Endorsements on Social Media
An Empirical Study of Affiliate Marketing Disclosures on YouTube and Pinterest

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Endorsement-based Advertisements
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 | @tamanoo | Nov 22, 2016, 7:25am EST

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
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?


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.

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

- Sponsored Posts
- Affiliate Marketing
- Product Giveaways

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

YouTube → 515,999 videos → 405,471 URLs [video description]

Pinterest → 2,140,462 pins → 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

57 Unique Affiliate Links Patterns from 33 Unique Affiliate Marketing Companies

AliExpress, Amazon, Ebay, RewardStyle, ShopStyle, ShareASale
Affiliate Marketing Content

Videos with Affiliate Links
- Music
- Film & Animation
- Travel & Events
- Howto & Style
- Science & Tech

Pins with Affiliate Link
- Outdoors
- Design
- Sports
- Hair & Beauty
- Women's Fashion
Affiliate Marketing Content

- Music
- Film & Animation
- Travel & Events
- Howto & Style
- Science & Tech
- Outdoors
- Design
- Sports
- Hair & Beauty
- Women's Fashion

Videos with Affiliate Links

Pins with Affiliate Link

Product Reviews
Affiliate Marketing Content

Videos with Affiliate Links

- Music
- Film & Animation
- Travel & Events
- Howto & Style
- Science & Tech

Pins with Affiliate Link

- Outdoors
- Design
- Sports
- Hair & Beauty
- Women's Fashion

Makeup & Clothing Reviews
Discovering Disclosures in Affiliate Marketing Content
Discovering Affiliate Marketing Disclosures

Videos with Affiliate Links → Descriptions → Bag of Words → Hierarchical Clustering

Pins with Affiliate Link → Descriptions

Hierarchical Clustering → Manual Extraction and Analysis of Disclosure Clusters
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”

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”

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!!!)”

YouTube 2.44%
Evaluating the Efficacy of Affiliate Marketing Disclosures
Evaluating the Affiliate Marketing Disclosures

Conditions:
- Affiliate Link
- Explanation
- Channel Support

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

Pinterest
https://www.pinterest.com/pin/804314814672700115

Affiliate Link [Top] Condition

Explanation [Top] Condition

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.
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

Icons: Impressed by flaticondesign.com from the Noun Project, Observe by la-fabrique-créative from the Noun Project, Handshake by bmijnieff from the Noun Project, Analyzing by Aneeque Ahmed from the Noun Project
**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?**

- **Control**
- **Affiliate [Top]**
- **Affiliate [Bottom]**
- **Explanation [Top]**
- **Explanation [Bottom]**

- **p < 0.0001**
Affiliate Marketing Disclosures Efficacy

Interpretation of disclosure

<table>
<thead>
<tr>
<th>Affiliate Link</th>
<th>Explanation</th>
<th>Channel Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorrect</td>
<td>Correct</td>
<td>Incorrect</td>
</tr>
</tbody>
</table>

0% 25% 50% 75% 100%
Affiliate Marketing Disclosures Efficacy

Interpretation of disclosure

Affiliate Link

Explanation

Channel Support

0% 25% 50% 75% 100%

Affiliate Link

Explanation

0% 25% 50% 75% 100%

Incorrect  Correct
Affiliate Marketing Disclosures Efficacy

Affiliate Link

Explanation

Channel Support

0%  25%  50%  75%  100%

p < 0.0001

Incorrect  Correct

Affiliate Link

Explanation

0%  25%  50%  75%  100%

p < 0.0001

Incorrect  Correct

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

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

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.
Designing For Disclosures

Design affordances for advertising disclosures in social media platforms

Tools to detect and highlight advertisements to users
Public Pressure
Public Pressure

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)
Headphones::
http://rZR.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? amathur@cs.princeton.edu @aruneshmathur