

Endorsements on Social Media

An Empirical Study of Affiliate Marketing Disclosures on YouTube and Pinterest



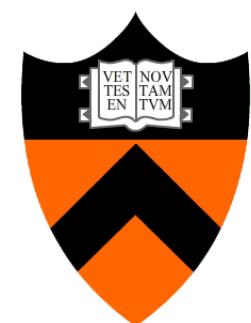
Arunesh Mathur
@aruneshmathur



Arvind Narayanan
@random_walker



Marshini Chetty
@ineffablicious



PRINCETON
UNIVERSITY

 CITP
CENTER FOR
INFORMATION TECHNOLOGY POLICY



eufy



RoboVac 11+
Robotic Vacuum Cleaner



Gohan The Husky ✓

Published on Nov 21, 2017

My husky Gohan reacts to a self cleaning, robot vacuum! What do you think of his reaction? Also, mini Q&A at the end of the video :)

GOHAN'S MERCH STORE: <https://teespring.com/stores/gohan-th...>

Eufy RoboVac 11 Vacuum - <http://amzn.to/2lCa9qB>

Affiliate Link

Subscribe please :) - http://www.youtube.com/subscription_c...

Follow Gohan's Instagram: <https://www.instagram.com/gohanthehusky/>

Like Gohan's Facebook page: <https://www.facebook.com/gohanthehusky>

Support us on Patreon - <https://www.patreon.com/gohanthehusky>

Gohan's Website: <http://www.gohanthehusky.com>

Endorsement-based Advertisements

djkhaled • Follow

djkhaled New @ciroc alert 🍷 @storymiami , let's go @diddy voice #AD

Load more comments

gdnice1 Djkhaled do it do it lol graham.hendri Dre andrezaabraga Send to my house👉 cwoott_@choco_d59

sarahpalin97 • Follow

sarahpalin97 As a busy 🚧 mom I need all the energy I can get, but coffee makes me crash mid-day and I dread feeling sluggish (and sometimes not so super kid-friendly 😱!). After visiting Bristol recently, she raved about the @teamiblends skinny tea that she swears by and has been using forever, so I gave the teas a shot - Amazing! My new coffee replacement for a few weeks now! I travel a lot, plus we do so many outdoor activities requiring lots of energy - the teas help and actually let me keep up with Trig 🦸 It's easy to take the tea everywhere after filling up my tumbler in the morning. So easy! No need to add sugar because it's so good 😊 You can use code PALIN for 15% off your order! #thankyouteami

Load more comments

keerathomas_ @lifewithkeera ok I'm gonna

3,222 likes

APRIL 18

Log in to like or comment.

THE WORLD'S FIRST BEAUTY PHONE CASE?!? Tested! | Lauren Curtis

476,514 views

11K 327 SHARE SAVE ...

Lauren Curtis Published on Aug 4, 2017

Hi guys! I got sucked into yet another sponsored Facebook video :D This is the world's FIRST phone case with makeup in it! The results were quite surprising... :O

SUBSCRIBE 3.5M

LINKS

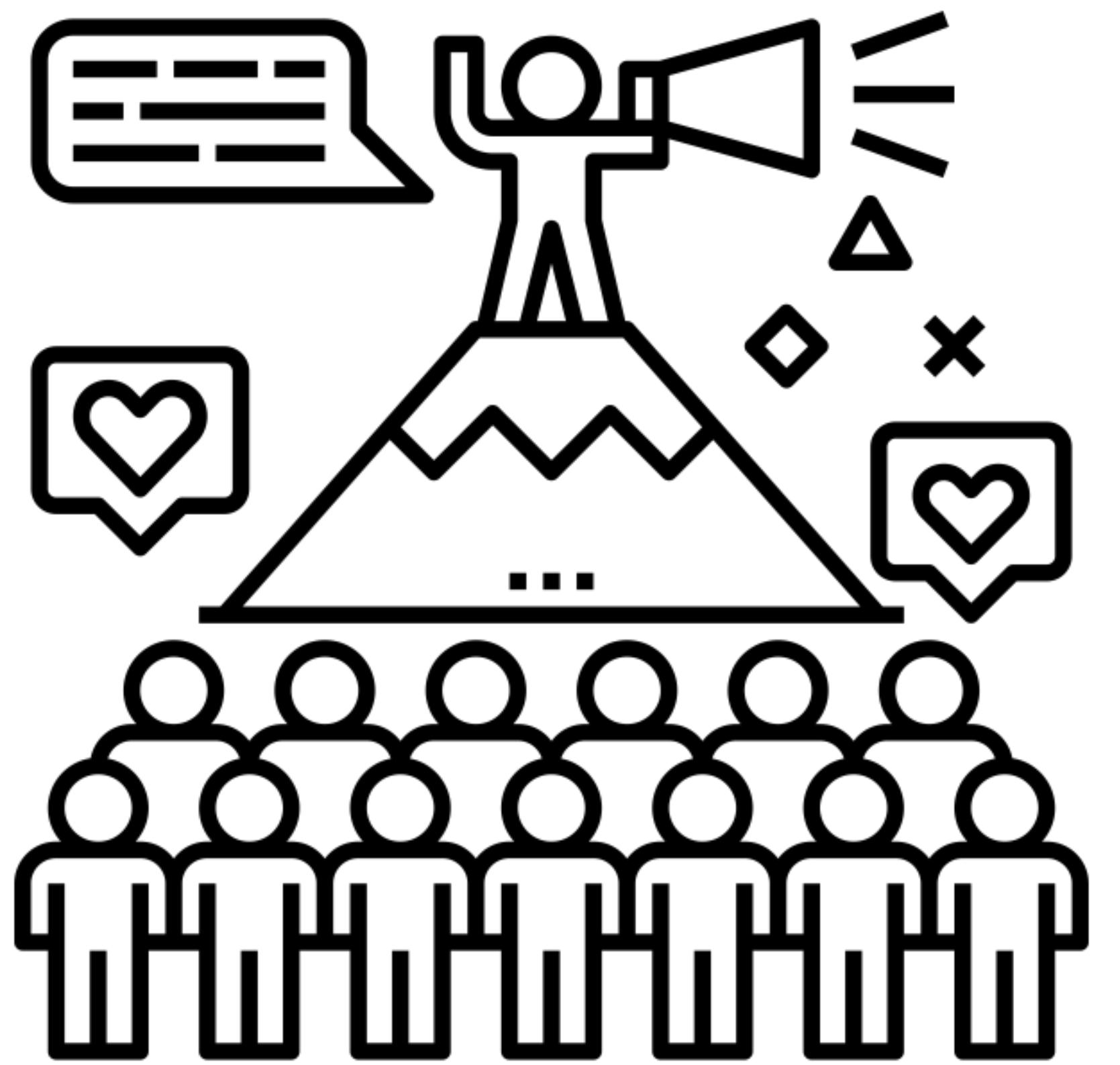
INSTAGRAM: <http://www.instagram.com/lozcurtis>

SNAPCHAT: LozCurtisPublic

FACEBOOK PAGE: <http://www.facebook.com/laurenbeauty>

TWITTER: <http://www.twitter.com/#!/lozcurtis>

VLOG CHANNEL: <http://www.youtube.com/user/laurenbe...>



Influencer Marketing

Most students can't tell the difference between sponsored content and real news

Study underscores the need for more media literacy in schools

By Amar Toor | @amartoo | Nov 22, 2016, 7:25am EST



Photo by Matt Cardy/Getty Images

Most students can't tell the difference between real news articles and sponsored content, according to a study from Stanford University, raising concerns over how young people consume online media. As *The Wall Street Journal* reports, the study is the largest to date

MOST READ



PlayStation 4 reportedly crashing due to malicious message

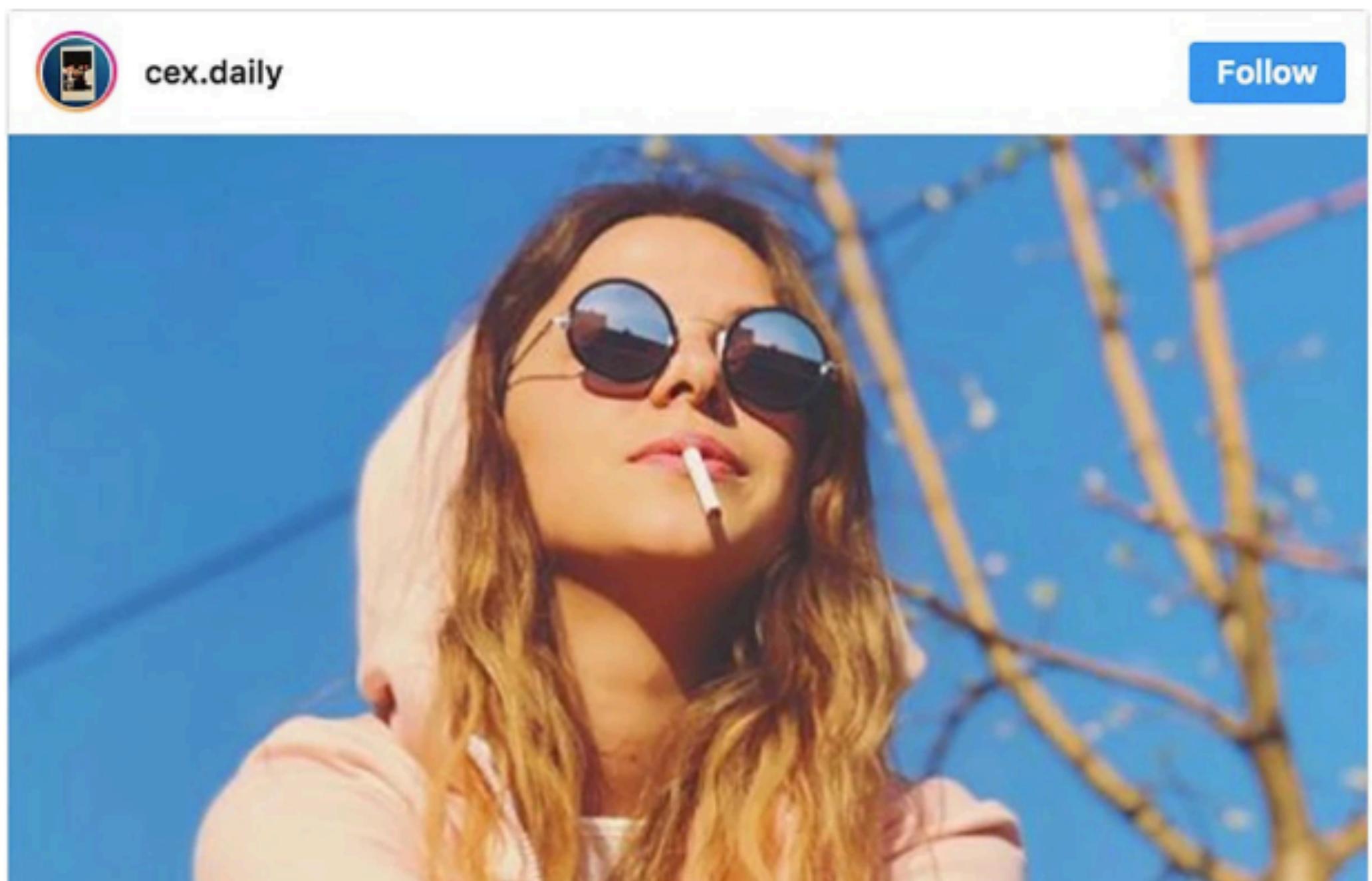


The age of the aluminum flagship phone is over



Big Tobacco's Global Reach on Social Media

The tobacco industry says it no longer tries to hook new generations of smokers. So what's behind the legions of beautiful young people in smoking, vaping and partying posts with the same hashtags?



