March 2020

Evaluation of Native Advertisement though Third Person Effect Theory: An Experimental Design

Inga Nafetvaridze

University of South Florida

Follow this and additional works at: https://scholarcommons.usf.edu/etd

Part of the Mass Communication Commons

Scholar Commons Citation

This Thesis is brought to you for free and open access by the Graduate School at Scholar Commons. It has been accepted for inclusion in Graduate Theses and Dissertations by an authorized administrator of Scholar Commons. For more information, please contact scholarcommons@usf.edu.
Evaluation of Native Advertisement through Third Person Effect Theory: An Experimental Design

by

Inga Nafetvaridze

A thesis submitted in partial fulfillment of the requirements for the degree of Master of Arts
The Zimmerman School of Advertising and Mass Communications
College of Arts & Sciences
University of South Florida

Major professor: Artemio Ramirez, Ph.D.
Janelle Applequist, Ph.D.
Joshua Scacco, Ph.D.

Date of Approval:
March 13, 2020

Keywords: covert advertisement, sponsored advertisement, digital media, ethics, psychology

Copyright © 2020, Inga Nafetvaridze
ACKNOWLEDGMENTS

I wish to express my sincere appreciation to my major professors on the thesis chair, Dr. Artemio Ramirez, for his great help, support, and dedication.

It is also my honor to thank my committee members, Dr. Janelle Applequist and Joshua Scacco, for their support and guidance.
TABLE OF CONTENTS

ABSTRACT .............................................................................................................................. ii

CHAPTER ONE ...................................................................................................................... 1
  Introduction ....................................................................................................................... 1

CHAPTER TWO .................................................................................................................... 4
  Native Advertising .............................................................................................................. 4
  Third Person Effect ........................................................................................................... 8

CHAPTER THREE: METHOD ............................................................................................... 18
  Procedure .......................................................................................................................... 18
  Participants and Data Collection ....................................................................................... 19
  Stimuli Development ........................................................................................................ 20
  Measurements .................................................................................................................... 22

CHAPTER FOUR .................................................................................................................. 23
  Results ............................................................................................................................... 23

CHAPTER FIVE: DISCUSSION ............................................................................................. 26
  Findings and Theoretical Contribution ............................................................................ 26
  Implications ........................................................................................................................ 30
  Limitations and Future Directions ...................................................................................... 33

REFERENCES ..................................................................................................................... 35

APPENDICES ....................................................................................................................... 43
  Appendix One: Measurements .......................................................................................... 44
  Appendix Two: A Regular Ad Mockup ............................................................................. 45
  Appendix Three: A Native Ad Mockup ........................................................................... 46
  Appendix Four: A Mixed Ads Mockup ........................................................................... 47
ABSTRACT

The main purpose of this research is to determine how people evaluate native advertising in order to figure out how ethical is a native advertising practice. The Third Person Effect Theory was applied to this study. It enables to examine people’s attitude toward native advertising. An experimental design was developed. Participants were exposed to three types of ads to find out if they are able to recognize native ads among other advertisements. The total number of participants was 386. The results were analyzed via ANOVA. The main finding of this study states that individuals perceive the native advertisement in a positive light even though they have been educated about the disadvantages of this type of advertisement. Another major finding indicates that the third-person effect was supported meaning people believe to be less influenced by native ads rather than others.
CHAPTER ONE:

Introduction

Advertising is omnipresent. It is strongly tied to the lives of people and serves as a tool to survive for different corporations. Nowadays, no profits can be gained without proper advertising. Brands need to promote their products in order to encourage people to purchase them. Advertising is one of the most effective ways of persuasion. This century is the era when production of various commodities is targeted at satisfying the needs of society. However, the variety of goods is so overwhelming that brands are thrust into fierce competition with one another. Relevant advertising is the only way to win this race. Eventually, as the time goes by, the ads become the object of irritation for society. Individuals are more likely to avoid information with promotional content. In response to this irritation, various software programs have been created to ban advertising. Current ways of advertising have started to be intrusive for people (Shewan, 2019).

