An Empirical Study of Affiliate Marketing Disclosures on YouTube and Pinterest

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Content Creators and Advertising

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Guidelines & Regulation

FTC’s Endorsement Guidelines

ASA’s Social Media Ads Guidelines
Guidelines & Regulation: Enforcement

YouTube stars fined £265k for promoting Fifa gambling to minors

The defendants knew the site was used by children," says UK Gambling Commission

By AMELIA HEATHIAN
Sunday 7 February 2017
Endorsements in Advertising

Sponsored Content

Affiliate Marketing

Product Giveaways

Affiliate Marketing: A Primer

- Content Creator
- Merchant
- Affiliate Marketing Company
Affiliate Marketing: A Primer

Content Creator

Merchant

Affiliate Marketing Company
“These designer hanging planters are available for less than $200.”
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FTC’s Guidelines: Affiliate Marketing

1. **What should the disclosure state?**
   - Consumers may not understand “Affiliate link”
   - “I get commissions for purchases made through links in this post”

2. **Where should the disclosures be placed?**
   - Near the affiliate link
Research Questions

1. How prevalent are disclosures in affiliate marketing content on social media platforms?

2. Are these disclosures compliant with the FTC’s endorsement guidelines?
Method: Data Collection
Method: Data Collection

Prefix Sampling

- 515,999 videos
- 2,140,462 pins

- 405,471 URLs [video description]
- 1,878,815 URLs [pin URL]
Method: Identifying Affiliate Links

1. No publicly available list of affiliate marketing companies and their URLs

2. Links may be cloaked:
   - http://amzn.to/2hhuk62
   - https://www.amazon.com/gp/product/B01N2XRCKP/ref=as_li_ss_tl?tag=r-a-site-20

3. Key observation: Affiliate links contain patterns
Method: Identifying Affiliate Links

405,471 URLs [video description]

1,878,815 URLs [pin URL]

URLs Resolved
[3XX, Meta refresh]
[~2.5% timed out]
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Method: Identifying Affiliate Links

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Manual Extraction
Affiliate Link Patterns

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Method: Discovering Affiliate Disclosures
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- Videos with Affiliate Links
- Pins with Affiliate Link
- Descriptions
Method: Discovering Affiliate Disclosures

- Videos with Affiliate Links
- Pins with Affiliate Link
- Descriptions
- Bag of Words
Method: Discovering Affiliate Disclosures

- Videos with Affiliate Links
- Pins with Affiliate Link
- Descriptions → Bag of Words → Hierarchical Clustering
  Manual Extraction and Analysis of Disclosure Clusters
Results: Affiliate Marketing Companies

1. 57 Unique Affiliate URL Patterns from 33 Unique Affiliate Marketing Companies

2. AliExpress, Amazon, Ebay, RewardStyle, ShopStyle, ShareASale

Full List on GitHub
Results: Affiliate Marketing Content

Categories

No category
Animals
Outdoors
Design
Sports
Hair & Beauty
Women’s Fashion

Affiliate Content (%)
Results: Affiliate Marketing Content

Categories

- People & Blogs
- Gaming
- Entertainment
- Music
- Film & Animation
- Travel & Events
- Howto & Style
- Science & Tech

Affiliate Content (%)

- No category
- Animals
- Outdoors
- Design
- Sports
- Hair & Beauty
- Women’s Fashion

Science & Tech: 3.61%
Results: Affiliate Marketing Content

- **Howto & Style**: 3.49%
- **Hair & Beauty**: 2.04%
- **Women's Fashion**: 4.62%
Results: Affiliate Marketing Disclosures
Results: Affiliate Marketing Disclosures

10.49%

7.03%
Results: Affiliate Marketing Disclosures

Affiliate Link 7.02%
Explanation 1.82%
Channel Support 2.44%

Affiliate Link 4.60%
Explanation 2.43%

"Affiliate links may be present above"
"This video contains affiliate links, which means that if you click on one of the links, I’ll receive a small commission"
"AMAZON LINK: (Bookmark this link to support the show for free!!!)
"(aff link)"
"(This is an affiliate link and I receive a commission for the sales)"
Results: Affiliate Marketing Disclosures

Affiliate Link 7.02%  “Affiliate links may be present above”

Affiliate Link 4.60%  “(aff link)”

Explanation 1.82%  “This video contains affiliate links, which means that if you click on one of the links, I’ll receive a small commission”

Channel Support 2.44%  “AMAZON LINK: (Bookmark this link to support the show for free!!!)”