Source: <https://www.nytimes.com/2018/08/24/health/tobacco-social-media-smoking.html>

EXCLUSIVE

The truth behind Ja Rule's Instagram-friendly Fyre Festival: 'It was a wasteland'



By **Rebecca Lewis**, Entertainment reporter
Saturday 29 Apr 2017 3:27 pm

Billed as a 'once-in-a-lifetime musical experience on the Islands of the Exumas', Fyre Festival, created by 90s rapper Ja Rule and tech entrepreneur Billy McFarland, surely hoped to become the new Coachella, a place for the cool kids to mingle, to listen to some music, drink some rum, and pretend, as we all do, that we're the next Bella Hadid and Chanel Iman.



Dave Grohl gifts 10-year-old his guitar as pair cover Metallica's Enter Sandman on stage »

After all, they did help to promote it.

But after months of seemingly focusing more on paying influencers to promote their festival than actually organising it, Fyre Festival has apparently become an unmitigated disaster, with the event cancelled after less than 24 hours amid rumours of theft, lack of food, violent locals, appalling accommodation and feral dogs.

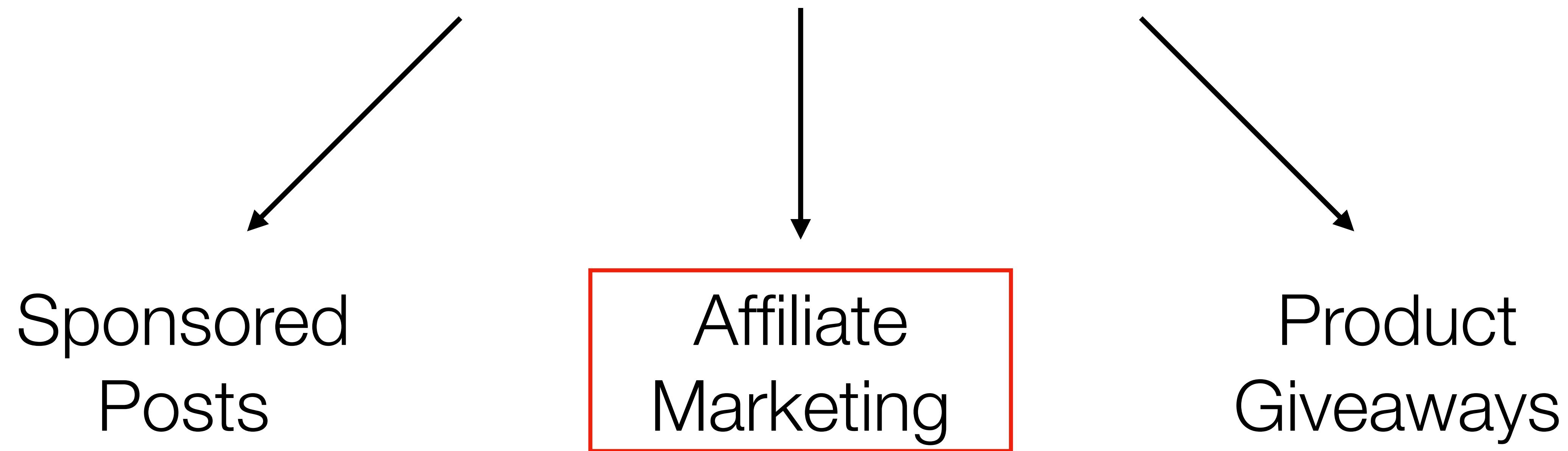
Source: <https://metro.co.uk/2017/04/29/the-truth-behind-ja-rules-instagram-friendly-fyre-festival-it-was-a-wasteland-6605403/>



“ If there’s a connection between an endorser and the marketer that consumers would not expect and it would affect how consumers evaluate the endorsement, that connection **should be disclosed.** ”

- The FTC's Endorsement Guides

Endorsement-based Advertisements

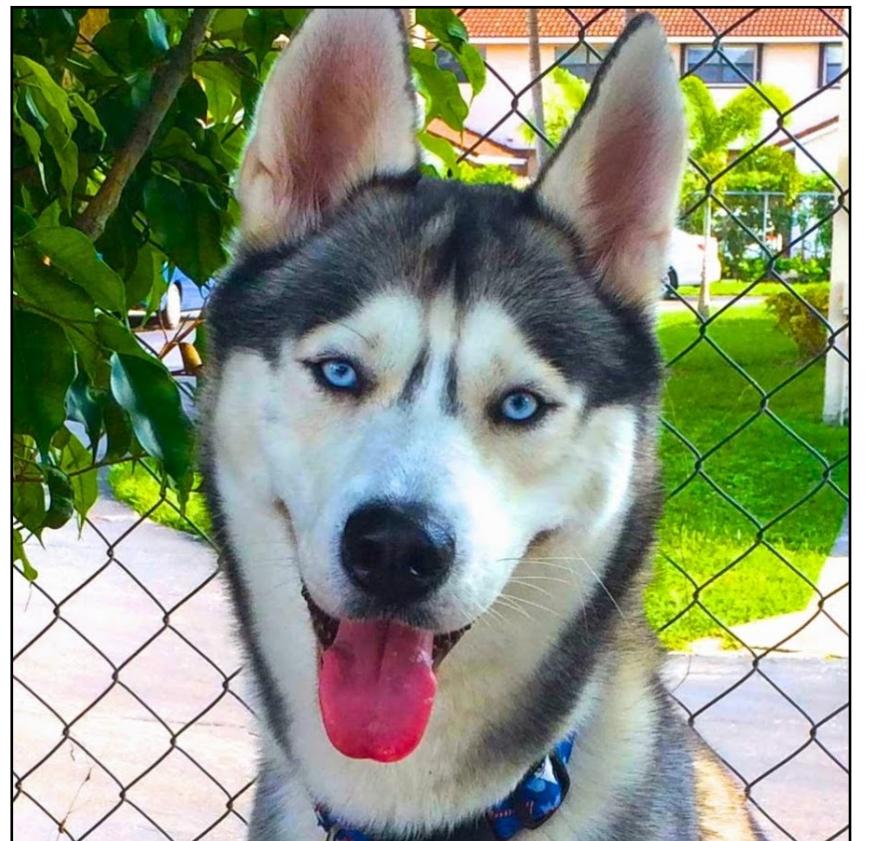


Overview of Findings

- 1. ~90% of all affiliate marketing content is not disclosed to users, violating the FTC's guidelines and other regulations**
- 2. The most common type of disclosure is explicitly discouraged by the FTC, and is also least understood by users**

Affiliate Marketing

Affiliate Marketing



<http://amzn.to/2ICa9qB>



Identifying and Characterizing Affiliate Marketing Content

Data Collection



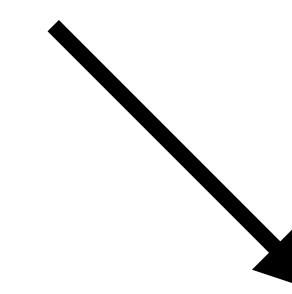
Prefix
Sampling



→ 515,999 videos →

405,471 URLs
[video description]

1,878,815 URLs
[pin URL]



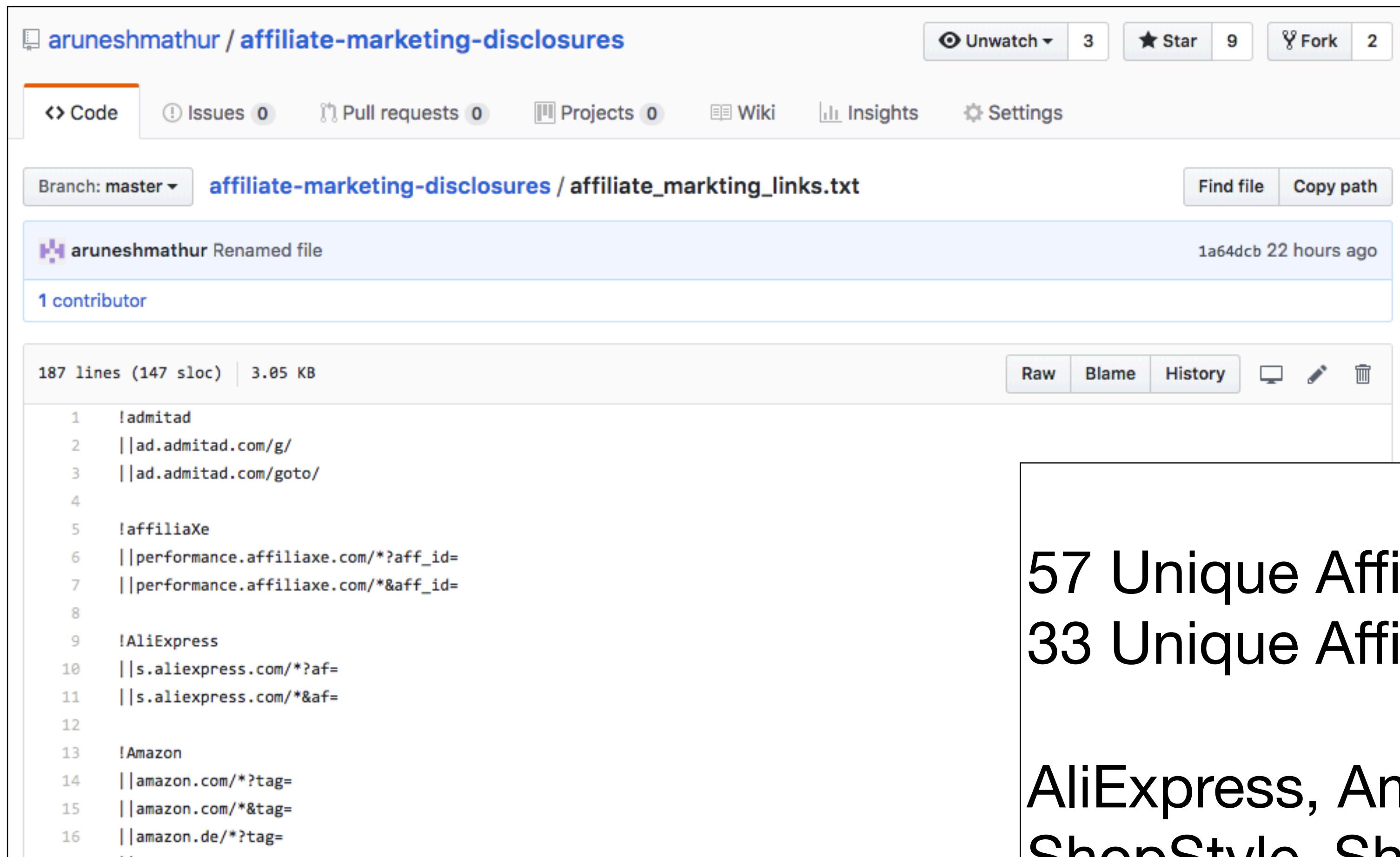
URLs Resolved
[3XX, Meta refresh]
[~2.5% timed out]