Ad avoidance might lead to different problems. Growing public discontent may cause various challenges for organizations. Obviously, if people stop paying attention to advertisement, the communication between consumers and companies will fail. People are increasingly aware of the persuasive nature of advertisements as well as have learned how to avoid them (Chatterjee, 2008). However, advertisers increasingly identifying ways to address this problem. One manner is with native advertising, which engages and persuades potential consumers in a less obvious way (Wojdynski et al., 2016). Native advertisement has been known to marketers for a while now. Native advertising first appeared in the 19th century along with industrial enhancement in the
United States (U.S.) (Bakshi, 2014). In order to attract the attention of customers, advertisers turned to the news publishers. They established the practice of blending ads with editorials. An article, written by the company itself, could contain promotional information, presented in a way that people would not be able to detect it at once (Bakshi, 2014).

The primary power of native advertising is that it is highly unrecognizable and deceptive, less transparent and less intrusive. It is unique as it can appear in any form. For example, native advertising in newspapers typically has the format of the editorial, hence, readers perceive it as a news story. In social media such as Facebook, Twitter, Instagram, YouTube, Pinterest, or Snapchat, people can face digital native ads in the form of videos or photographs. Kim et al (2018) have shown that people will have more positive attitudes toward native ads than non-native ones, due to their contextual effect. Individuals process native advertising in more favorable ways which might lead to more profitable and successful communications between brand and targeted populations. According to Sweetser et al. (2016), native advertising impacts people’s attitudes and behaviors toward brands and serve as a foundation for a long and profitable relationship. This form of advertisement tends to be more entertaining for individuals which is one of the most positive sides of native advertisements (Gillespie et al., 2016). They lead to the conclusion that the correct message of promotional context is not enough anymore. Apparently, the most crucial aspect is how the ads are presented, which influences the success of the advertisement.

It is essential to examine how individuals evaluate native advertisements. It is also important to emphasize that they need greater knowledge about native ads and become more informed of how companies use media to pursue their specific interests. The present research aims to reveal individuals’ attitudes and feelings toward native ads and determine an ethical approach of this issue. The uniqueness of this paper lays in the application of the third-person effect.
According to Davison (1983) and Gunther and Thorson (1992), The Third Person Effect Theory claims that people tend to underestimate their ability of being influenced by media and advertising messages. Moreover, this framework investigates the grade of influence of negative/positive media or advertising messages on self and on others. Therefore, in this case, the third-person effect framework is applicable for this study due to its ability to measure the influence of native advertisement on self and on other as well as uncover their perceptions toward this type of ads. In addition, this study will examine whether first person is more likely to think that others have less ability to recognize native advertising.
CHAPTER TWO:

Native Advertising

Native advertisement is a unique type of message between organizations and people. It is known as an advertisement promoting some ideas or goods in the way to make it difficult for people to recognize the true intent of native ads. The uniqueness of native ads is that they are less irritable and more effective as they can be highly deceptive and have the ability to mislead people. Yet it should not be considered as a type of promotional advertisement. Native ad tactics were used by government and other organizations in order to spread some essential information connected with public or foreign policy to affect people’s understanding toward political issues. Therefore, it can be deemed as a significant tool for governmental and public relations. Native strategy can positively affect the public diplomacy and change the climate regarding problematic issues (Golan et al., 2014). In addition, politicians go native in this century as well (Iversen et al., 2019). This change the landscape of journalism and politics itself. A great example of the political native campaign is BuzzFeed cooperation with Obama for America. Ads were designed in the similar format as a regular Buzzfeed content (Iversen et al., 2019; Ellis, 2012).

The main venue for the appearance of native advertisements used to be newspapers. An example of this can be the New York Times where public affairs news could be created by editors in editing “editorials-like form” in order to gain positive feedback from the public and impact their sociopolitical behaviors as well as attitudes (Brown et al., 2001). According to Kollman (1998), it can be called “outside lobbying,” which meant implementing outside tactics as native to influence
public decision-making process toward specific issues. It is an old strategy of shaping public opinions by governments and lobbying agencies.

