

# Endorsements on Social Media

## An Empirical Study of Affiliate Marketing Disclosures on YouTube and Pinterest

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**Arunesh Mathur**  
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**Arvind Narayanan**  
**@random\_walker**



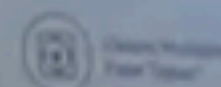
**Marshini Chetty**  
**@ineffablicious**



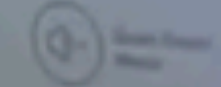




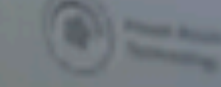
eufy



1100Pa Suction Power



0.6" Clearance



2.5" Width



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...](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

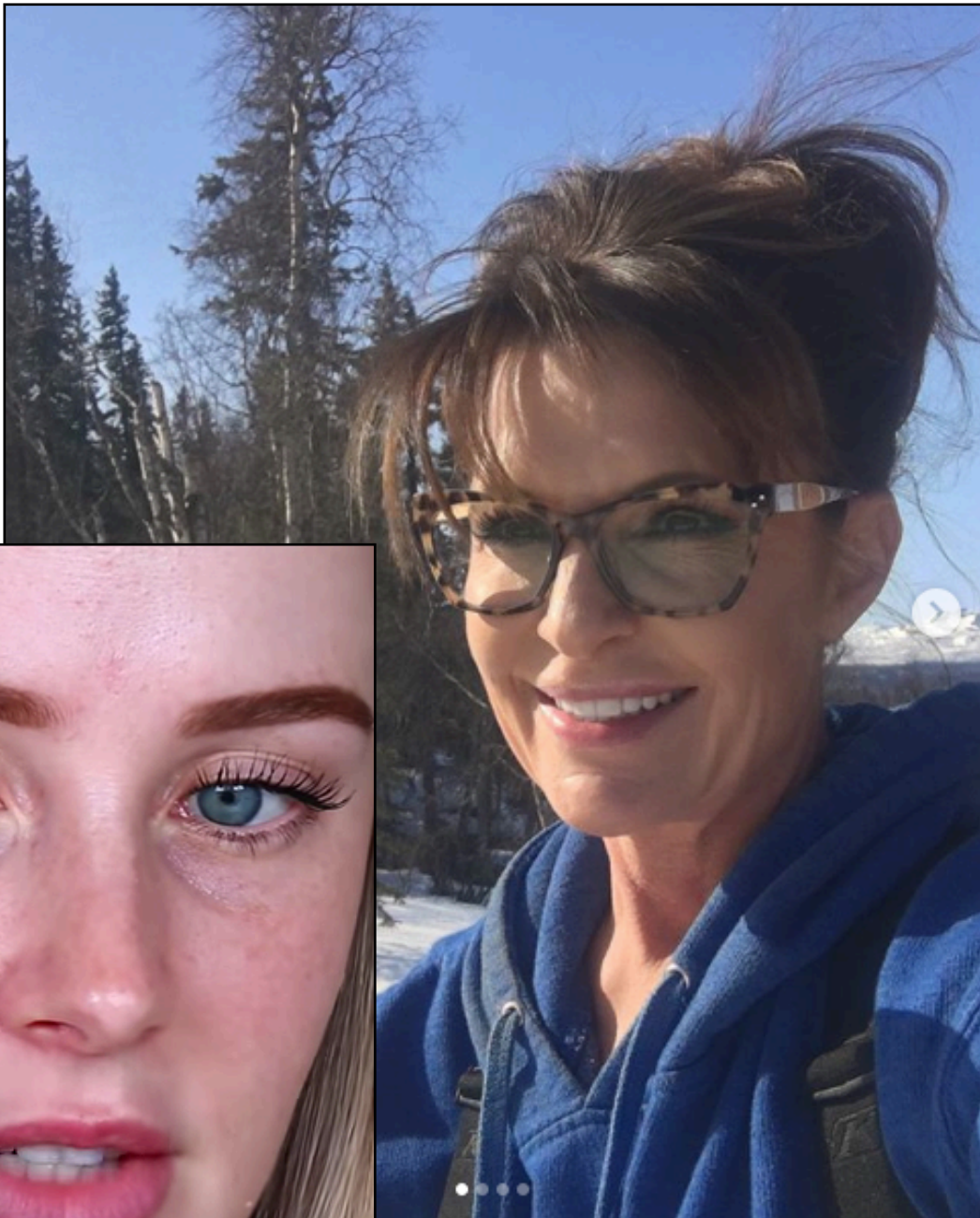
Load more comments

gdnice1 Djkhalel 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

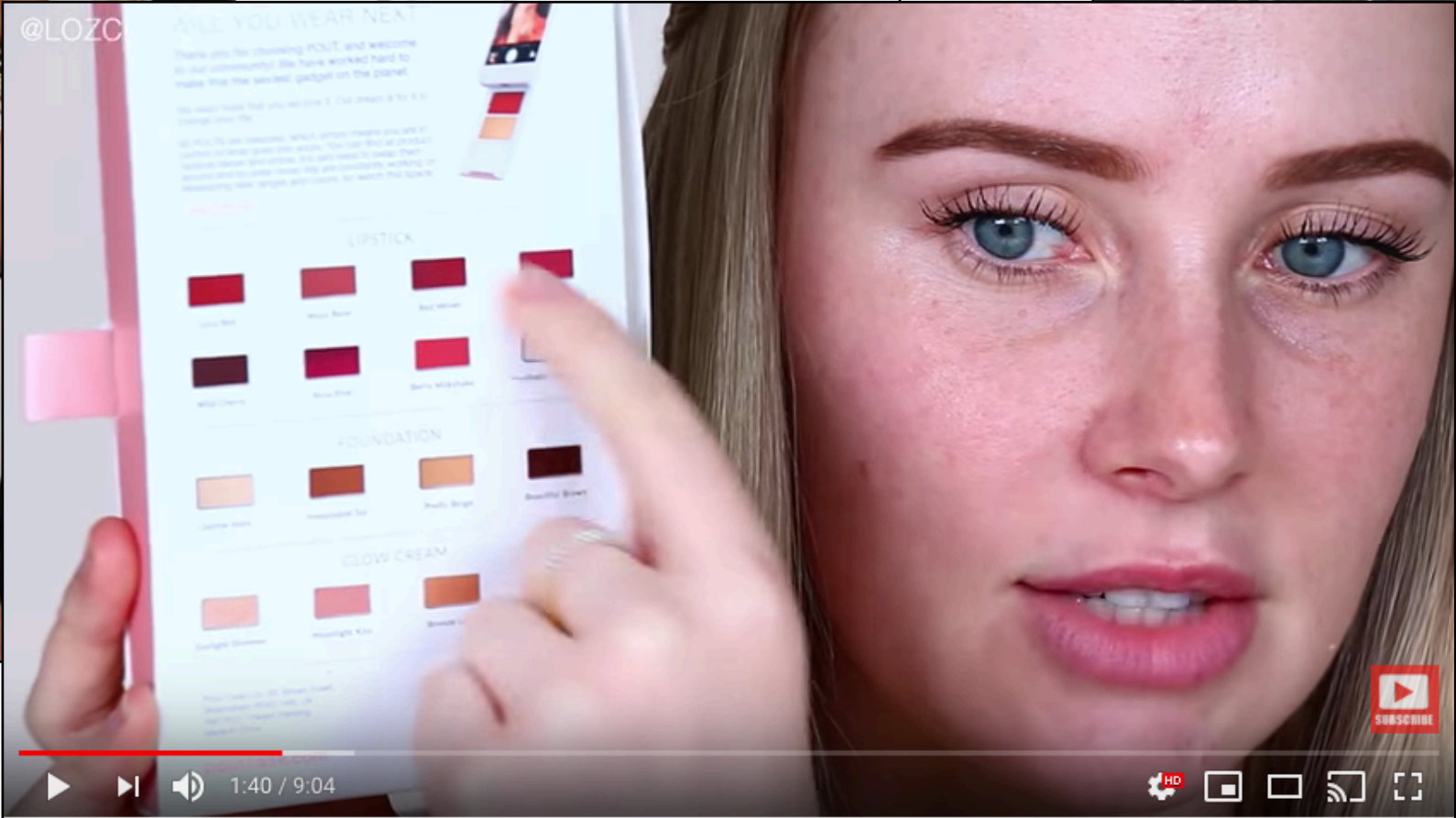
Load more comments

kearathomas\_ @lifewitherie 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