Identifying Affiliate Links

<https://www.amazon.com/dp/B01LYCLS24/?tag=gohanhusky-20>

Key observation: Affiliate links from each company follow a predictable pattern

Affiliate Link Patterns



The screenshot shows a GitHub repository page for 'aruneshmathur / affiliate-marketing-disclosures'. The repository has 3 stars, 9 forks, and 2 open issues. The 'Code' tab is selected, showing the file 'affiliate_markting_links.txt'. The file was last updated by 'aruneshmathur' 22 hours ago, with 1 contributor. The file contains 187 lines (147 sloc) and 3.05 KB. The content of the file is a list of affiliate link patterns:

```
1 !admitad
2 ||ad.admitad.com/g/
3 ||ad.admitad.com/goto/
4
5 !affiliaXe
6 ||performance.affiliaxe.com/*?aff_id=
7 ||performance.affiliaxe.com/*&aff_id=
8
9 !AliExpress
10 ||s.aliexpress.com/*?af=
11 ||s.aliexpress.com/*&af=
12
13 !Amazon
14 ||amazon.com/*?tag=
15 ||amazon.com/*&tag=
16 ||amazon.de/*?tag=
17
18 !RewardStyle
19 ||rewardstyle.com/*?tag=
20 ||rewardstyle.com/*&tag=
21
22 !ShopStyle
23 ||shopstyle.com/*?tag=
24 ||shopstyle.com/*&tag=
25
26 !ShareASale
27 ||shareasale.com/*?tag=
28 ||shareasale.com/*&tag=
29
30 !Ebay
31 ||ebay.com/*?tag=
32 ||ebay.com/*&tag=
33
34 !Affilink
35 ||affilink.com/*?tag=
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57
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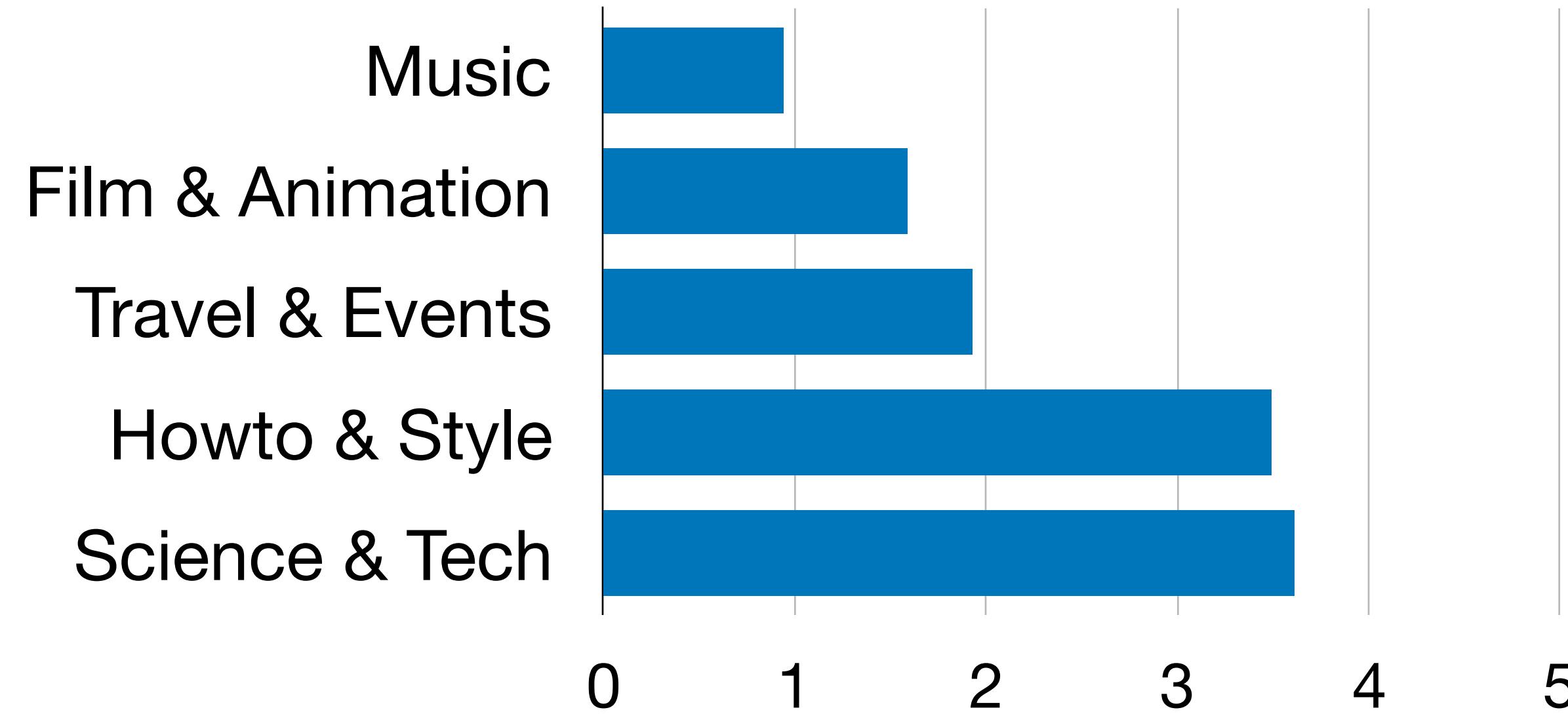
57 Unique Affiliate Links Patterns from
33 Unique Affiliate Marketing Companies

AliExpress, Amazon, Ebay, RewardStyle,
ShopStyle, ShareASale

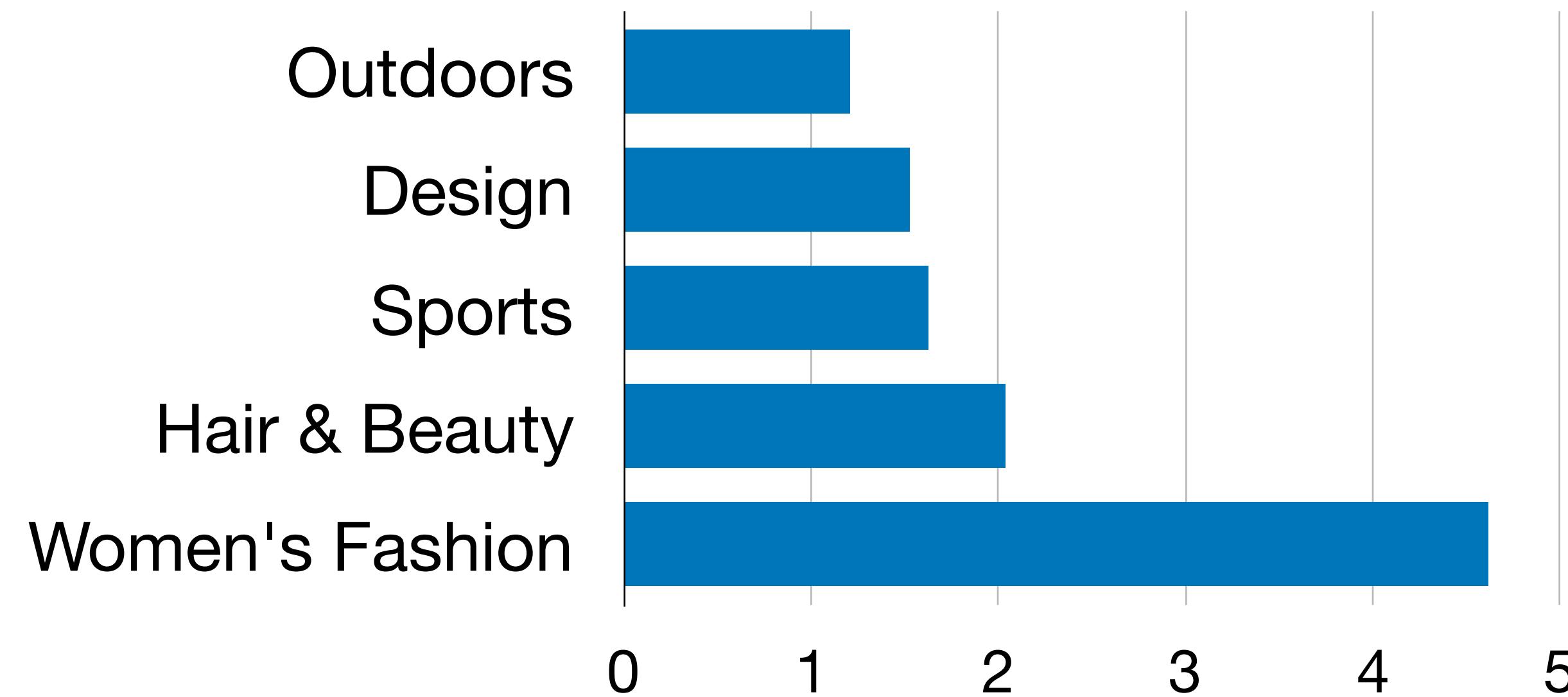
Affiliate Marketing Content



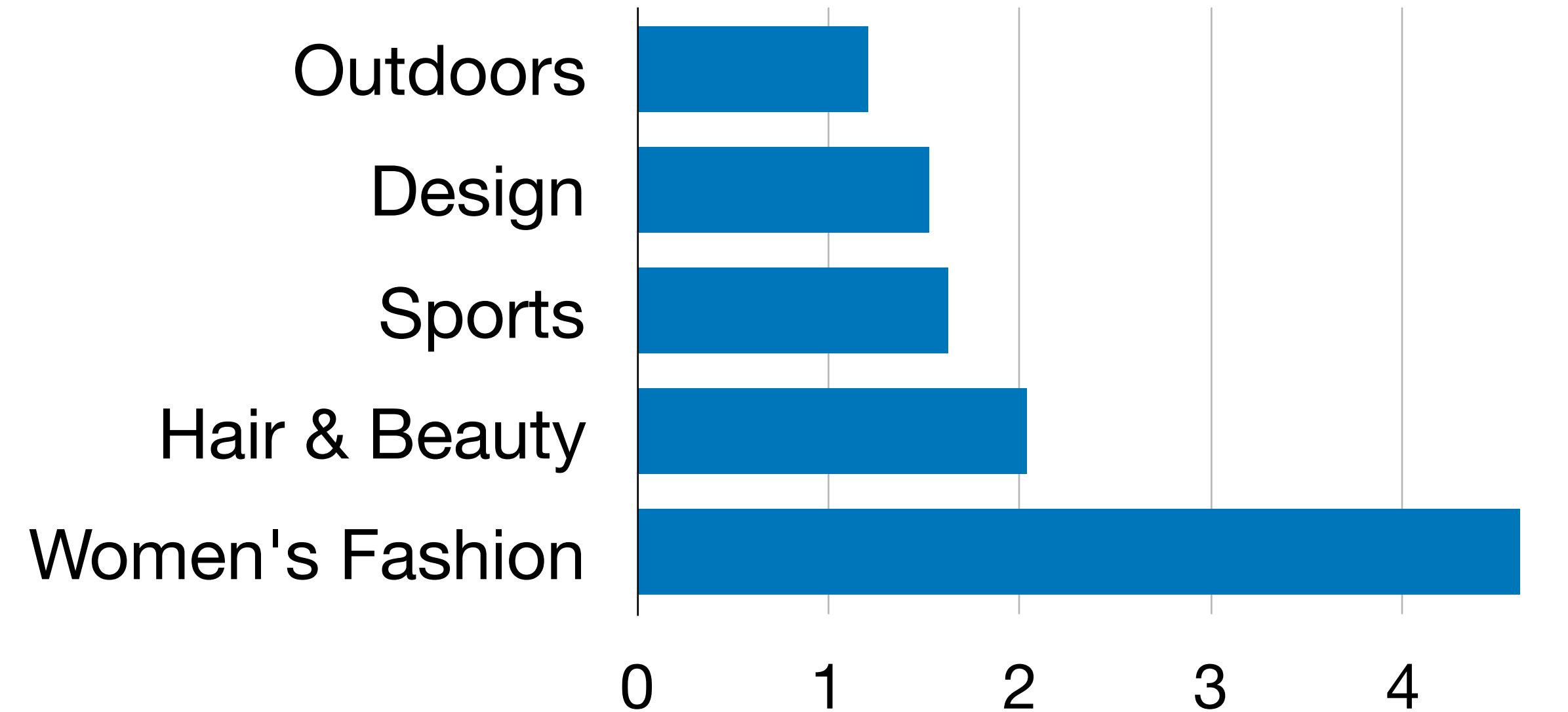
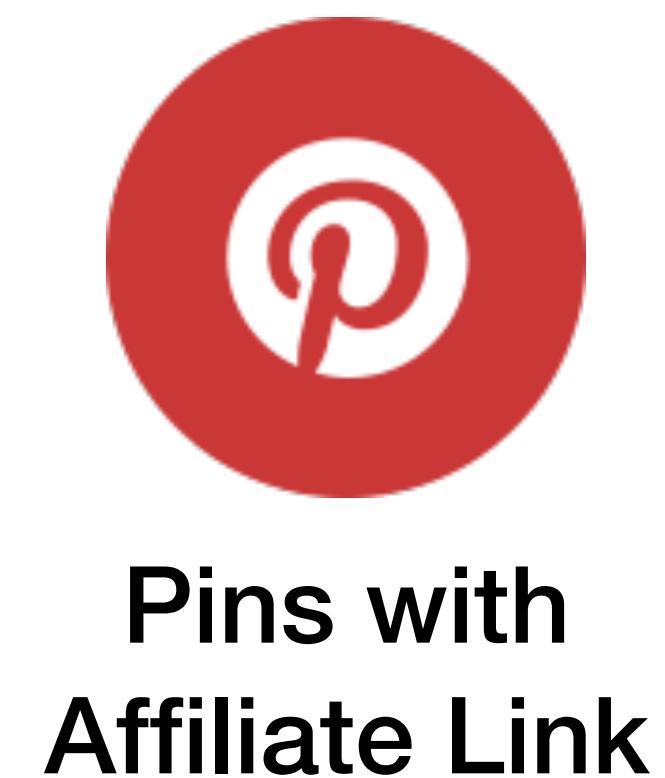