Indeed, technological changes to daily life have altered the majority of things that used to be routine for people and native advertising has been developed within this process. Print media moved online and social media as well as native ads have switched to digital native ads. Native advertisements have been found as an effective way of promoting different products. It became a communication form between brand and its potential consumers. Due to its ambiguous nature and less intrusive format, individuals can be easily convinced of the credibility of the presented information.

Moreover, plenty of research has examined what tactics advertisers use to hide ads, why this approach is less disturbing in comparison with traditional media, and how it can be recognized. For example, one study illustrates that native advertising is more appealing to people because it tends to be more engaging, interesting, entertaining, and less irritating (Tutaj et al., 2012; Wojdynski, 2016). In this case, traditional ads are usually overwhelmingly straightforward, while native ads can promote the same products in a more delicate way. Thus, they address individuals’ subconscious without irritating them. Moreover, the appearance of native ads in social media has been evolving. Many social media influencers, such as celebrities or bloggers, promote various types of goods and services via their official social media pages. This type of people has thousand followers. Therefore, the influencers are paid to place the content on their official pages in order to attract and persuade the followers. The main trick is how the influencers organically use the format of their online pages which makes the sponsored content look more as shared information or personal experience rather than advertisement (Kim et al, 2020).
Nevertheless, native advertising may also have its flaws, which need to be addressed. As has already been mentioned, success of native advertising lays in the fact that people do not recognize it as direct promotion. On another hand, companies may confuse humans and it can negatively affect how they are perceived. People trust the media while the advertisers are more likely to take advantage of this trust for their commercial interests. Research clearly shows that after people learned that editorials, what they perceived as regular stories, were specific type of advertisement caused distrust and dishonest toward the platform (Jiang et al., 2018). Wojdynski et al. (2019) provide some statistics claiming that 40% of consumers from the U.S and U.K revealed being tricked by sponsored content. Another study provides with empirical evidence saying how cover advertising arises negative feeling among readers toward ad, media platform, and editor (Wojdynski et al., 2016). Therefore, this leads to realizing that the content creators do not want individuals to identify native ads as it may result in public skepticism and lead to negative consequences for the given brand or organization (Campbell et al., 2015; Wojdynski, 2016; Wojdynski et al., 2016); it can also affect the purchasing decision of people. Wojdynski (2016) argues that the recognition of the promotional messages impacts people’s behaviors and attitudes. The author uses the persuasion knowledge model, which refers to the idea of how persuasive perceptions of the individuals can be mobilized when they receive advertisement message leading to the evaluation of this message. This concept is worth mentioning as if a person does not recognize certain information as an advertisement, s/he is less likely to be skeptical towards this ad, therefore, may increase persuasibility.

In this case, disclosure risk of native advertising is very low. For example, Wojdynski et al. (2016) conducted an experiment to figure out why consumers fail to recognize native advertising. The purpose of the study was to understand how the disclosure of native advertising
and advertising recognition influenced its effectiveness. The authors assume that the language, positioning, and visual side are the main factors in the process of identification. The results demonstrated that people are more likely to identify native advertising when the correct language, such as “sponsored”, is used. However, in most cases, applied positioning and language can mislead people, because as soon as they recognize the ad, the persuasion knowledge is activated, leading to negative evaluation (Wojdynski et al., 2016). Therefore, if consumers recognize the main intent of the native ad, they are more likely to assume that advertisers or brands have abused their trust by trying deceptively affect their purchase decision which leads to mistrust toward media outlets and companies. In addition, native ads can lead to two different scenarios when it comes to brand prominence and activation of persuasion knowledge. It is crucial to find a moderation during the prominence of the brand. If the transparency of the brand’s name is low, people might be overwhelmed due to companies’ deceptiveness. On the other hand, if the disclosure of brand is high which awakes the persuasion knowledge, individuals will perceive native ads as a straightforward irritating advertisement followed by the failure of the promotional message (Harms et al., 2017).