SUBSCRIBE 3.5M

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

LINKS

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

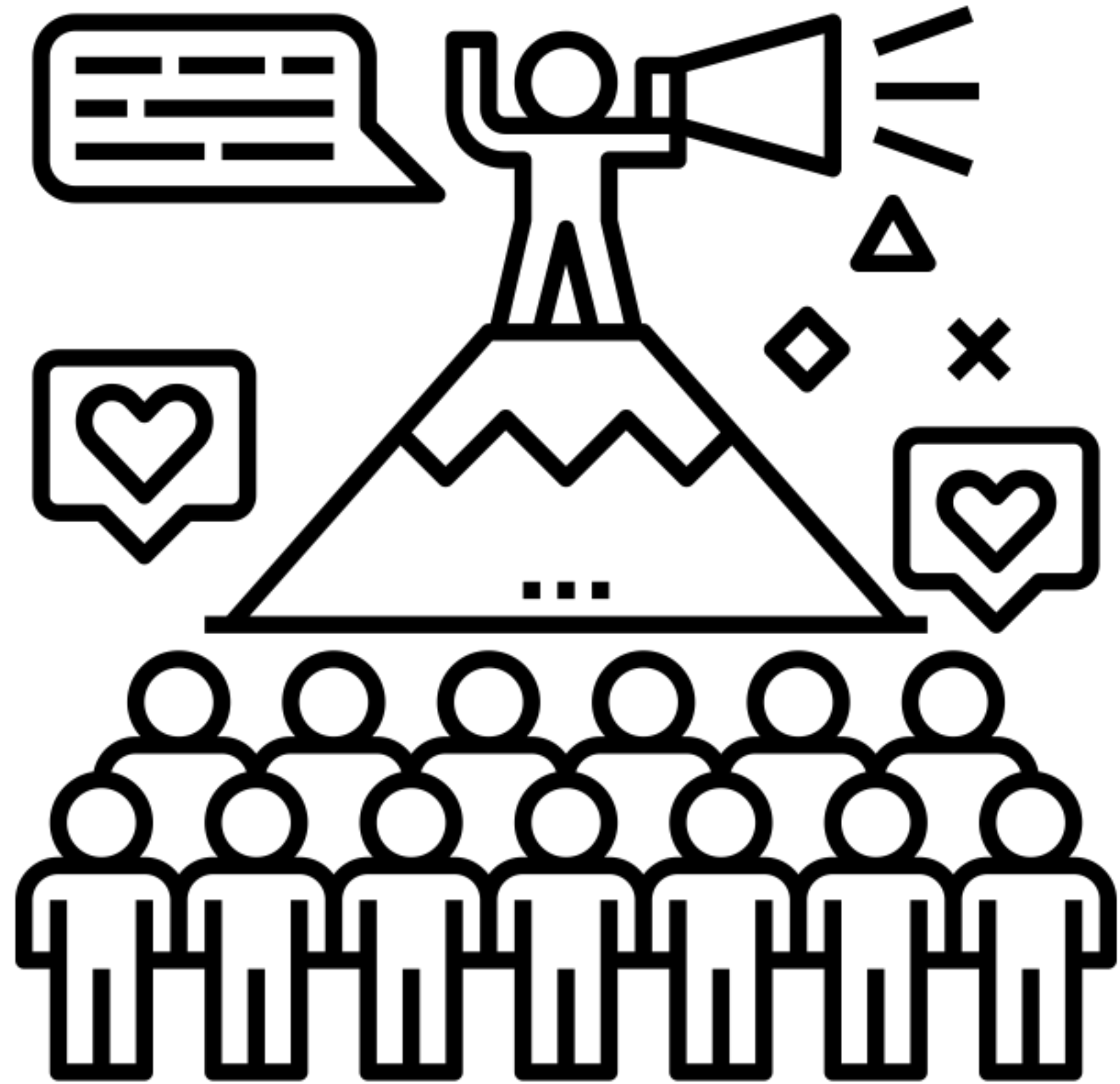
SNAPCHAT: LozCurtisPublic

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

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

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





# *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



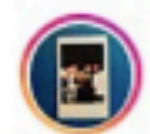
The age of the aluminum flagship phone is over





# 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?



cex.daily

Follow



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

**B**illed 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/>



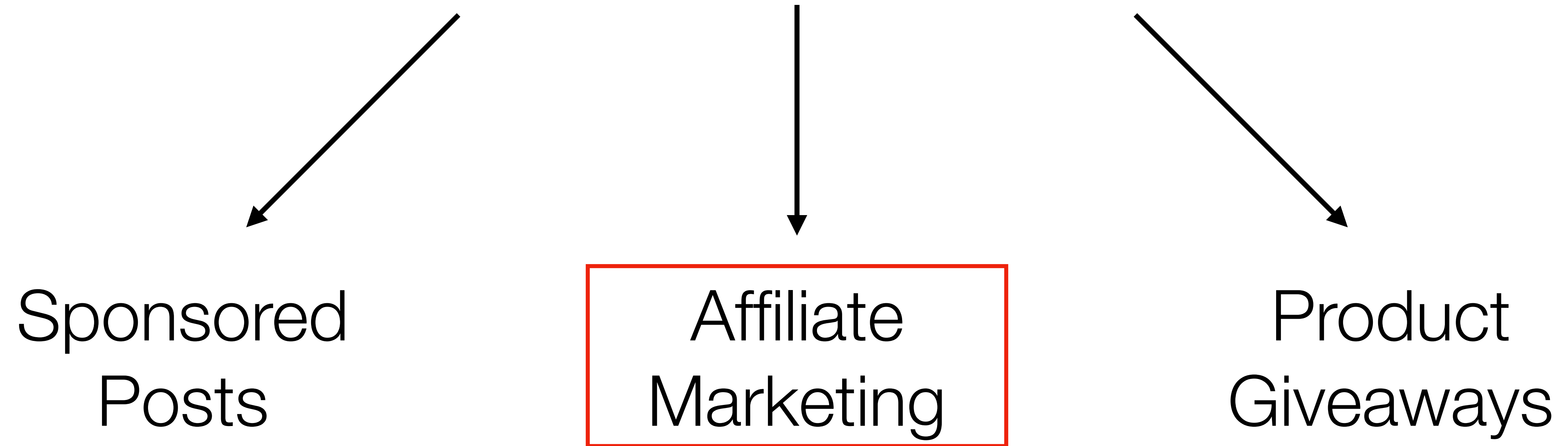


“ If there’s a connection between an endorser and the marketer that consumers would not expect and it would affect how consumers evaluate the endorsement, that connection **should be disclosed.** ”

**- The FTC’s Endorsement Guides**



# Endorsement-based Advertisements





# Overview of Findings

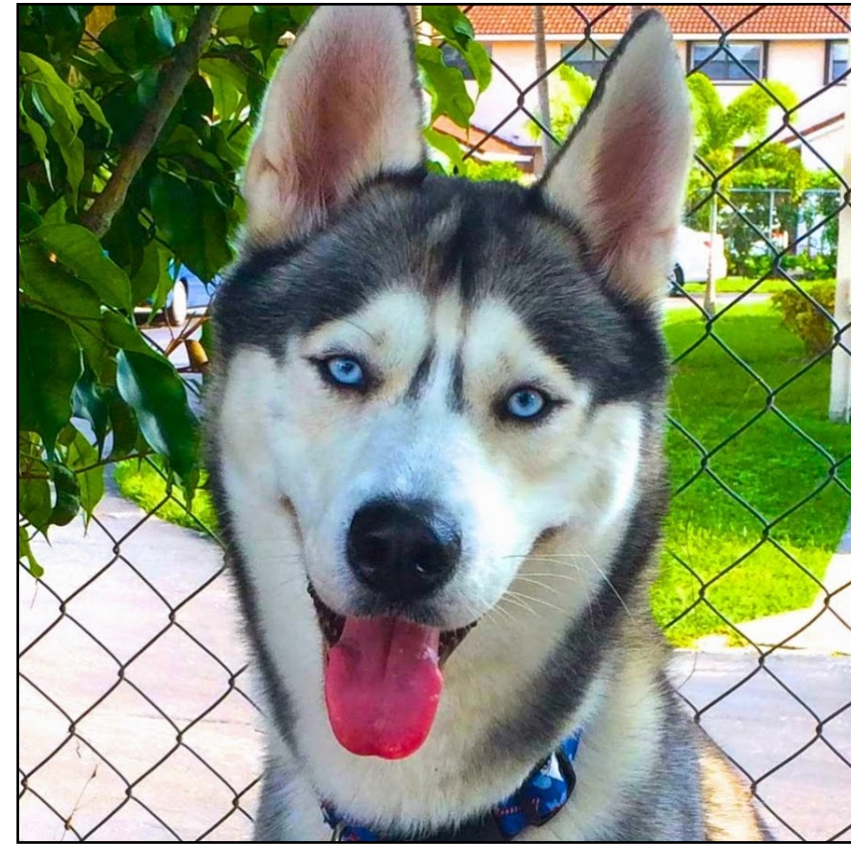
1. **~90% of all affiliate marketing content is not disclosed to users, violating the FTC's guidelines and other regulations**
2. **The most common type of disclosure is explicitly discouraged by the FTC, and is also least understood by users**



# Affiliate Marketing



# Affiliate Marketing



<http://amzn.to/2lCa9qB>





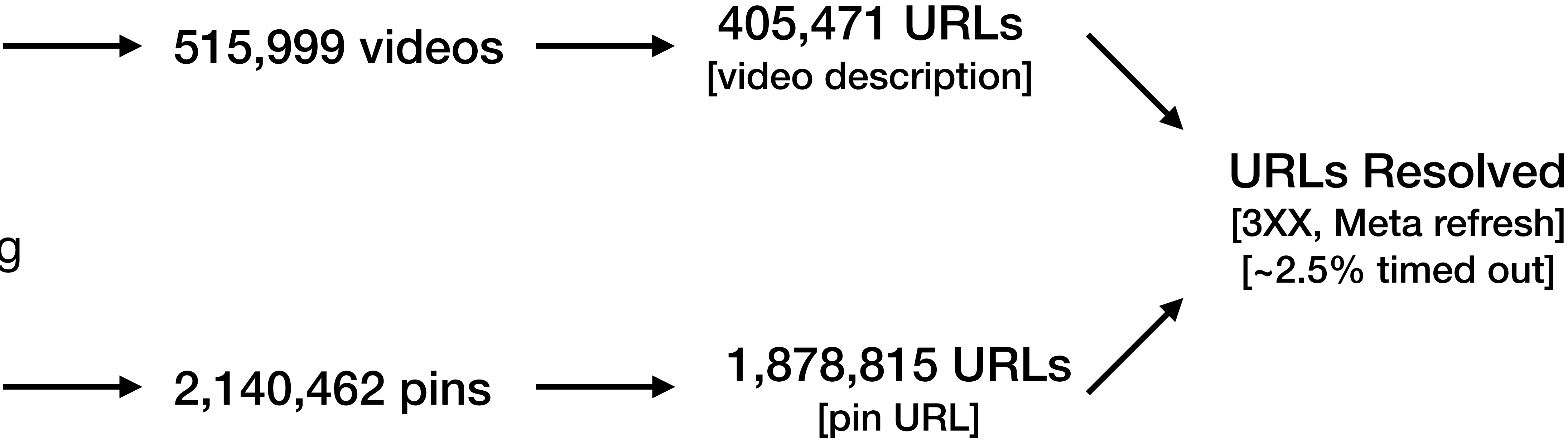
# Identifying and Characterizing Affiliate Marketing Content