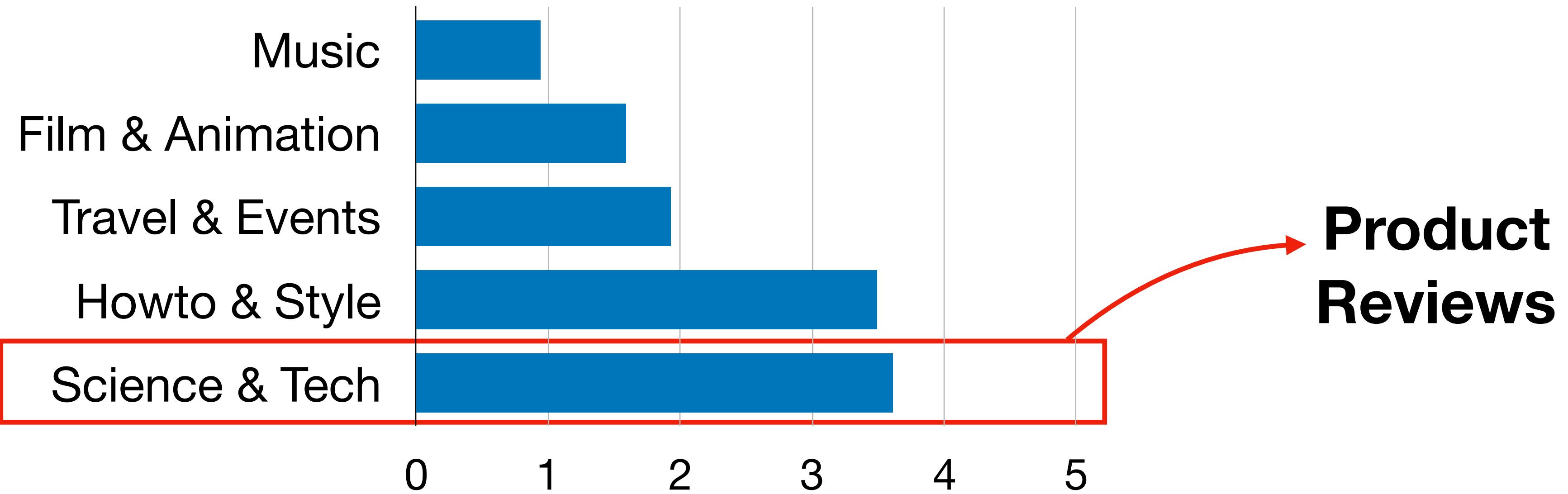
**Videos with
Affiliate Links**



**Pins with
Affiliate Link**

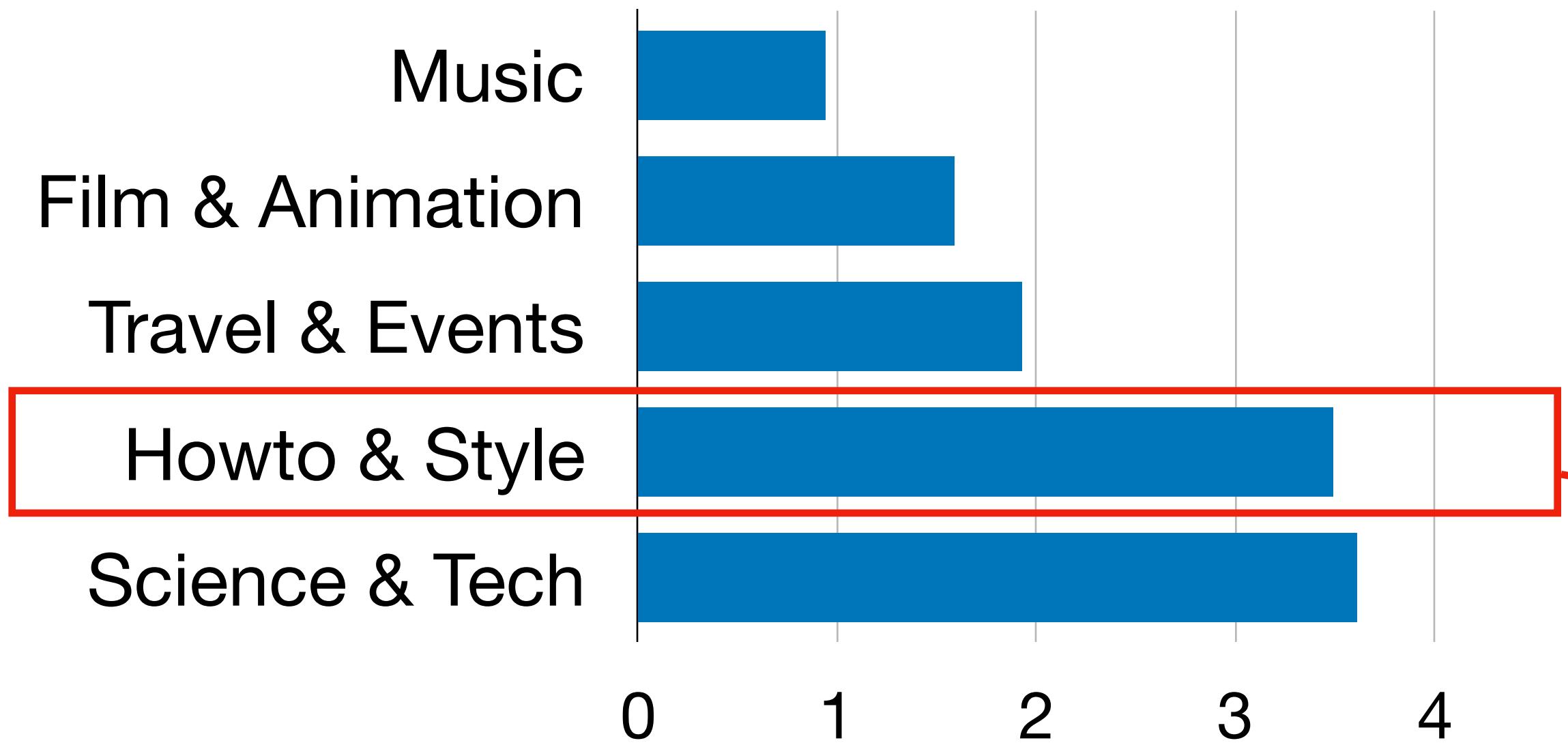


Affiliate Marketing Content



Affiliate Marketing Content


Videos with
Affiliate Links



**Makeup &
Clothing Reviews**

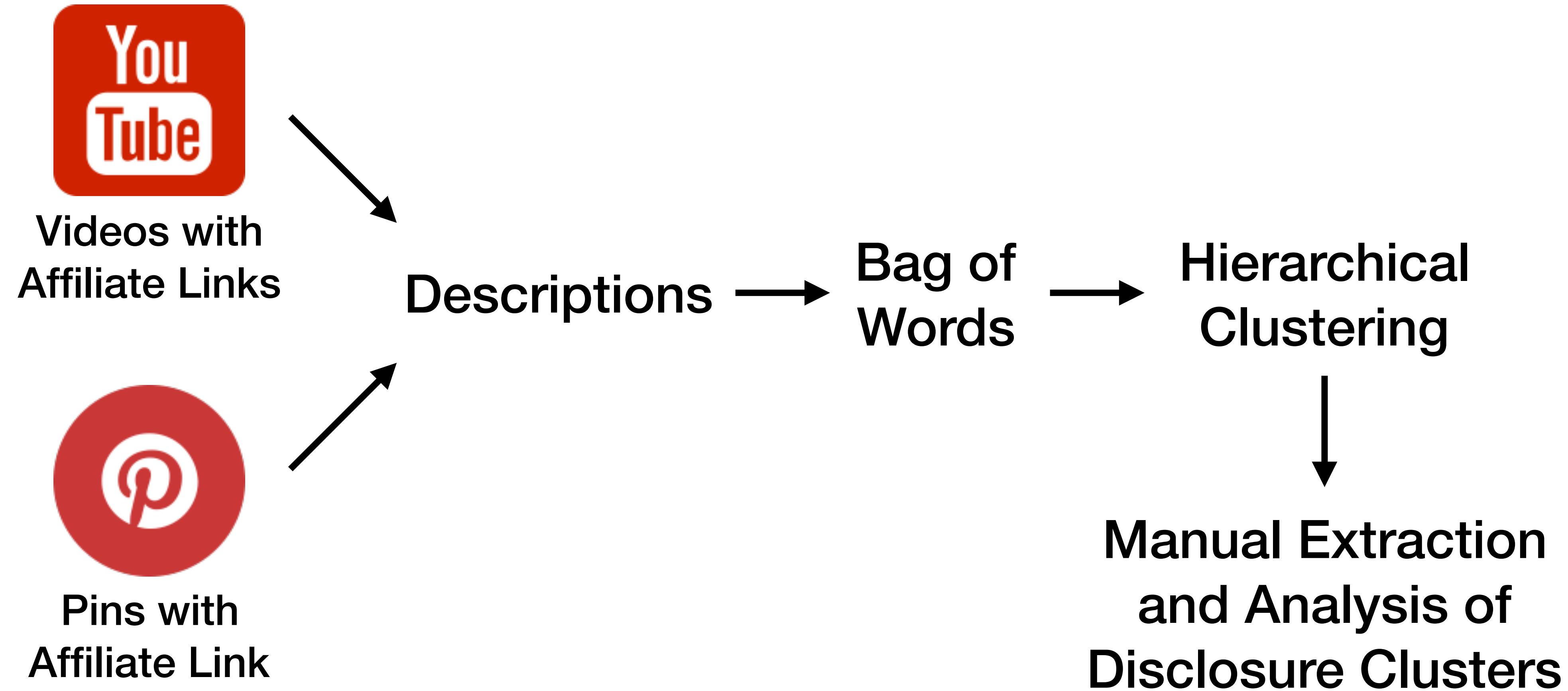

Pins with
Affiliate Link



**Makeup &
Clothing Reviews**

Discovering Disclosures in Affiliate Marketing Content

Discovering Affiliate Marketing Disclosures



Affiliate Marketing Disclosure Types

10.49% of YouTube videos and 7.03% of Pinterest pins with affiliate links contained any disclosures at all

Grouped into 3 types on YouTube and 2 types on Pinterest

Affiliate Marketing Disclosure Types

Affiliate Link Disclosure

“Affiliate links may be present above”

“aff link”



7.02%



4.60%

The FTC considers this type of disclosure inadequate

Affiliate Marketing Disclosure Types

Explanation Disclosure

"This video contains affiliate links, which means that if you click on one of the links, I'll receive a commission"

"This is an affiliate link and I receive a commission for the sales"



1.82%



2.43%

The FTC encourages using this type of disclosure

Affiliate Marketing Disclosure Types

Channel Support Disclosure

“AMAZON LINK: (Bookmark this link to support the show for free!!!)”



2.44%

Evaluating the Efficacy of Affiliate Marketing Disclosures

Evaluating the Affiliate Marketing Disclosures



Conditions:

- Affiliate Link
- Explanation
- Channel Support

Conditions:

- Affiliate Link
- Explanation

Varied the position of the disclosure: top, bottom of description

Watched 1 of 5 randomly selected videos and pins

1,791 Mechanical Turk Participants

