Editorial

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Native and embedded advertising formats: Tensions between a lucrative marketing strategy and consumer fairness

Introduction

Native advertising is a persuasive strategy that is on everyone's lips these days (Evans and Wojdynski, 2020). In general, the term is used to describe a variety of advertising formats online. More specifically, the concept of native advertising is based on the idea of inserting persuasive messages in the flow of the consumers' online experiences. One way to achieve this goal is to atune the persuasive message to the personal relevance of the online user. Another way is to model native advertising to its surrounding content (Kim, Pasadeos, and Barban, 2001). This practice is also known as an 'advertorial', a format familiar from traditional print media that describes the practice of using an advertisement that mirrors the context in which it is placed (Carlson, 2015). Wojdynski and Evans (2016) hence describe native advertising as "any paid advertising that takes the specific form and appearance of editorial content of the publisher itself" (p. 157). Native advertising goes beyond the presentation of persuasive content within an editorial content as do other known embedded advertising techniques such as product placement. Product placements are characterized as brand presentations *embed-*

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ded in an entertaining or editorial setting such as a movie or game (Naderer, Matthes, and Spielvogel, 2019), while native advertising relies on absorption in the content at which the audience is looking. In other words, native advertising is not embedded in an editorial content but takes on the appearance of the content itself (Taylor, 2017). This can be achieved by mirroring an online article, a blog entry, or by taking measures to spark users to generate content about a company or brand, for instance, pictures, videos, or posts.

For marketers, native advertising is a new, lucrative tactic used to target potential consumers (Sebastian, 2014). Due to consumers' avoidance (Petty and Andrews, 2008) and coping strategies for persuasive messages (Friestad and Wright, 1994) in the form of traditional advertising such as TV-commercials or banner ads, marketers might prefer native advertising because of its covert nature (Campbell and Marks, 2015). The persuasive intent of native advertising messages is not necessarily apparent at first glance, as the persuasive messages are seamlessly woven into the content the audience is processing. Thus, this type of marketing increases message authenticity and decreases the likelihood of message reactance (e. g., Djafarova and Rushworth, 2017), which makes native advertising such a successful marketing strategy. Along the same lines, for content producers such as journalists or bloggers, native advertising is an important source of income. While for news organizations advertising is one of the key sources of financing (Carlson, 2015), for bloggers (also referred to as influencers) payment for the creation of native advertising content commonly makes up the main source of their income on an individual level (Abidin, 2016). Therefore, in order to facilitate the editorial content that the audience is looking for, content creators such as journalists and influencers are financially dependent on producing or embedding native advertising messages. In addition, given that native advertising is naturally embedded into the content and given the rather positive consumer attitudes about native advertising, there is only limited risk that native advertising may harm content producers. From the perspective of marketers, it should be effective; from the perspective of content producers, it should match the form and function of the context in which it appears. In short, native advertising should be persuasive without the audience realizing it.

Transparency of native advertising

Hence, while native advertising therefore seems both beneficial to marketers and content creators, the fairness of this advertising strategy to the audience has become an increasingly important and debated issue (Wojdynski and Evans, 2020). For instance, Taylor (2017) describes native advertising as the "black

sheep" (p. 207) of marketing, as this technique contradicts typical ethical boundaries of the field. The moral understanding is that it is the fundamental right of a consumer to be aware of contact with persuasive content (Cain, 2011). Thus, the audience should get the chance to make an informed decision about how they process the information they are provided with. As recognition of persuasive intent typically triggers a set of coping mechanisms (Friestad and Wright, 1994), the audience should get the chance to unmistakably categorize native advertising as such in order to assure they are processing the information as they see fit. This is relevant for all audiences, yet the question of consumer fairness with respect to the youngest audiences (children and adolescents) becomes even more pressing (Naderer, Matthes, Marquart, and Mayrhofer, 2018). Of course, when recipients recognize the persuasive intent of covert advertising, they may feel annoyed, and this may backfire on marketers and content producers (Colliander and Erlandsson, 2015). This raises the question of whether there is or, better, whether there should be a secret to successful native advertising (Campbell and Marks, 2015).

In light of these concerns, regulators have already reacted to the circumstance that undisclosed covert advertising is not fair to consumers (European Commission, 2018; Federal Trade Commission, 2015). Hence, marketers are now obligated to disclose native advertising strategies (Boerman, Helberger, van Noort, and Hoofnagle, 2018). And while a few studies indicate that disclosing native advertising practices can have a positive effect on the audiences' understanding of these persuasive strategies (Boerman, Willemsen, and Van Der Aa, 2017; De Jans, Cauberghe, and Hudders, 2019; Evans, Phua, Lim, and Jun, 2017; Hwang and Jeong, 2016; van Reijmersdal et al., 2016), others have questioned the effectiveness of such disclosures (Wojdynski and Evans, 2016). Regulators are therefore confronted with the dilemma of making sure their regulatory measures are successful in informing the audience, while simultaneously not going as far as prohibiting persuasive strategies altogether. Regulators therefore need to keep the balance between facilitating a fair playing field for both successful marketing strategies and consumer rights.

Taking perspective

Against this background, this special issue considers the phenomenon of native advertising from several angles: those of marketers, content producers, audiences, and regulators. The collection of articles perfectly illustrates the tension between these perspectives.