# Data Collection



Prefix  
Sampling



# 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

aruneshmathur / affiliate-marketing-disclosures

Unwatch3

Star9

Fork2

<> Code

Issues0

Pull requests0

Projects0

Wiki

Insights

Settings

Branch: master

affiliate-marketing-disclosures / affiliate\_markting\_links.txt

Find fileCopy path

aruneshmathur Renamed file

1a64dcb 22 hours ago

1 contributor

187 lines (147 sloc) | 3.05 KB

RawBlameHistory

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=

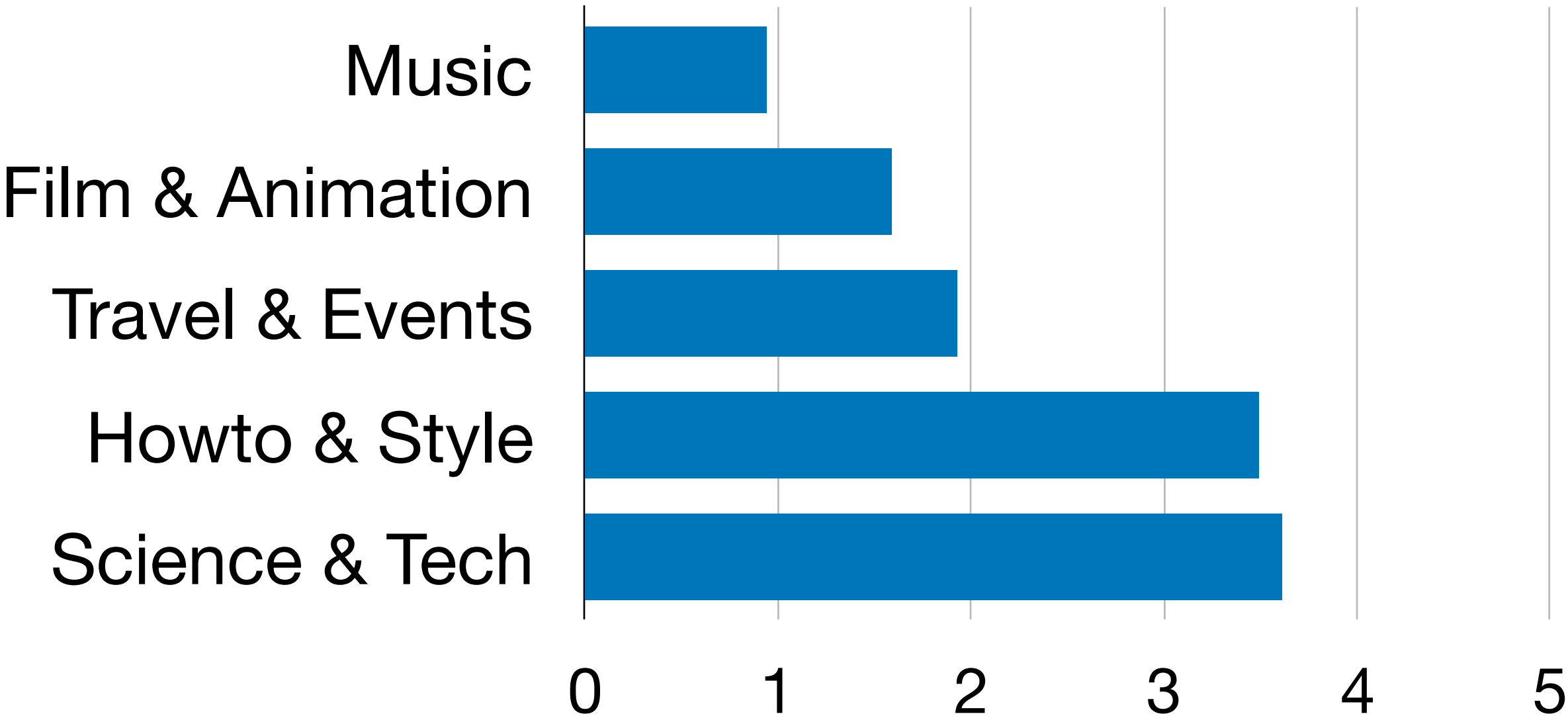
57 Unique Affiliate Links Patterns from  
33 Unique Affiliate Marketing Companies

