

Researchers find that 'native advertising' builds credibility, not perceived as 'tricking' visitors

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The concept of native advertising has been in existence for as long as advertisements were designed to resemble the editorial content in newspapers and magazines. As the internet emerged and became a powerful force, native advertising evolved, which has led some in recent times to be concerned that native advertising, which mimics non-advertising content, could serve to deceive web site visitors.

This concern served as the foundation for new research in the INFORMS journal *Marketing Science*, which sought to determine more precisely how native advertising is perceived and received by web site users.

The study, to be published in the December edition of the INFORMS journal *Marketing Science*, is titled "Sponsorship Disclosure and Consumer Deception: Experimental Evidence from Native Advertising in Mobile Search." It is authored by Navdeep S. Sahni and Hirkes S. Nair of Stanford University.

"We found little evidence that native advertising 'tricks' [internet users](#) into clicking on sponsored content and driving those users directly to the advertisers," said Nair. "Instead, we found that internet users seem to view native ads as advertisements, and they use the content to deliberately evaluate those advertisers."

The researchers studied native advertising at a mobile restaurant-search platform. They analyzed various formats of paid-search advertising, and the extent to which those ads were disclosed to over 200,000 users.

According to industry standards and certain regulations as instituted by the U.S. Federal Trade Commission (FTC), organizations behind native advertising are required to clearly indicate when content is paid advertising, or "sponsored content."

"One of the interesting findings of the research is that while native advertising benefits advertisers, we see no evidence of consumers getting deceived," said Sahni. "More to the point, users who see a native advertisement continue with their product search; they're more likely to later click on the advertiser's organic listings and make a purchase. In effect, consumers often follow a process of conducting their own due diligence incorporating the information they receive through native

[advertising.](#)"

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