Evaluating the Affiliate Marketing Disclosures

YouTube

<https://www.youtube.com/watch?v=FtB3PL9hcWk>



itsjudytime ✓
Published on May 5, 2015

Affiliate links may be present.

L'Oreal Nude Colour Riche La Palette: <http://bit.ly/1IFFb2A>

Q & A <https://www.youtube.com/watch?v=XGqH2...>

Daily Vlog Channel: <http://www.youtube.com/itsjudyslife>

Facebook me your request <http://www.facebook.com/itsjudytime>

I love makeup and hair or anything to do with beauty. Tutorials, reviews & first impressions are what i do most. Check out my beauty channel "ItsJudyTime" for more videos like this and Subscribe! CLICK HERE: <http://bit.ly/1889mvl>

SUBSCRIBE 1.3M

Affiliate Link [Top] Condition

Pinterest

<https://www.pinterest.com/pin/804314814672700115>



Dog Care saved to Dog Beds

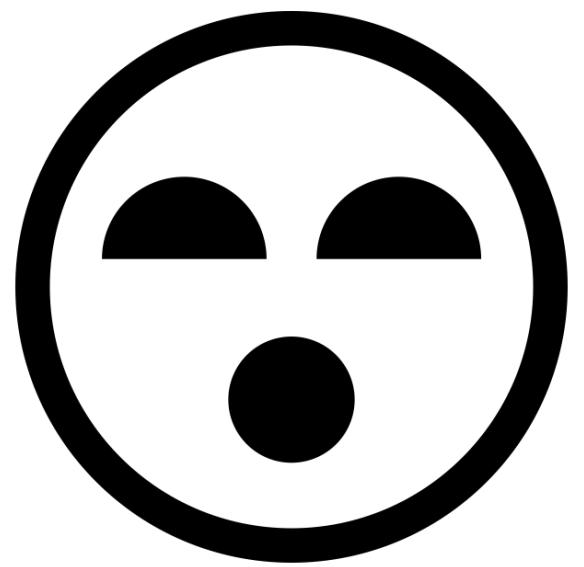
This is an affiliate link and I receive a commission for the sales

Zhaoandans® Collapsible Indoor House
Shark Bed Shelter Shark House Pet House
Bed for Small Dogs Cat Gift for Pet Grey
>>> Click on the image for additional details.

Explanation [Top] Condition

Evaluating the Affiliate Marketing Disclosures

Experimental Measures:



Impression of the video, pin, product?



Notice the disclosure?



Relationship b/w content creator & company?



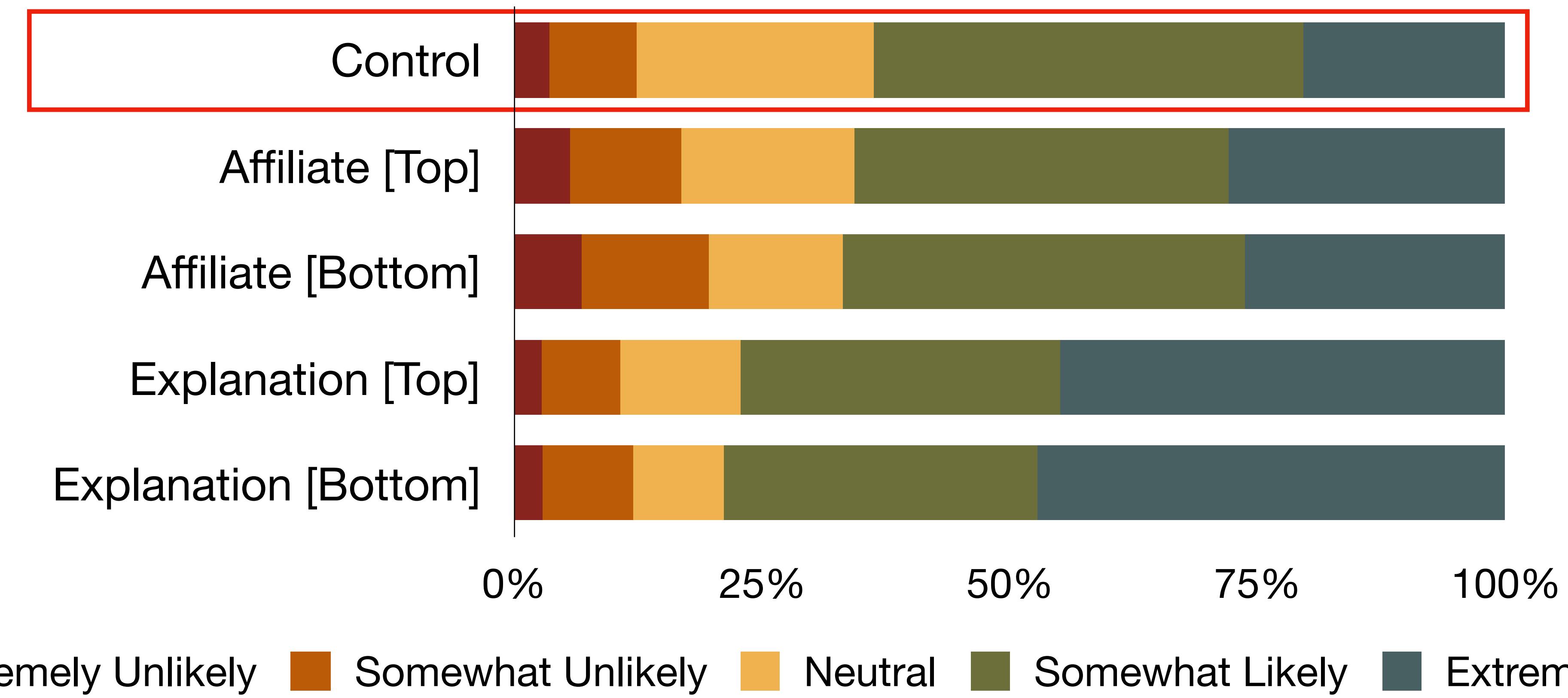
Interpretation of disclosure

Affiliate Marketing Disclosures Efficacy

Explanation disclosures increased users' ability of identifying the underlying advertisement—but only in the Pinterest experiment



Relationship b/w
content creator &
company?

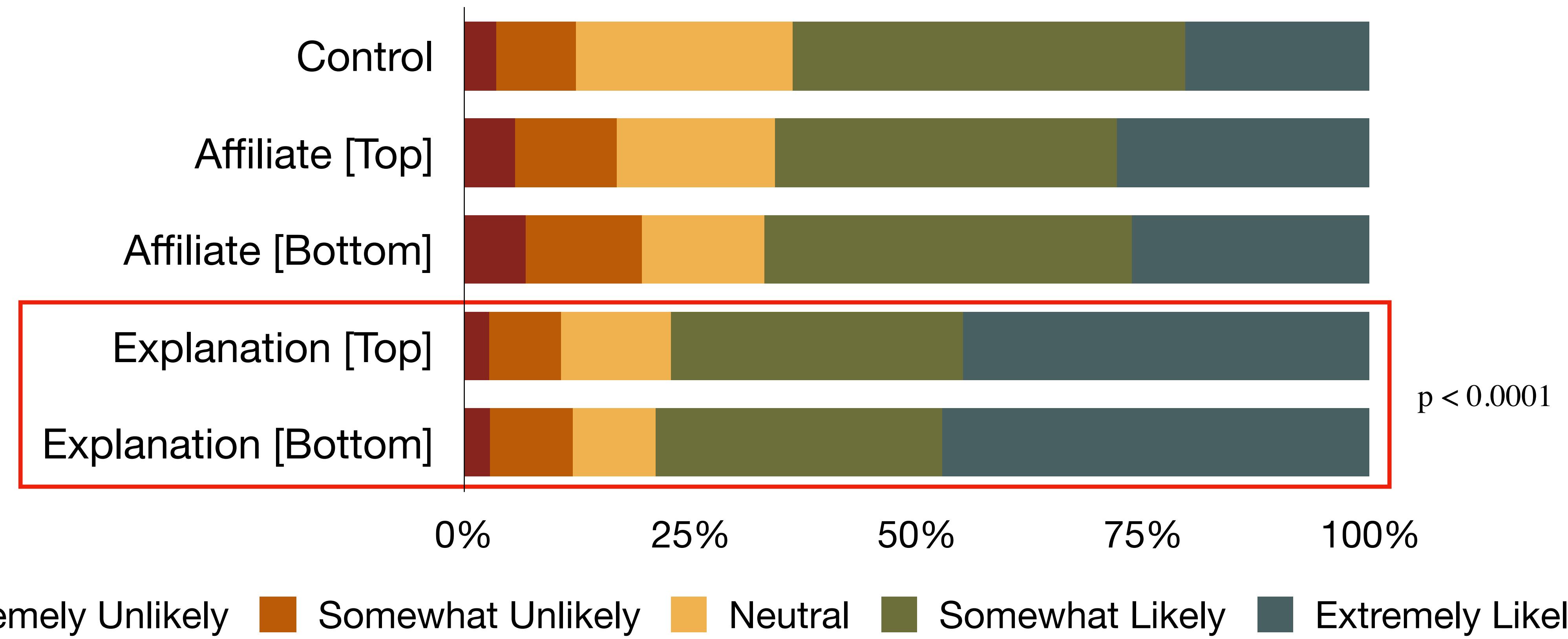


Affiliate Marketing Disclosures Efficacy

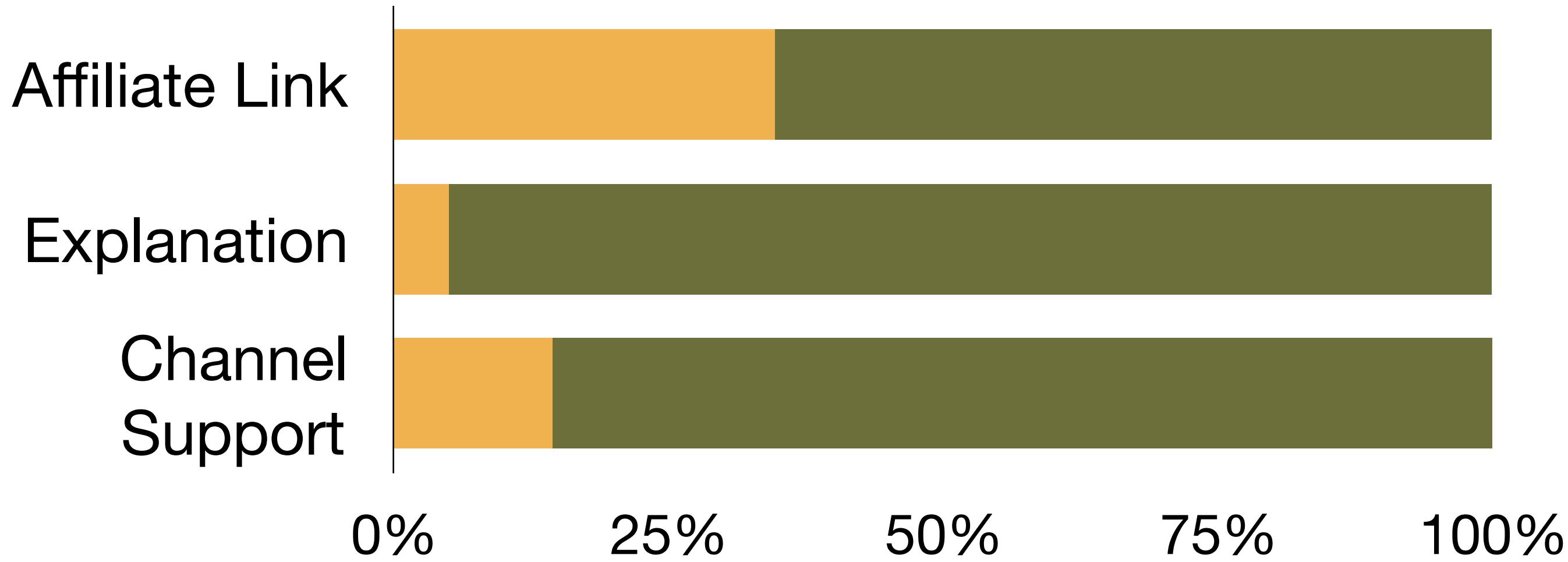