AliExpress, Amazon, Ebay, RewardStyle,  
ShopStyle, ShareASale

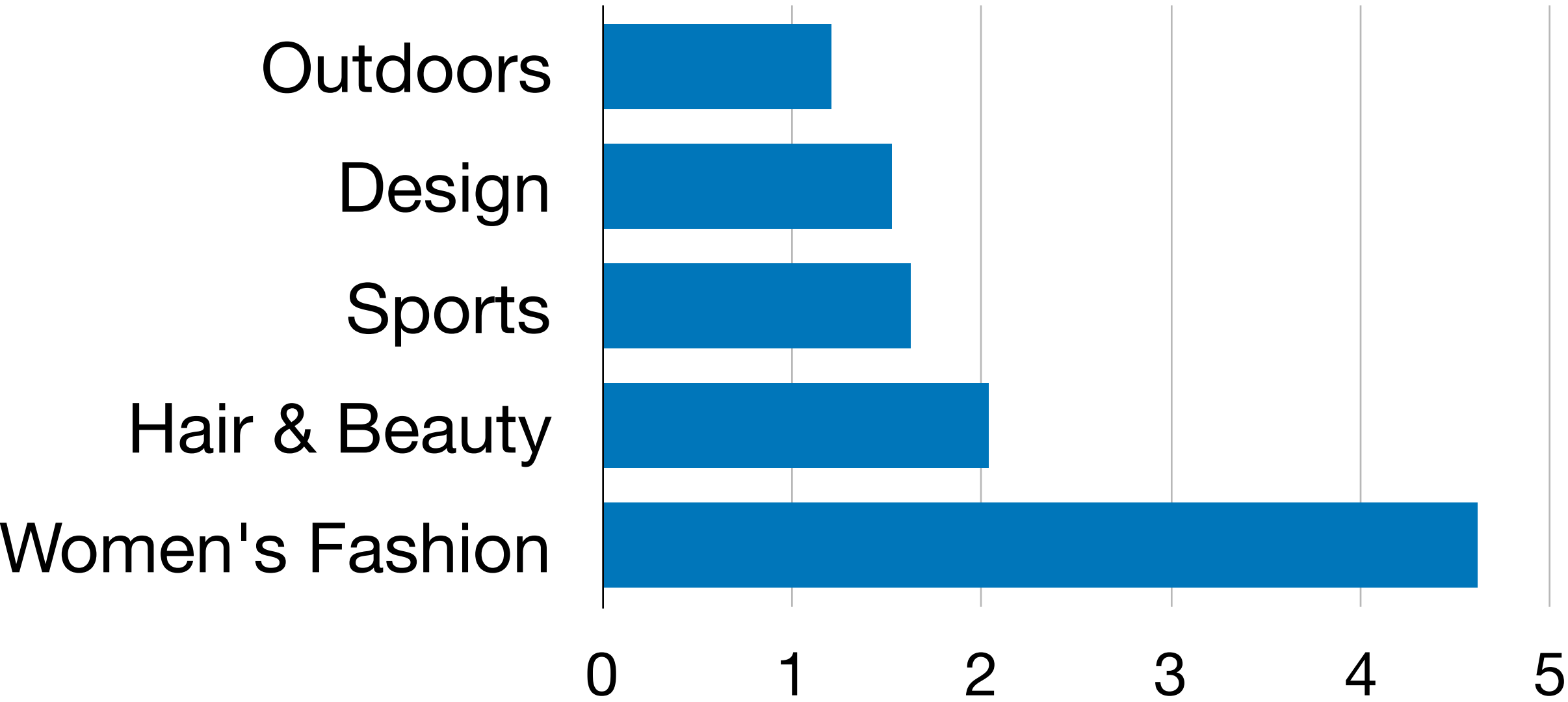
# Affiliate Marketing Content



Videos with  
Affiliate Links



Pins with  
Affiliate Link

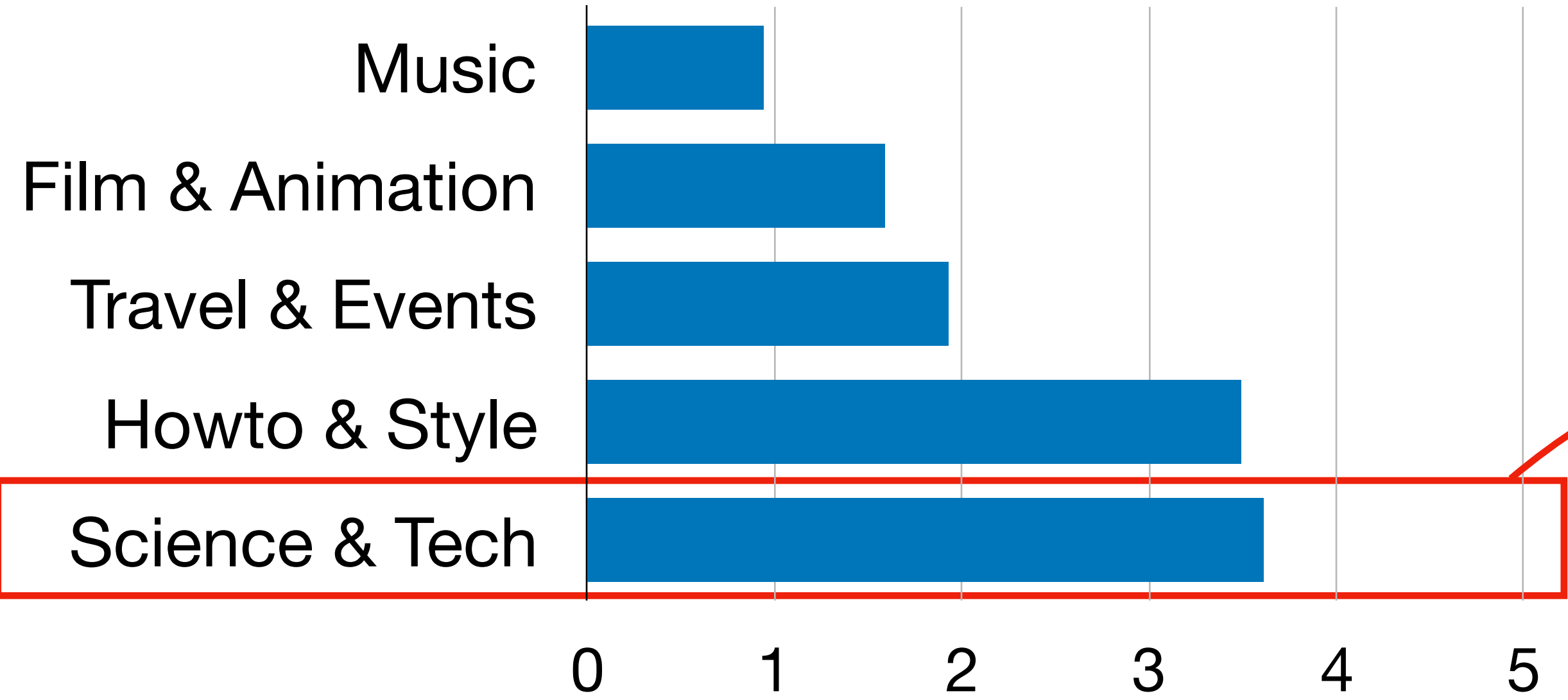




# Affiliate Marketing Content



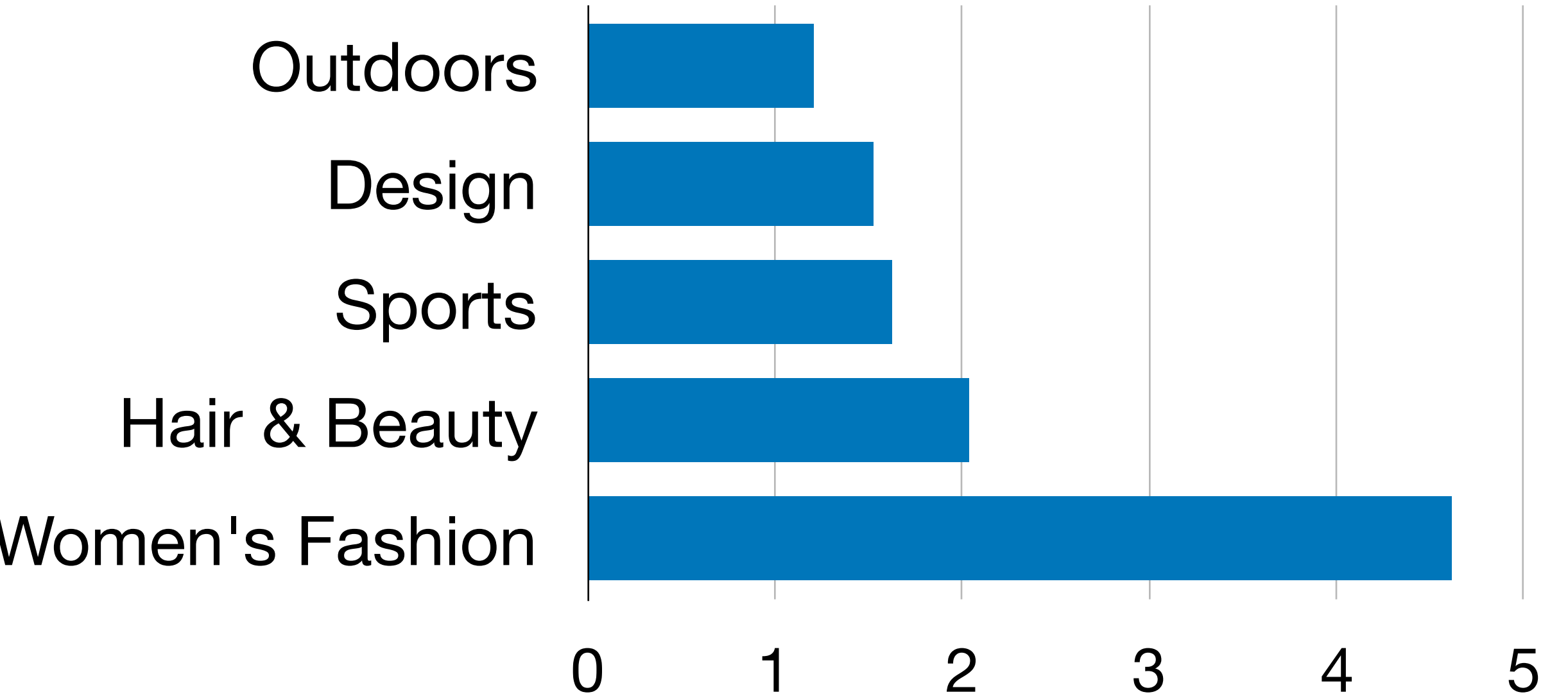
Videos with  
Affiliate Links



**Product  
Reviews**



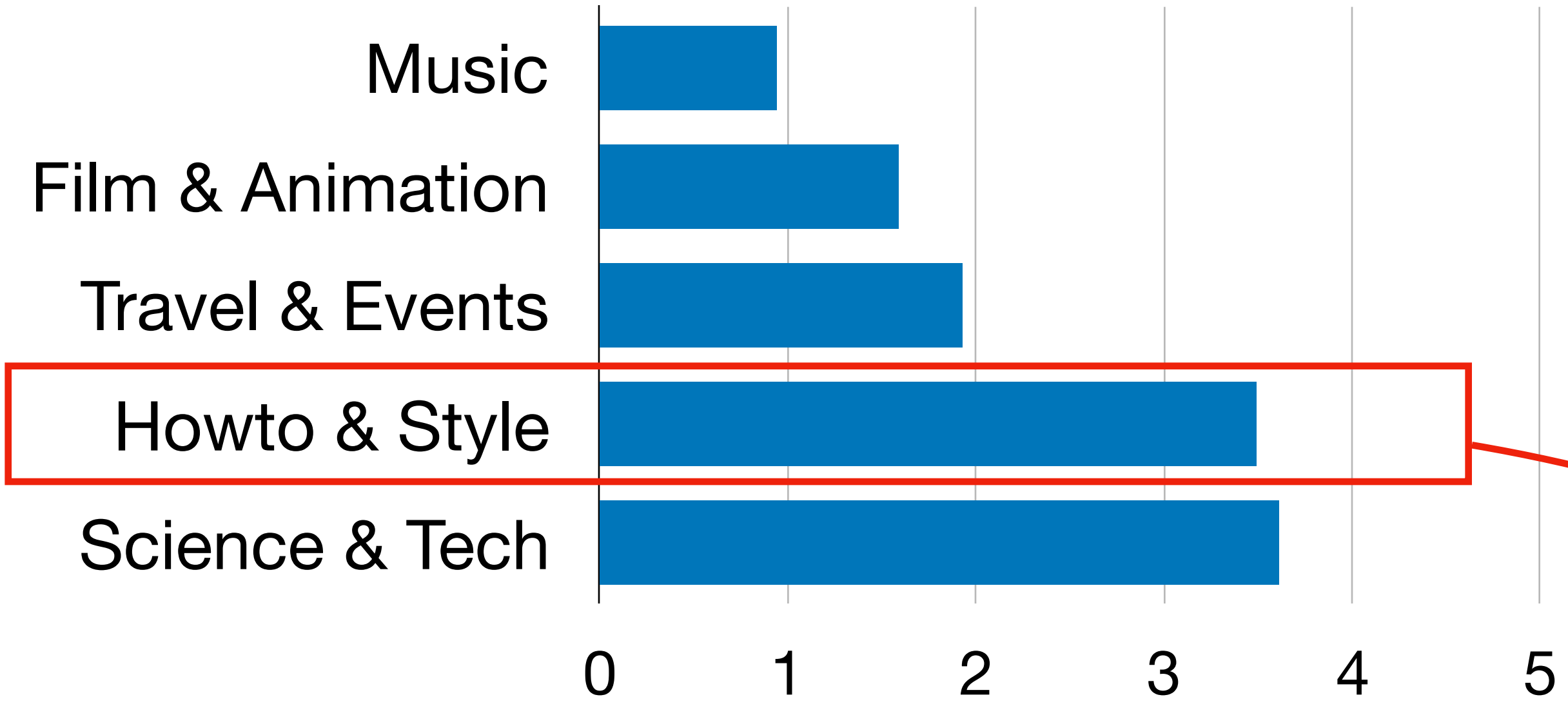
Pins with  
Affiliate Link



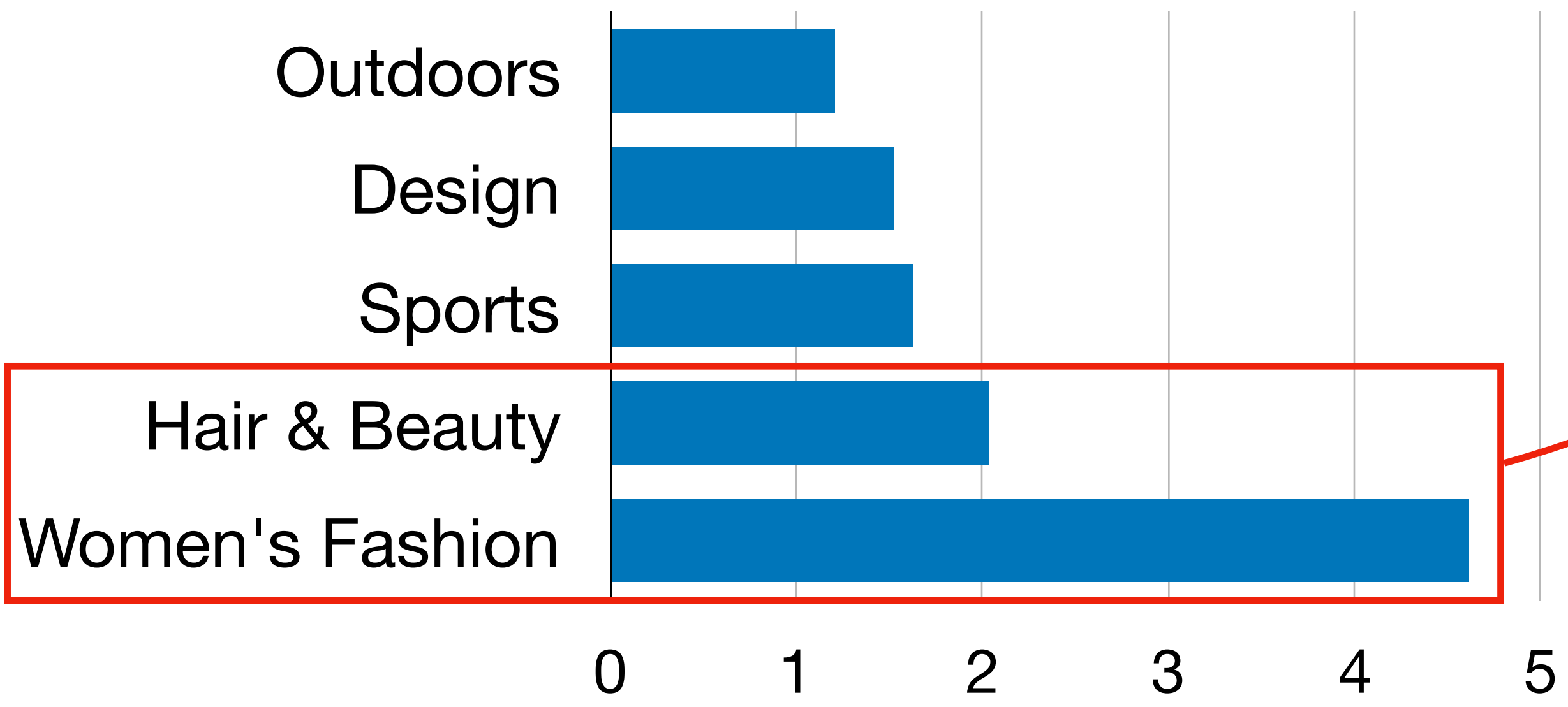
# Affiliate Marketing Content



Videos with  
Affiliate Links



Pins with  
Affiliate Link

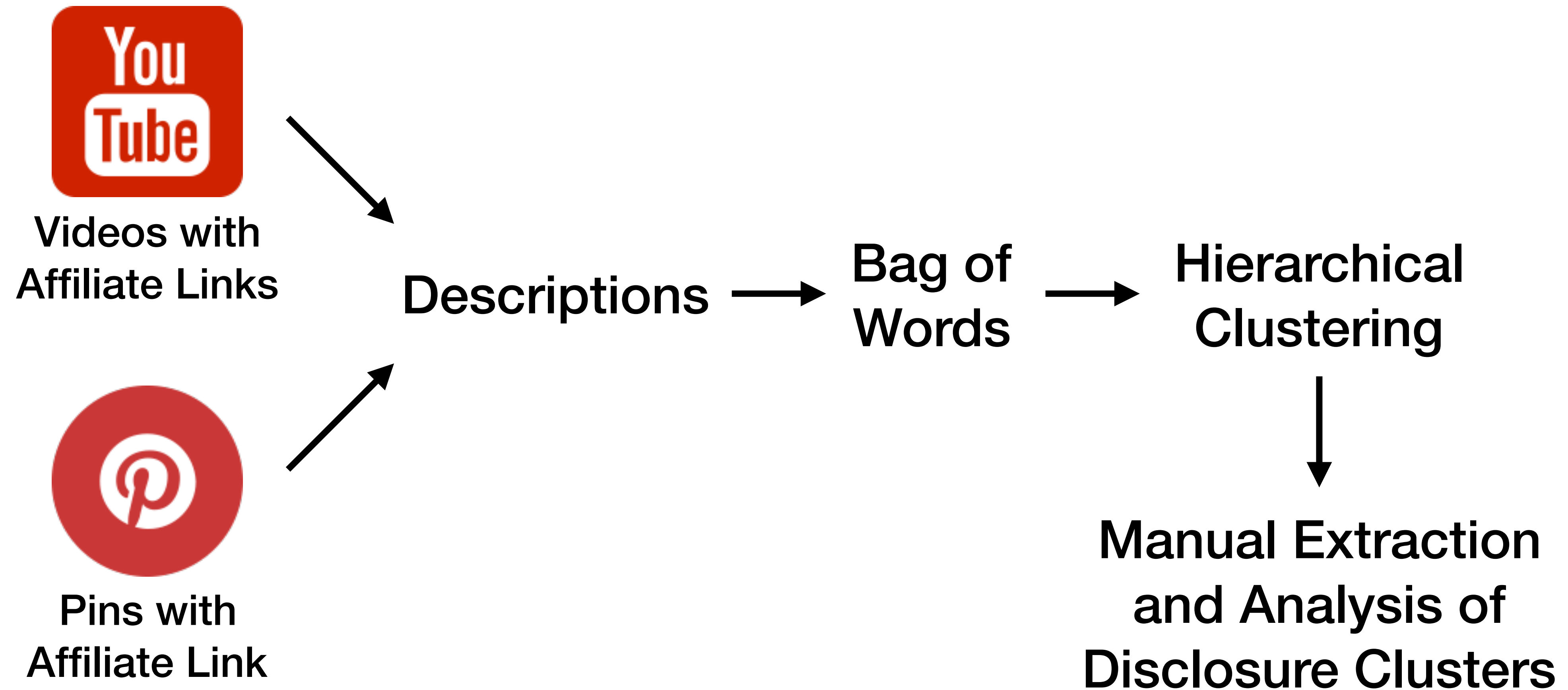


**Makeup &  
Clothing Reviews**