Moreover, it is important to describe the main characteristics of native ads as well as the main places where it may appear. The majority of organizations figure out that magazines are the appropriate venues to place native advertising. The presence of native ads has been shown to be mostly in news websites. It can be explained by several factors: they are easy to hide, resemble to web-site format, and create a narrative in news or story style. For instance, Netflix can be announced as a heavy user of the native advertisement. This company paid different famous outlets such as the Atlantic, or The New York Times to promote new TV shows or movies. Editors create these native ads for Netflix in the way to persuade readers of the New York Times to indulge in
watching new shows or movies on Netflix that they may not have been informed of (Sweetser et al., 2016).

Given this information, Native advertisements can be examined through the third-person effect prism. Even though native advertising is, indeed, an effective strategy to persuade people, it can cause some concerns among society. Specifically, the hardly recognizable nature of native ads may lead to the process when individuals will perceive them as deceptive. Therefore, by using The Third Person Effect Theory, this part of the paper will aim to figure out to what extent native advertising has perceived as a socially desirable type of advertisement by using various famous news websites.

**Third Person Effect Theory**

To analyze, how people perceive and evaluate native advertising, the Third Person Effect Theory will be applied and examined. Various key concepts should be considered regarding people’s attitudes, behaviors, and understanding of advertising. The Third Person Effect Theory is one of the most popular theories in mass communications. It has been used to measure people’s perceptions regarding various topics: sexual media messages, violence in media, fake news, controversial messages, rap music, public relations, alcohol, tobacco, or gambling advertisement (Chia et al., 2004; Salwen et al., 2001; McLeod et al., 1997; Park et al., 2005; Youn et al., 2000; Smith et al., 2009). Hence, The Third Person Effect Theory will help to explain why people think that certain media messages or advertisements are more or less harmful to society or themselves, which may lead to individuals’ obligation to protect society and themselves. Individual’s personality and character is the main key to understand what the third-person effect is and how it works regarding native advertising.
The Third-Person Effect Theory (TPE) has existed since the 1980s. Weinstein (1980) examined people’s psychology regarding life events. The author introduces the phenomenon called unrealistic optimism, which suggests that people tend to assume that negative events are more likely to happen to others rather than themselves. This research discloses overwhelming findings. To summarize, the strong third-person effect was detected as well as the authors' predictions were proven. This research enables the comprehension of the social psychology of humans.

Later, Davidson (1983) applied this theory to the mass communication field. He predicted that a similar pattern might occur when media messages are tested. The authors further explained the main concept of this theory such as how people tend to believe that mass media messages or advertising could not impact them as stronger than the others. Thus, people who think that they cannot be influenced by the media, are the “first persons” while others are “third”. The Third Person Effect Theory is one of the most popular theories in mass communications.

McLeod et al. (1997) advanced The Third Person Effect Theory. He divided TPE into two concepts of perceptual and behavioral components; this thesis will concentrate on perceptual component. The authors analyzed studies conducted before, to show that the hypotheses of the perceptual components are supported. This leads to the conclusion that people indeed overestimate their ability to resist media messages while others do not have this ability at all. This approach is called perceptual component of The Third Person Effect Theory. Plenty of scholars enhance the understanding of perceptual component. For instance, Gunther et al. (1992) explain the phenomenon called pluralistic ignorance, which refers to the idea that people see themselves differently from others. This phenomenon is connected to the ability of people to receive media messages through their subjective perceptions and thoughts. Strong biased beliefs make them
mistakenly judge the attitudes and behaviors of others without even realizing it. Johansson (2005) believes that the strong existence of a third-person effect is associated with self-enhancement. Maintaining self-esteem can be seen as vital for individuals as they perceive themselves as smarter and more knowledge than others.