Explanation disclosures increased users' ability of identifying the underlying advertisement—but only in the Pinterest experiment



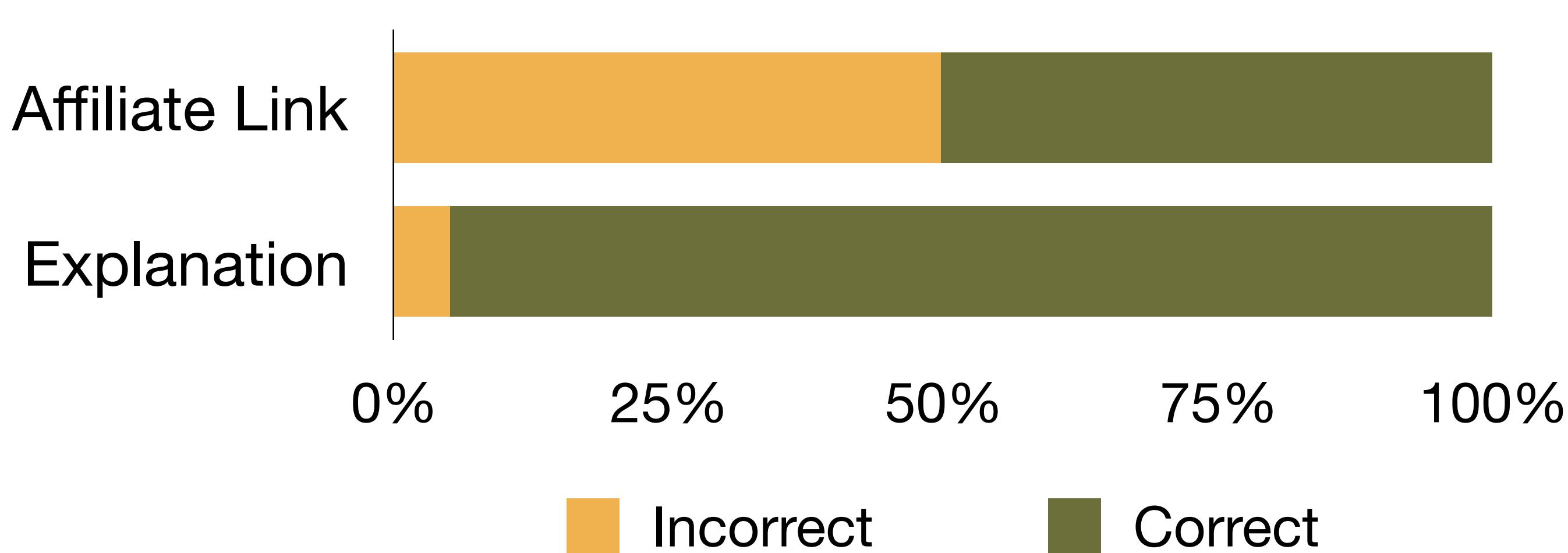
Relationship b/w
content creator &
company?



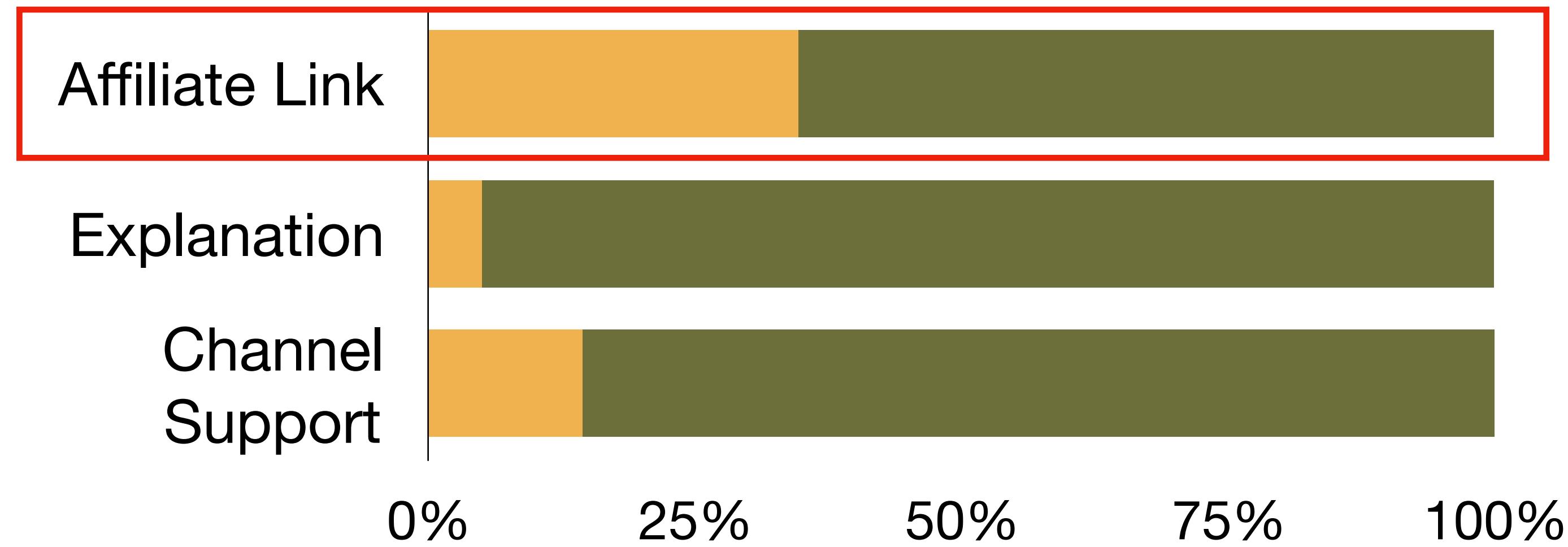
Affiliate Marketing Disclosures Efficacy



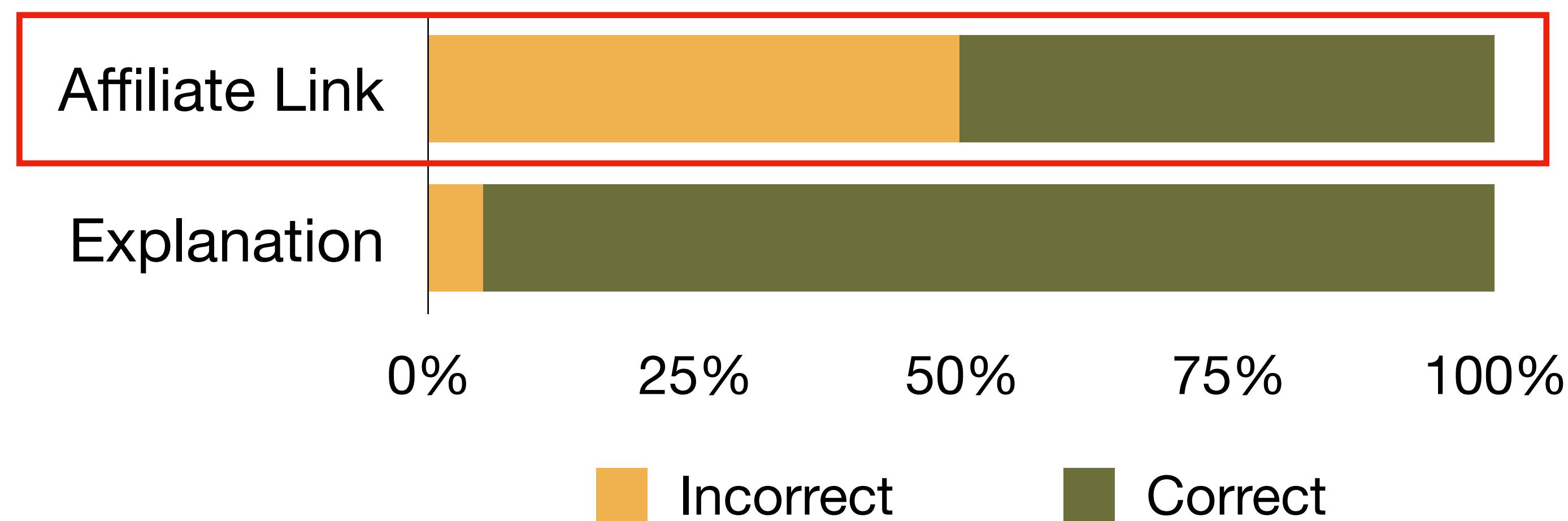
Interpretation
of disclosure



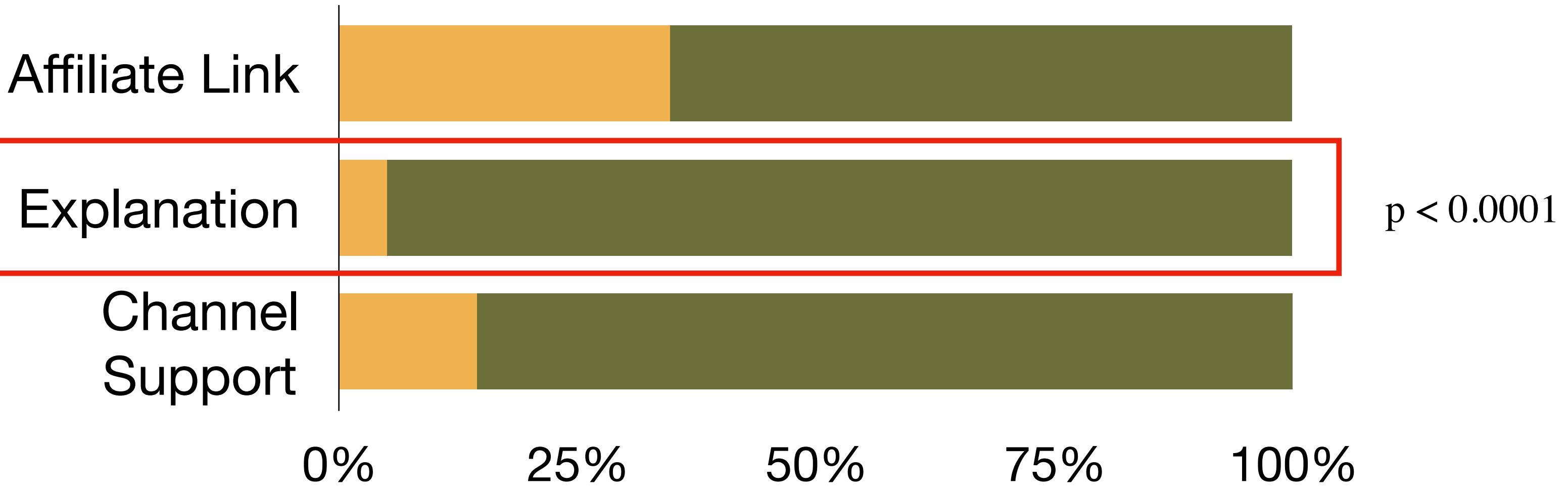
Affiliate Marketing Disclosures Efficacy



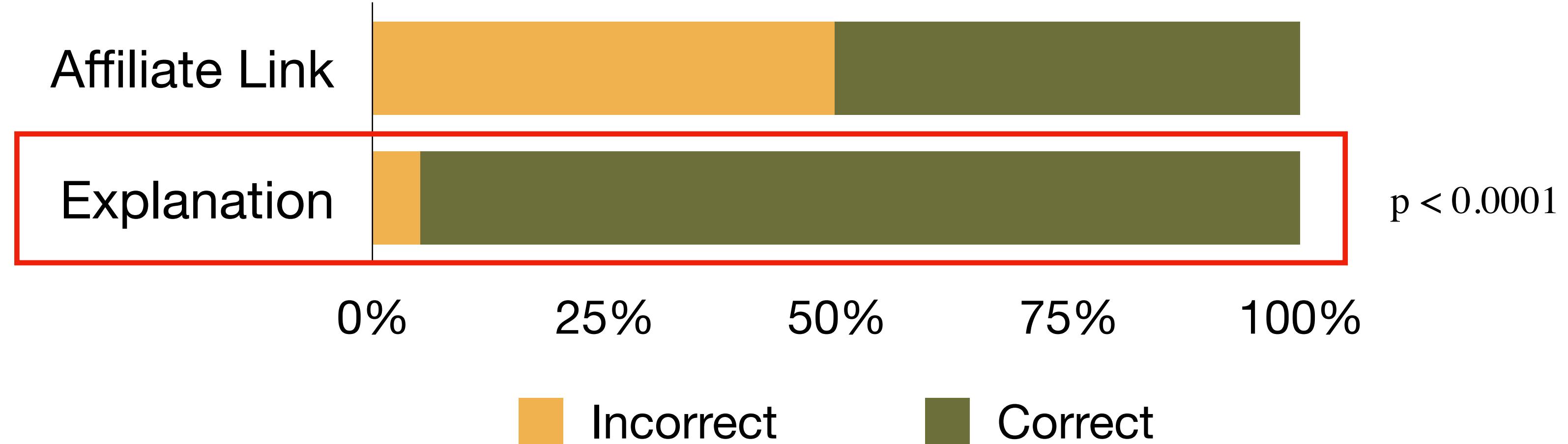
Interpretation
of disclosure



Affiliate Marketing Disclosures Efficacy



Interpretation
of disclosure

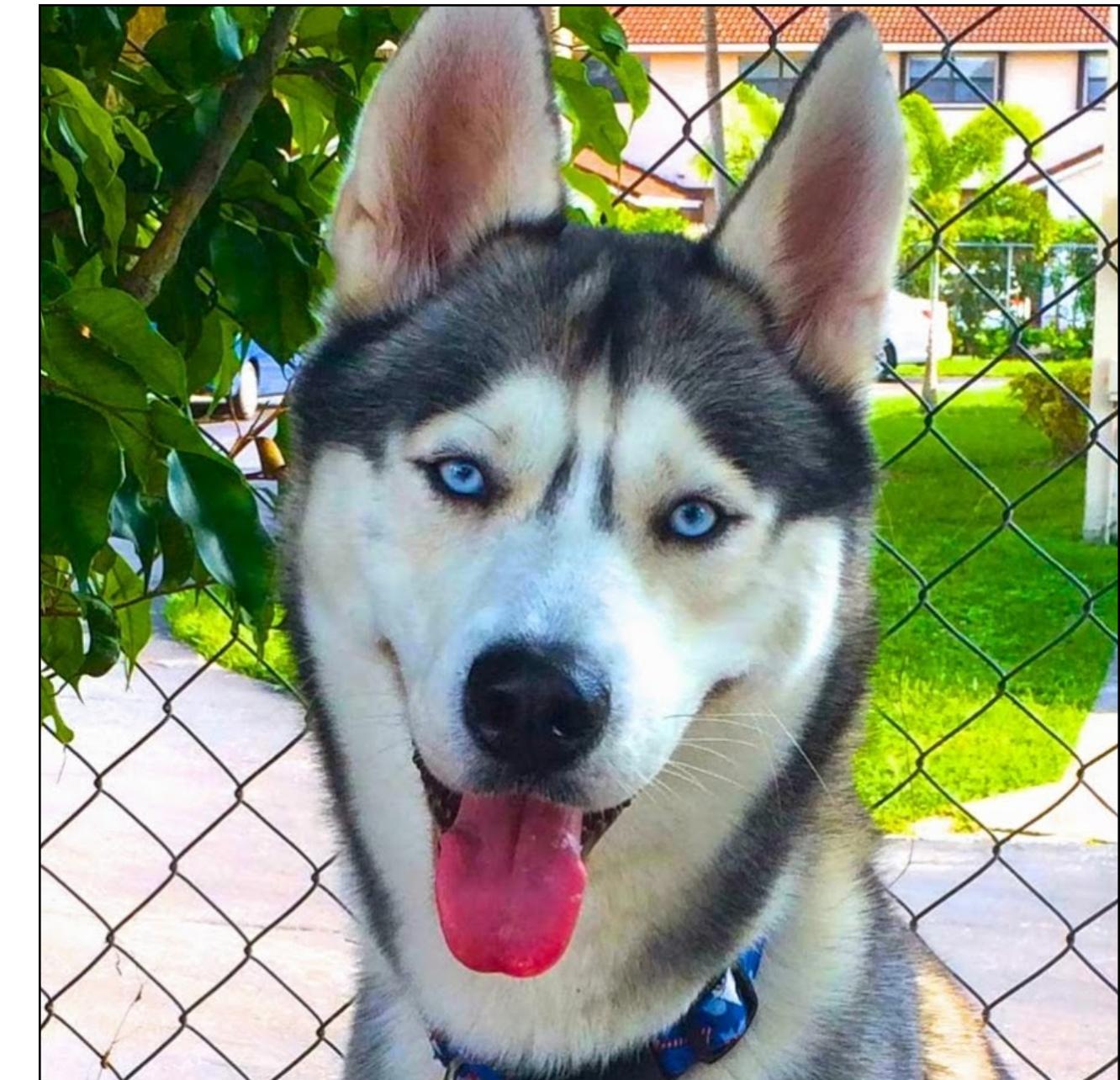


Implications

Understanding Content Creators

What explains the low prevalence of affiliate marketing disclosures?

Are content creators aware of the FTC's endorsement guidelines?



Making Affiliate Marketing Companies Accountable

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

Mary K. Engle
Associate Director

{Address}

{Date}

Dear {Influencer}:

The Federal Trade Commission is the nation's consumer protection agency. To carry out 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.

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 the 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 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 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 see most posts in their Instagram streams on mobile devices typically see only the first three or four images in a longer post unless they click "more," and many consumers may not click "more." In addition, if there are multiple tags, hashtags, or links, readers may just skip over them, especially if they appear at the end of a long post.