# 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

SUBSCRIBE 1.3M

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>

Affiliate Link [Top] Condition

## Pinterest

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





**Dog Care saved to Dog Beds**

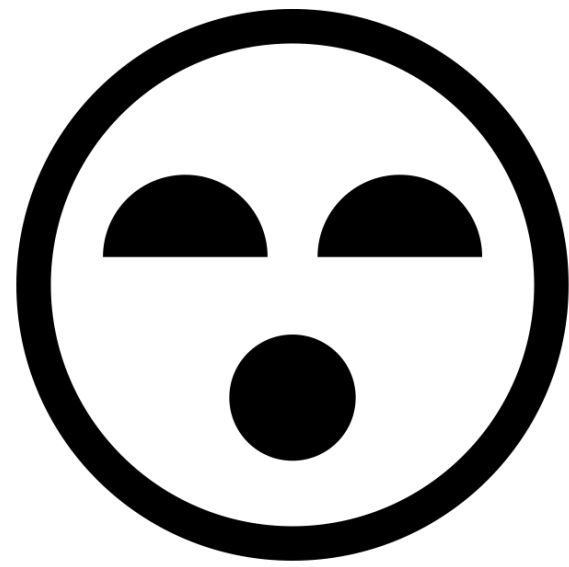
This is an affiliate link and I receive a commission for the sales

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.

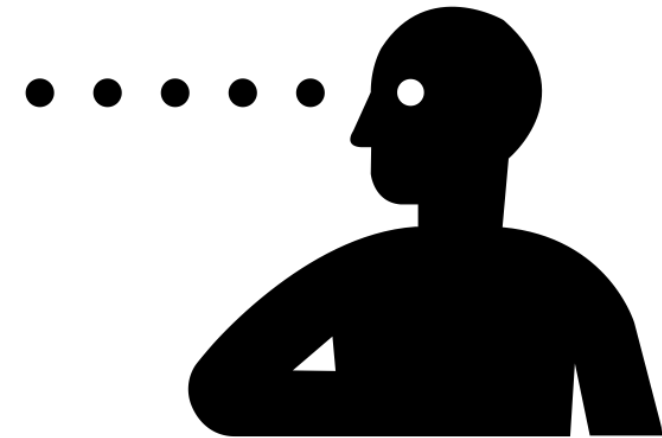
Explanation [Top] Condition

# Evaluating the Affiliate Marketing Disclosures

## Experimental Measures:



Impression of the  
video, pin, product?



Notice the  
disclosure?



Relationship b/w content  
creator & company?