Explanation 2.43%  “(This is an affiliate link and I receive a commission for the sales)”
Results: Affiliate Marketing Disclosures

Affiliate Link 7.02%  “Affiliate links may be present above”

Affiliate Link 4.60%  “(aff link)”

FTC deems inadequate  

Explanation 1.82%

Channel Support 2.44%

10.49%

7.03%
Results: Affiliate Marketing Disclosures

- **Affiliate Link**: 7.02%
  - Explanation: "Affiliate links may be present above"
  - "This video contains affiliate links, which means that if you click on one of the links, I’ll receive a small commission"

- **Channel Support**: 2.44%
  - "AMAZON LINK: (Bookmark this link to support the show for free!!)"
  - "(aff link)"

- **Affiliate Link**: 4.60%
  - "(This is an affiliate link and I receive a commission for the sales)"

- **10.49%**

- **7.03%**
Results: Affiliate Marketing Disclosures

- **Explaination**: 1.82%
  - "This video contains affiliate links, which means that if you click on one of the links, I’ll receive a small commission"

- **FTC advocates using**: 2.43%
  - "(This is an affiliate link and I receive a commission for the sales)"

- **Channel Support**: 7.02%
  - "AMAZON LINK: (Bookmark this link to support the show for free!!)

- **Affiliate Link**: 4.60%
  - "(aff link)"

- **Affiliate Link**: 10.49%
  - "Affiliate links may be present above"
Results: Affiliate Marketing Disclosures

10.49%

You Tube

7.03%

Affiliate Link

Explanation

Affiliate Link

Explanation

Channel Support

10.49%

7.03%

“Affiliate links may be present above”

“This video contains affiliate links, which means that if you click on one of the links, I’ll receive a small commission”

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

“(aff link)”

“(This is an affiliate link and I receive a commission for the sales)”
Implications: Understanding Content Creators

1. What explains the low prevalence of affiliate marketing disclosures?

2. Are content creators aware of the FTC’s endorsement guidelines?
Implications: Examining Affiliate Marketing Companies

1. Holding affiliate marketing companies accountable

- Only 3 out of 10 most prevalent companies in our dataset had disclosure requirements in their Terms of Service

**Associates Program Operating Agreement**

*Updated: May 2, 2018. (Current Associates, see what’s changed.)*

Welcome to Amazon’s website for associates (the “Associates Site”), where you can manage your affiliate marketing relationship with Services LLC or any of its affiliate companies, as the case may be (“Amazon” or “us” or similar terms).

Any person or entity that participates or attempts to participate in our associate marketing program (the “Associates Program”) as an associate, “you”, or an “Associate”) must accept this Associates Operating Agreement (this “Agreement”) without change. By registering using the Associates Site, you agree to this Agreement, including the Program Policies (defined in Section 11), which are incorporated by reference (for example, our Associates Program Participation Requirements, Associates Program IP License, Associates Program Guidelines). Please read them carefully.
Implications: Design Suggestions

1. Design affordances in social media platforms

- Disclosures are limited by the character space available to them
  - Twitter: 280 characters, Pinterest: 500 characters

2. Role of Web Browsers

- In-built tools to detect and highlight advertisements to users
Directions for Future Work

1. Extending analysis to other platforms
   • Instagram, Blogs, Common Crawl

2. User study with disclosures
   • Do users identify and interpret the disclosures being made?

3. Building browser extension to detect and highlight advertising content
Summary

Method:
1. We gathered:
   • ~ 0.5 million YouTube videos
   • ~ 2 million Pinterest pins
2. Extracted all embedded affiliate links
3. Extracted disclosures (if any) from these videos and pins

Results:
1. ~90% of all videos and pins with affiliate links do not disclose these links
2. ~2% of all disclosures are compliant with the FTC’s endorsement guidelines