Moreover, there are two other key concepts: “social distance corollary” and “reverse third-person effect”. Social distance corollary is an important part of The Third Person Effect Theory. The main idea of this concept is that if a social distance is greater between self and others, the third-person effect is stronger there. In other words, the small group of people, who share more common social or cultural characteristics, would believe that other individuals from different public or society might be more affected by media messages. McLeod et al. (1997) provide with the example of Stanford students which shows how social distance can generate third-person effect. Therefore, the Stanford students think that other Stanford students can be impacted more than them by perceived media. Chen et al. (2016) explored the third-person effect in online comments regarding social distance corollary. However, the understanding of social distance is very different in the online world. It is not based on physical location – in turn, people feel less socially distant from others when they share similar opinions. Hence, the third-person effect can appear among these groups of people in a digital sphere. Finally, Sun et al. (2008) examined if any sociodemographic and geographic factors can influence third-person effect appearance. The authors found out that the prediction regarding sociodemographic similarities was supported while the geographic did not play any significant role.

Furthermore, “reverse third-person effect” relates to people’s belief that positive messages will affect them more than others (David et al., 2004). Therefore, if the message is beneficial,
individuals are more likely to suppose that they can be influenced by this. However, they are not able to admit this. They prefer to believe that their individual skills decide to be resistant or not because they are more intelligent and cleverer (Gunther and Mundy, 1993). The same pattern was found by Gunther et al. (1992). Specifically, the authors examined how the natural and emotional valence of ads can affect the perception of people involving the third-person effect. They found out that the influence of commercials relies upon the kind of ads. Human beings suppose that they are less affected than others when the ads contain negative messages. On the other hand, based on the results, the emotional commercials make human beings prone to be impacted by means of advertisements.

Eveland et al. (1999) concentrate on socially undesirable messages and the results reveal the traditional TPE. Clearly, people tend to believe that socially undesirable messages will affect others more than themselves. Henriksen et al. (1996) claim that the valence of social desirability varies according to the type of message, which means that the TPE is higher when the message is socially undesirable. Examples of the third-person effect can be found in advertisements of tobacco, alcohol or gambling, which are considered as anti-social messages. Knowing the harmful sides of smoking, drinking, or gambling push the large part of society to complain. People believe that others are more able to believe such ads and become the victims of harmful habits followed by financial and mental health (Youn et al., 2000; Jensen et al., 2005; Xu et al., 2003; Tewksbury et al., 2004). Several studies determined that such advertisements affect people’s decision to consume more alcohol specifically among the youth because the alcohol beverages ads target specifically young adults (Smith et al. 2009; Grube et al., 1994; Shin et al., 2011). Guerrero-Sole et al. (2017) believes the awareness of harmful side of gambling should be improved among individuals.
More recently, many scholars examined occurred types of advertising to detect any correlations with the third-person effect. For example, celebrity-endorsed and electronic cigarettes advertisement have been examined by using The Third-Person Effect Theory to demonstrate more insights about consumer’s attitudes and behaviors. Pan et al. (2017) claim that the third-person effect can be revealed when a celebrity is not trustworthy or has a lack of expertise in the field that s/he promotes leading by advertising skepticism among individuals. In this case, people tend to think that others are not smart enough to resist the influence of celebrity-endorsed advertising. In case of electronic cigarettes, Pardun et al. (2017) determined the similar findings compared to other tobacco advertising research regarding the third-person effect (Youn et al., 2000). In other words, non-smokers believe that electronic cigarettes are harmful to society. They also believe that others are not able to recognize all the disadvantages of smoking and are more likely to be influenced by the persuasive content of e-cigarette ads. Therefore, this leads to the conclusion that social desirability is one of the key concepts of TPE meaning that people are more likely to be influenced at first place when they perceive the advertising message as socially appropriate and desirable.