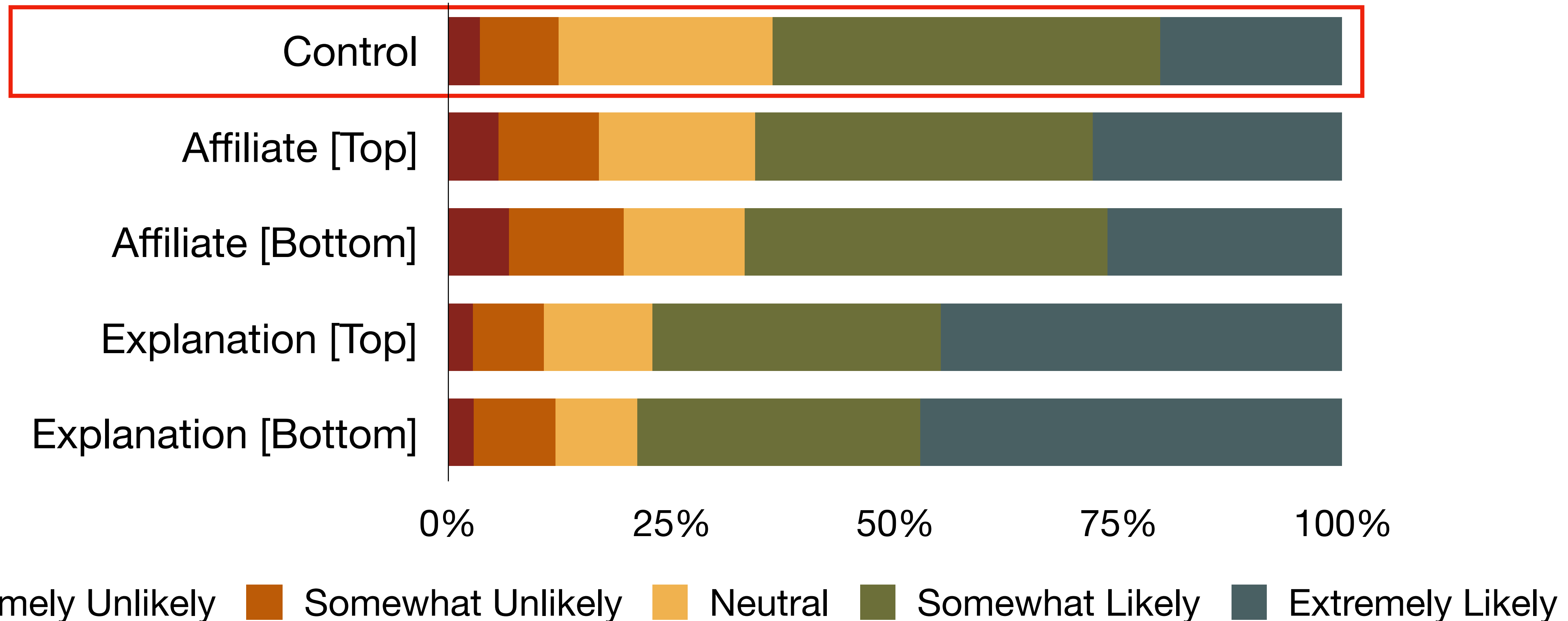
Interpretation of  
disclosure

# 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?



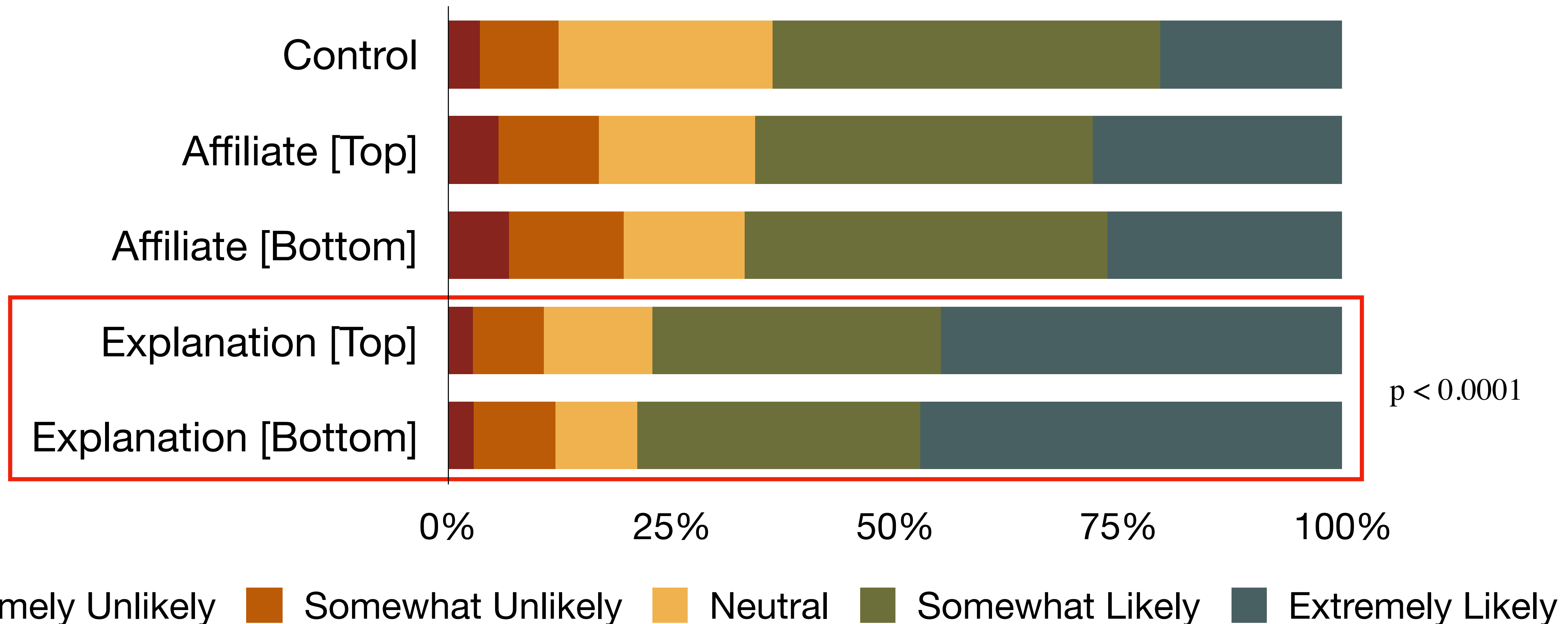


# Affiliate Marketing Disclosures Efficacy

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



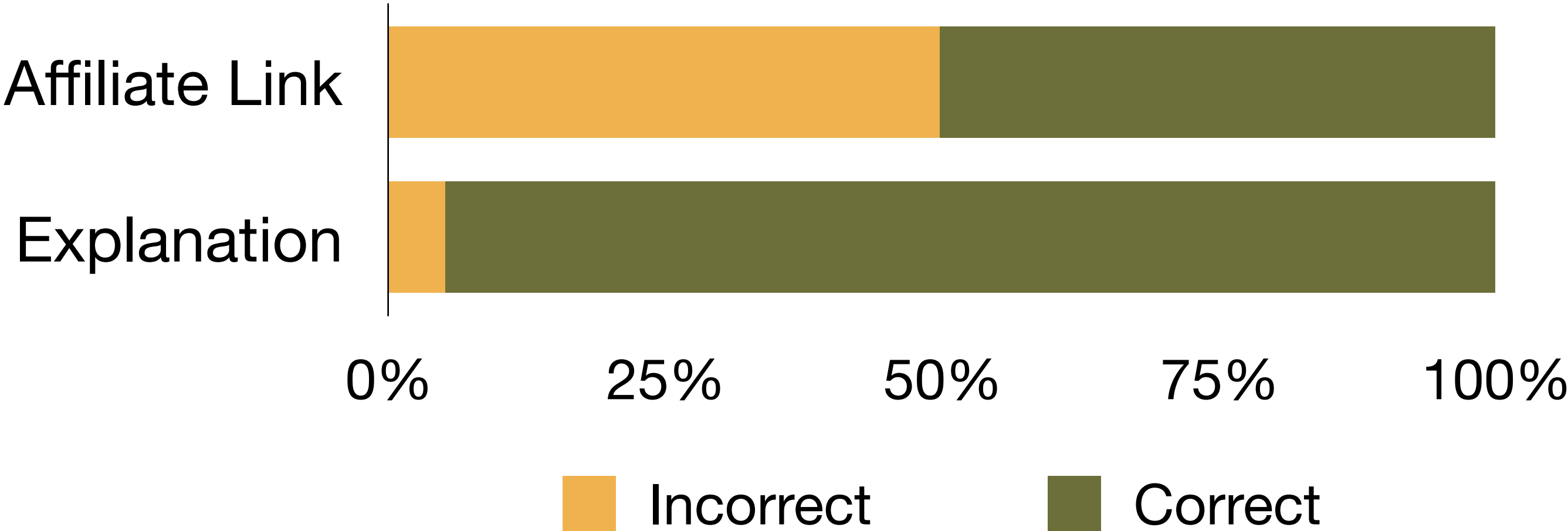
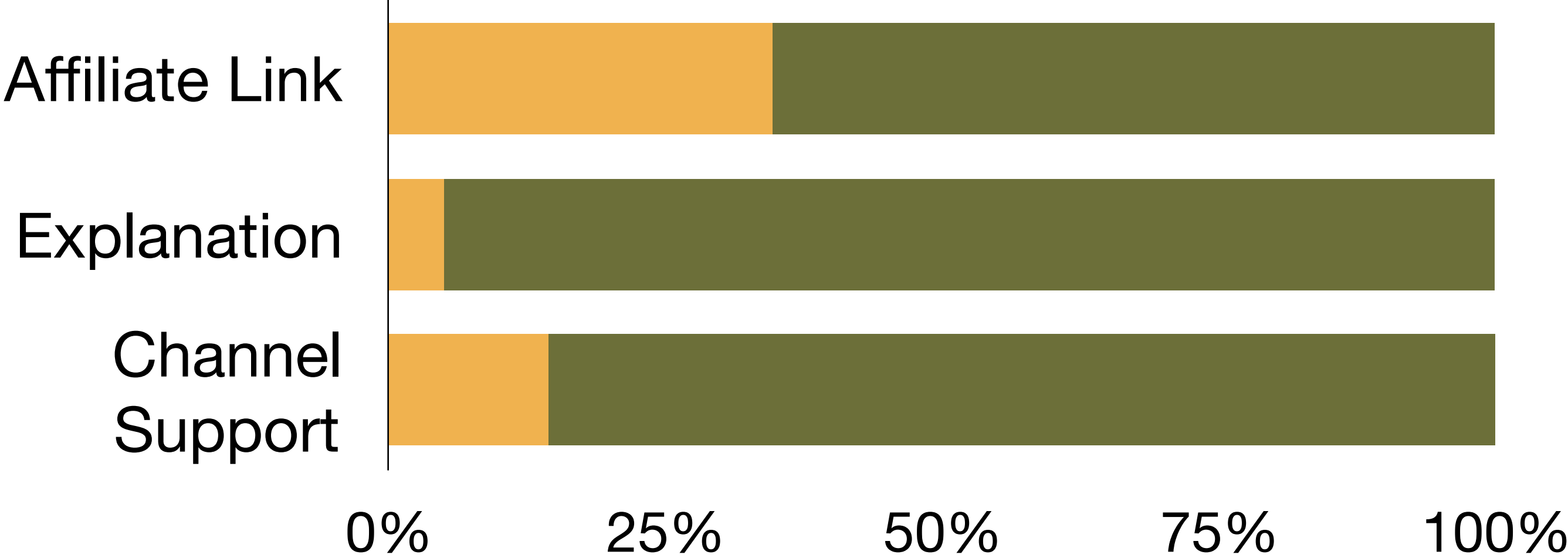
Relationship b/w  
content creator &  
company?