Disclosure effectiveness

Two contributions (Beckert, Koch, Viererbl, Denner, and Peter, 2020; Weitzl, Seiffert-Brockmann, and Einwiller, 2020) provide empirical research on the question of effective disclosure practices. In the complex online-media environment, the recognition of native advertising might not always be possible, even if a disclosure is present (Wojdynski and Evans, 2016). Thus, it is of crucial importance to reflect how disclosures are presented, what persuasive techniques the native advertising content employs, and which individual preconditions the audience members bring to the table. The first contribution by Weitzl and colleagues (2020) sheds light on the role of potential individual differences, such as a consumer's own level of social media literacy, using an experimental design. Results indicate that measures aiming at disclosing the persuasive intent of native advertising can trigger a critical perception of native advertising techniques. This is fostered by prior social media literacy. The second contribution by Beckert and colleagues (2019) describes two experimental studies that examine the potential influence of how the persuasive message itself is presented impacts the effectiveness of the disclosure. Furthermore, Beckert et al. consider a long-lasting effect perspective on the outcomes of native advertising measures. Results indicate that disclosures are able to increase perceived persuasive intent. Yet, disclosure effects do not persist over time and remain unaffected by the way the persuasive message is presented.

Theoretical conceptualization of persuasion knowledge

Beyond those empirical studies, Borchers and Woelke (2020) add to the body of literature by examining the consumer's perspective on covert advertising strategies using a novel theoretical conceptualization. They outline a constructivist perspective on native advertising and give implications for future examinations of native advertising practices.

Willingness to disclose native advertising practices

This special issue also sheds light on the content producer's perspective of native advertising and disclosure practices, especially from the viewpoint of journalists and bloggers. A recent study indicates that influencers see disadvantages in employing ad disclosures and therefore often decide against using them (van der Goot, Zandbergen, and van Reijmersdal, 2018). Simultaneously, there is an

ethical component of placing advertising content within the space of journalism, as this raises questions about journalistic autonomy (Carlson, 2015). In their contribution to this special issue, Hoffjann and Haidukiewicz (2020) address this topic by taking the producers' perspective: They distinguish between traditional journalists and bloggers in Germany and examine their willingness to disclose native advertising. Their results indicate that even though bloggers rely on native advertising techniques on a more individual level, they are as willing as journalists to disclose native advertising.

Marketers' perspective on native advertising practices

Along the same lines, this special issue also covers the perspective of marketers. In the age of digital and native advertising, companies do not only create advertising messages about their brands, but also actively invite users to create persuasive content themselves (e. g., Olenski, 2017). This type of advertising known as user-generated content is hardly ever recognized as a persuasive message by other users and hence may be an especially effective tactic to achieve marketers' goals (Mayrhofer, Matthes, Einwiller, and Naderer, 2020). Yet, inviting users to create their own messages also means that companies lose control over their otherwise coordinated marketing strategy in some way. Thus, investigating the role of message (in)congruency is an important avenue of research in times of native advertising practices. Kirchenbauer (2020) therefore adds to the body of literature by examining ad (in)congruency between traditional advertising formats and social media marketing from a marketers' point of view. Results indicate that incongruent messages can increase brand recall, while congruent messages create more positive brand-related thoughts. Hence, the marketers need to weigh which goals they aim to achieve.

Regulation and education regarding native advertising practices

As the last article, van Reijmersdal and Rozendaal (2020) bring in the important dimension of regulation and education. On the one hand, they reflect on how regulators should handle their responsibility when adequately informing consumers about the persuasive intent of native adverting practices. On the other hand, van Reijmersdal and Rozendaal also underline the important role of the consumer by means of media education. Thereby, they provide an outlook on future research avenues within the field of native advertising.

Conclusion

Taken together, this special issue illustrates the multitude of perspectives when it comes to native advertising, some of them conflicting, some of them congruent. Most research in the field of advertising and content marketing, however, has primarily looked at the consumer's perspective, for instance, by examining the effects of native advertising on advertising outcomes (e. g., Djafarova and Rushworth, 2017; Evans et al., 2017). However, such a view remains inconclusive if it is not embedded in a broader understanding of why and how native advertising works. As our special issue demonstrates, marketing success and consumer fairness are not necessarily mutually exclusive when it comes to native advertising. Native advertising, no doubt, *is* a successful marketing strategy (e. g., Mayrhofer et al., 2020). However, there are clear *red lines*, ethical and legal, and empirical research is called to ask and address questions around those red lines. This will inform the debate by not only helping marketers to understand how they can craft successful native advertising messages but also by helping them to better understand the potentially problematic consequences of their actions. Likewise, research should be designed to yield results which can then be used to (better) inform consumers about the scope and power of native advertising in order to empower the members of the audience to maintain, and to regain, their independence. Marketing effectiveness and consumer fairness should therefore be considered comprehensively and equally in future research. That is, studies from the marketers' perspective are called on to take the notion of consumer fairness into account. By the same token, scholars focusing on consumer rights should not completely deny the legitimate aim of marketers to influence consumers. Still, the tension between marketing success and consumer fairness is not easy to resolve. Yet, we hope that this special issue can be a small piece in this complex puzzle.

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