FTC Finalizes Its First Settlement For Social Media Influencers

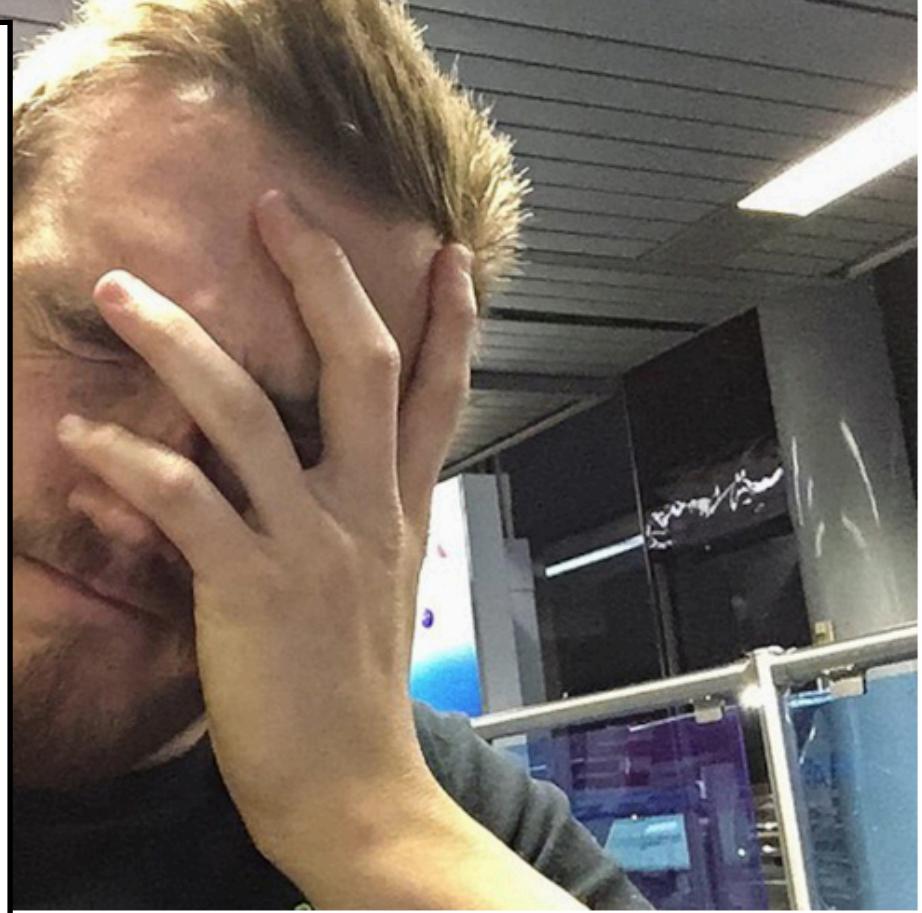
Social media stars face crackdown over money from brands

Instagram 'influencers' told to clarify paid-for ads, while health claims are taken down after advertising breaches



▲ Elizabeth Olsen, who plays an influencer in the forthcoming film *Ingrid Goes West*, has attracted 745,000 followers since she joined Instagram. Photograph: Rex/Shutterstock

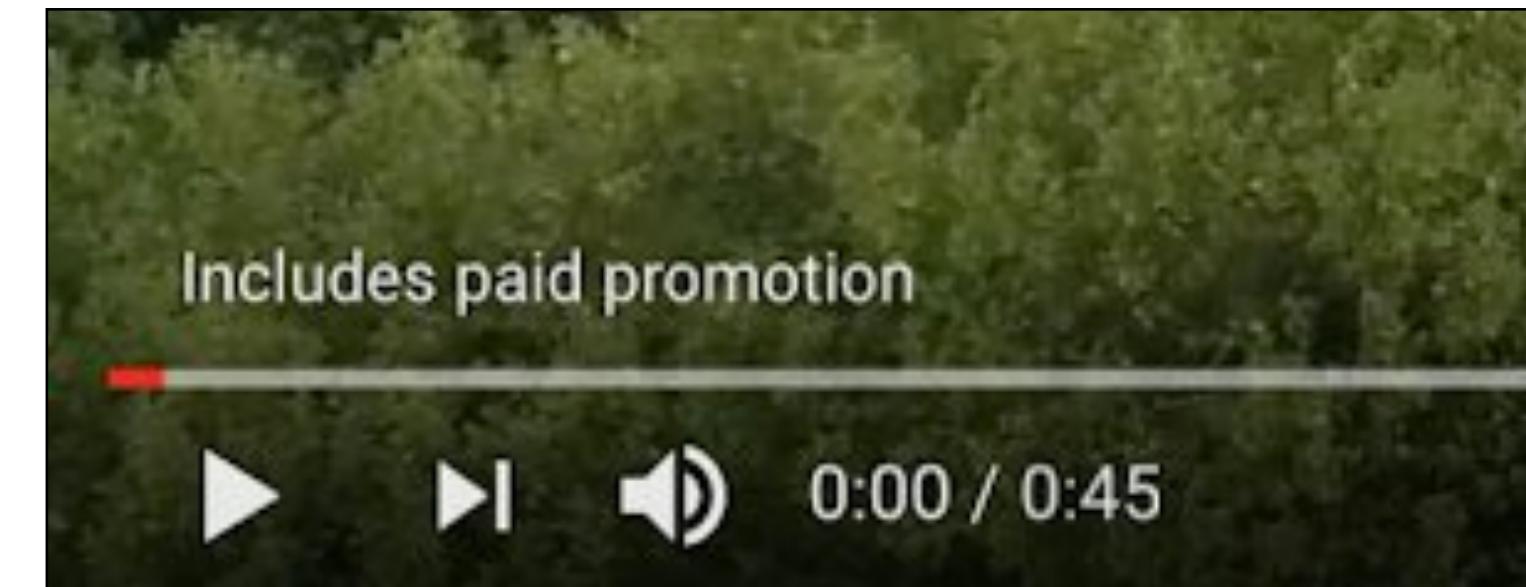
Consumer protection bodies in the UK and US are increasing their crackdown on **Instagram "influencers"**, in an attempt to rein in the big business being done covertly on social media.



) unanimously approved, by way of a 2-0 vote, a finalized order in what case brought against individual social media influencers.

marTn" Martin and Thomas "Syndicate" Cassell posted videos on their with a respective more than 3.3 million and 10 million subscribers) taking. The problem was that the two 'Let's Play' social influencers failed to ship interest in the online gambling company, directly in violation of FTC

Designing For Disclosures



Design affordances for advertising disclosures in social media platforms

Tools to detect and highlight advertisements to users

Public Pressure

WIRED YouTube and Pinterest Influencers Almost Never Disclose Marketing Relationships

SIGN IN | SUBSCRIBE

BUSINESS CULTURE GEAR IDEAS SCIENCE SECURITY

LOUISE MATSAKIS BUSINESS 03.27.18 04:44 PM

YOUTUBE AND PINTEREST INFLUENCERS ALMOST NEVER DISCLOSE MARKETING RELATIONSHIPS

This video was filmed entirely on the Samsung Galaxy S8

7:29 / 9:05

Can You Trust Influencers on YouTube?

4,823 views