# Affiliate Marketing Disclosures Efficacy



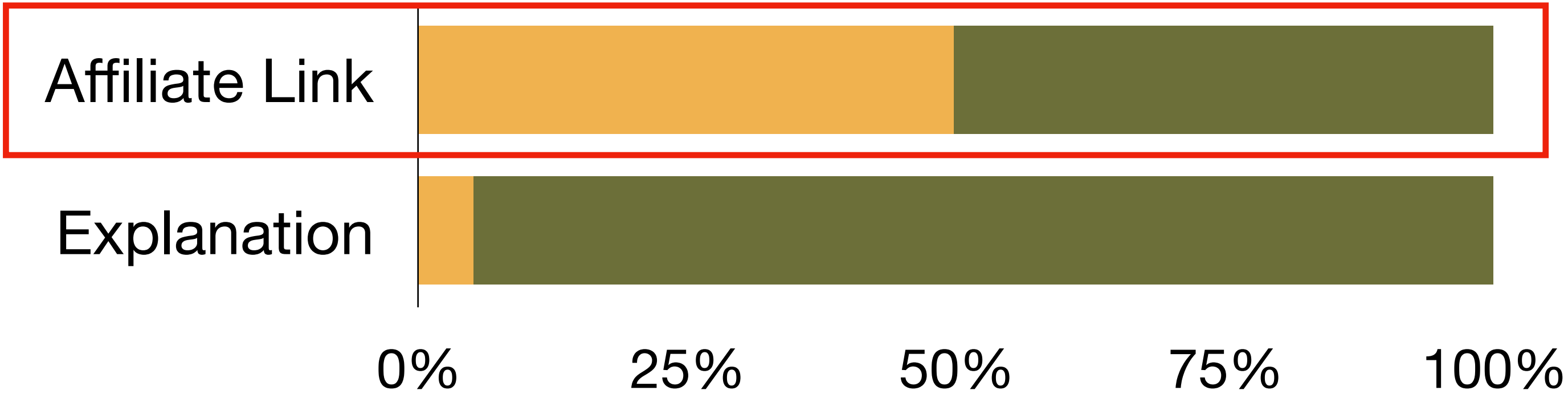
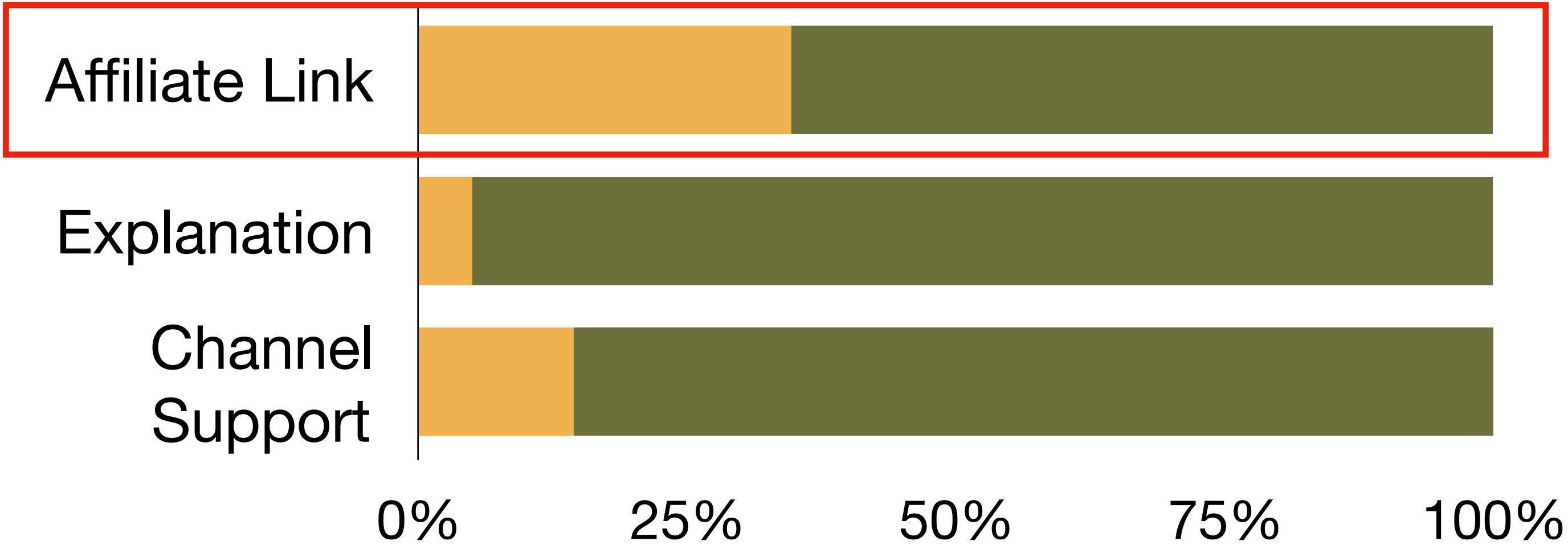
Interpretation  
of disclosure



