

- *Update UCPD blacklist to specifically prohibit the practices identified in social media marketing*
- *Update UCPD guidance to clarify application of UCPD dispositions to these specific practices*
- *Publication of a dedicated guidance targeted at the OSM market alone*
- *Stepping up enforcement*



Thank you

For more information:

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https://ec.europa.eu/info/publications/behavioural-study-advertising-and-marketing-practices-social-media-0_en