453 likes 1 dislike SHARE SAVE

THE TIMES

MOST PO

TRA Hu Rea Car JAC

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PewDiePie and other vloggers fail to disclose adverts

PewDiePie and other vloggers fail to disclose adverts

PewDiePie, posts links to products used in his videos

g the Brighton-based PewDiePie have failed to

Public Pressure

PewDiePie ✓
Published on Apr 12, 2018

JOIN SUBSCRIBE 67M

The fortnite boogiedown challenge winners are here
SUBMIT MEMES: <https://www.reddit.com/r/PewdiepieSub...>
CHECK OUT:

Check out A\$\$: <http://store.steampowered.com/app/703...>
(A game I helped make):
MERCH: <https://represent.com/pewdiepie3>
TSUKI: <https://tsuki-co-uk.myshopify.com>

::::::My Setup:::::::
Chair:: ONLY 399 !
USA & Asia: [https://usa.clutchchairz.com/product/...](https://usa.clutchchairz.com/product/)
Europe: <https://europe.clutchchairz.com/en/pr...>
Canada: <https://canada.clutchchairz.com/produ...>

(Amazon affiliate links)

Headphones::
<http://rzer.to/edgar>

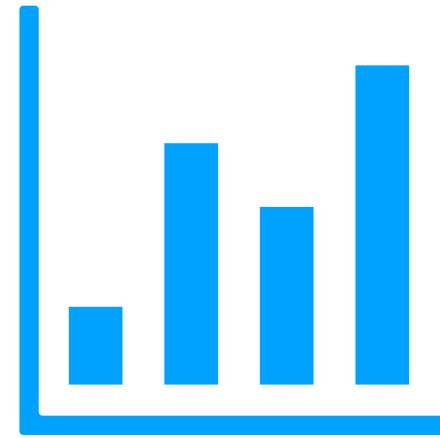
Camera::
<http://amzn.to/2FaJFGa>

Microphone::
<http://amzn.to/2F8gUKa>

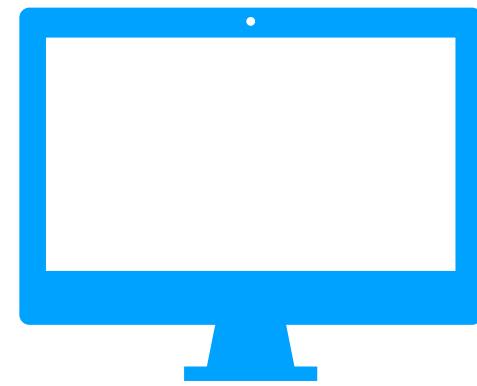
(Amazon affiliate links)



We examined ~ **500,000 YouTube videos** and ~ **2.1 million Pinterest pins** for affiliate marketing **content and disclosures**



1. ~**90%** of all affiliate marketing content is **not disclosed** to users, **violating the FTC's guidelines and other regulations**
2. The **most common** type of disclosure is **explicitly discouraged** by the FTC, and is also **least understood** by users



<https://github.com/aruneshmathur/affiliate-marketing-disclosures>

Questions?

✉️ amathur@cs.princeton.edu

🐦 @aruneshmathur