# Affiliate Marketing Disclosures Efficacy



Interpretation  
of disclosure



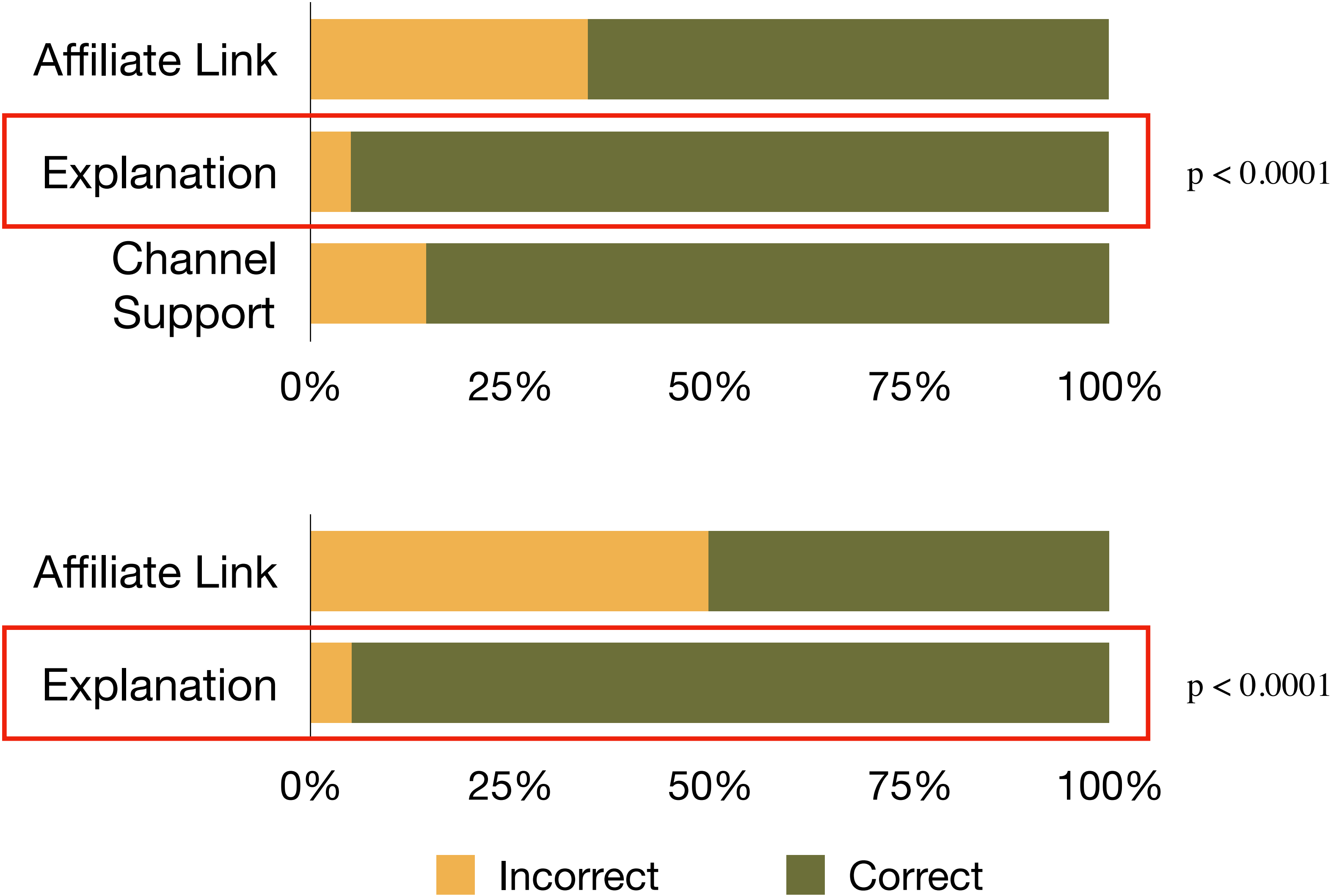
Incorrect Correct



# Affiliate Marketing Disclosures Efficacy



Interpretation  
of disclosure

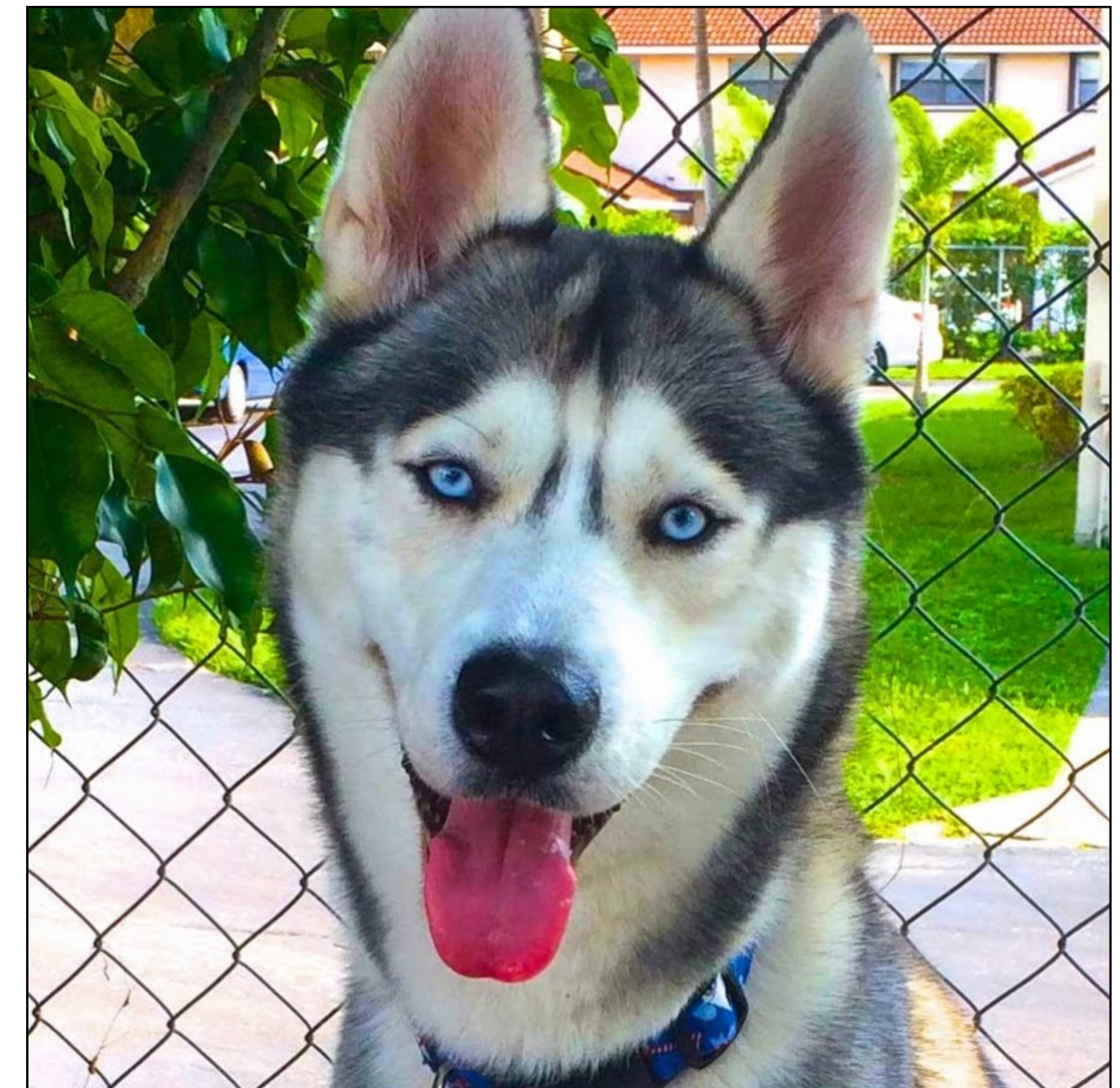


# Implications

# 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

FTC Finalizes Its First Settlement For Social Media Influencers



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

Mary K. Engle  
Associate Director

{Date}

{Address}

Dear {Influencer}:

The Federal Trade Commission is the nation’s consumer protection agency. In 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}. 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 you and the marketer of a product – in other words, a connection that might give weight or credibility to 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 scrolling through their Instagram streams on mobile devices typically see only the first three lines of a 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, if you use multiple tags, hashtags, or links, readers may just skip over them, especially if they appear at the end of a long post.

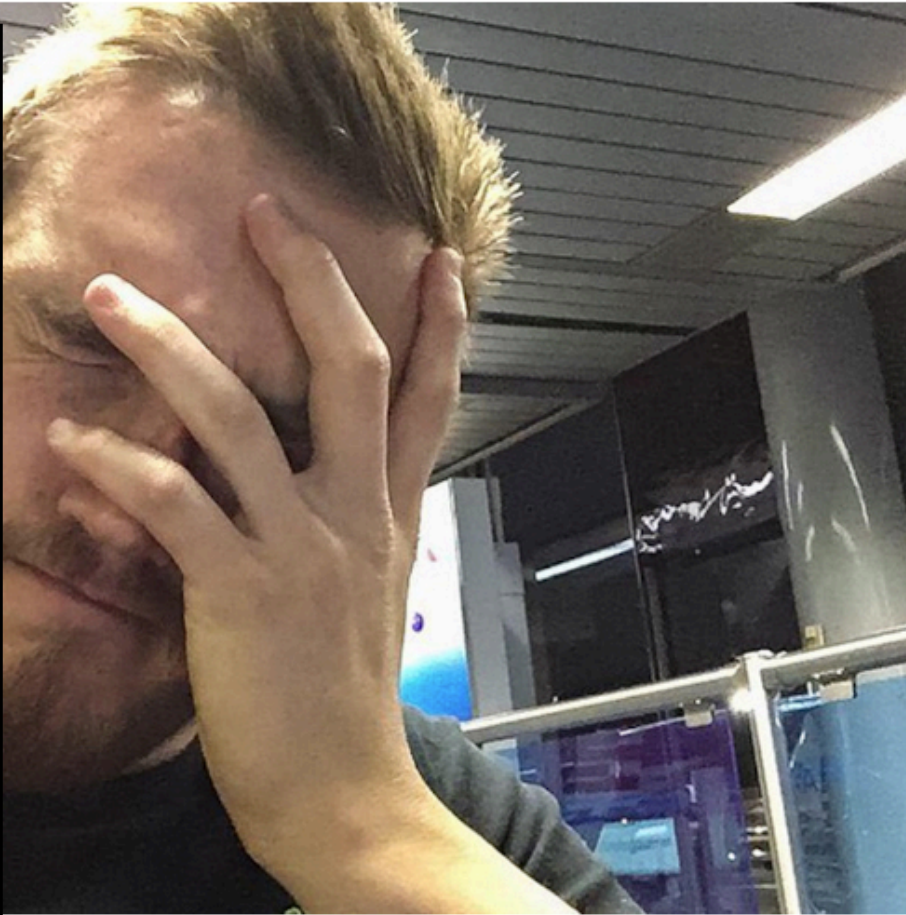
## Social media stars face crackdown over money from brands

### 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.

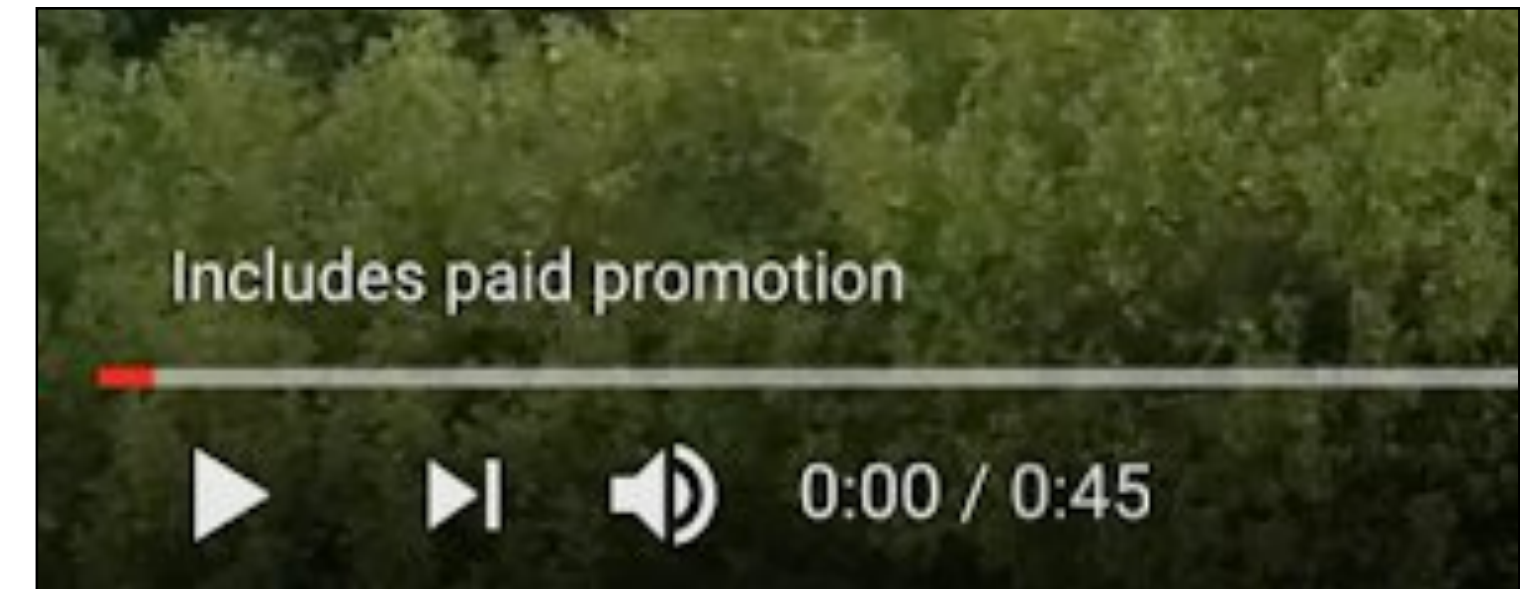


... unanimously approved, by way of a 2-0 vote, a finalized order in what was the first case brought against individual social media influencers.

**“Let’s Play”** Martin and Thomas **“Syndicate”** Cassell posted videos on their channels (with a respective more than 3.3 million and 10 million subscribers) taking part in a promotion for an online gambling company. The problem was that the two ‘Let’s Play’ social influencers failed to disclose their financial 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

A collage of three images related to influencer marketing disclosure. Top left: A Wired article snippet titled "YOUTUBE AND PINTEREST INFLUENCERS ALMOST NEVER DISCLOSE MARKETING RELATIONS". Top right: A The Times article snippet titled "PewDiePie and other vloggers fail to disclose adverts". Bottom: A YouTube video player showing a man in a "WARRIOR" t-shirt with a text overlay: "This video was filmed entirely on the Samsung Galaxy S8". The video player shows 4,823 views and a like/dislike ratio.



# 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/...>  
Europe: <https://europe.clutchchairz.com/en/pr...>  
Canada: <https://canada.clutchchairz.com/produ...>

(Amazon affiliate links)

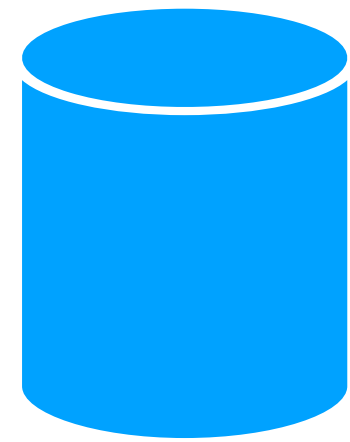
(Amazon affiliate links)

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

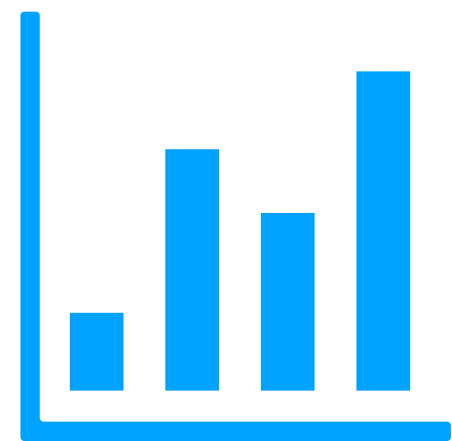
Camera::  
<http://amzn.to/2FaJFGa>

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





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?



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[@aruneshmathur](https://twitter.com/aruneshmathur)