According to this, people may presume that native advertising is the socially undesirable type of ads, because it is highly deceptive that others can be easily influenced without even knowing it. However, it seems to be more difficult to predict if the message of native ads is appealing and includes positive message for the audience. It can increase people’s trust and positive attitude toward ads even though they were misled in the beginning (Harms et al., 2017). In this case, not the message of native advertising should be examined but the nature itself, meaning if people think that deceptiveness of native ads can cause positive or negative consequences for others as well as the awareness of the native ads’ format should be increased.
because people have the right to have more information in order to make decisions on their own to be influenced by such type of advertisement or not.

This case demonstrates that the ethics of native advertising is questionable as it seems to be able to damage the credibility of media and journalists among people. Bakashi (2014) argues that the state should regulate native advertising. He suggests that governments are responsible to bring the deceptive nature of native advertising to people’s awareness. The author claims that native advertising will finally execute the credibility of media. In addition, native advertising is also against the social responsibility meaning journalist nor people should be affected in a negative way by the organizations despite the fact that they own a power and have specific business interests (Schauster et al., 2016). Clearly, journalists should have the freedom of speech and have the right to be independent from the profit-making companies. On the other hand, the transparency of native advertising needs to be improved in order to avoid the concerns among people and not offend their trust to media. Native advertising might be a threat to an independent journalism (Iversen et al., 2019). The authors state the media credibility can be diminished with the increased usage of native strategy. The authors particularly focus on a political native advertising. The findings clearly indicate that there is a reduction of the trust among readers in political news as soon as they realize the promotional content. It also jeopardizes the watchdog role of journalists.

In addition, Schauster et al. (2016) reported that native advertising might include some unethical practices. The authors interviewed in depth 56 journalists in order to determine their thoughts about native advertising. The results showed that most participants identified native ads as unethical. The research demonstrated that native advertising challenges three criteria of social responsibility theory due to its deceptive nature. Native advertising is highly questionable practice leading by reducing credibility toward media. This directly violates the social responsibility
theory. Moreover, journalists are supposed to be as “watchdogs of power” which states that they cannot be affected by government or organizations. Being a journalist means alert society about problems in government or business environment and be financially independent from people with specific interests and agenda (Schauster et al., 2016; Christians et al., 2004; Siebert et al., 1956). Therefore, Native advertising directly contravenes the social responsibility theory as it is paid advertising, highly discreet, and should be akin to editorial. All these concerns need to be considered when it comes to producing native advertising and sharing it with the public.

More recent studies agree with the issue regarding native advertisement ethics. Sahni et al (2020) provide with the fact that regulators of advertisement concern about the deceptiveness of native ads. They believe less disclosure of the native ads can be harmful for potential consumers as they do not recognize the promotional message. In fact, Federal Trade Commission (FTC) released the Section 5 regarding this issue meaning people should be aware of the real intent of the materials that they are exposed to. This leads to the conclusion that the disclosure of the native ads ought to be more appropriate and simplified to make easier for individuals to recognize the native advertisements. As it has already been mentioned by Wojdyndki (2016), positioning of disclosure and the proper language are essential. Thus, the confusion toward native ads will be reduced.

However, according to recent research, it gives the impression that the awareness of native ads or its disclosure has not been dramatically improved. Large organizations are heavy users of native ads and they cooperate with major newspapers where the main coverage of native ads happens while people are less likely to be able to recognize the true intent of the editorial style ads. As a result, people may assume that native ads are unethical practice. Thus, the third-person effect
will be appropriate framework which helps to determine individuals’ feelings and opinions toward the deceptive nature of native ads.

This leads to the first hypothesis:

**H1:** Participants will report less positive attitudes with native advertising relative to traditional and mixed advertising.

To develop this concept further, it is important to mention how biased optimism is linked to the perceptual component. Paul (2000) and Gunther et al. (1993) used a framework called ‘biased optimism’ to explain why people overestimate their ability to evaluate media messages. They proved the idea that human nature tends to estimate the media messages “through the optimistic or self-serving lens” (Gunther et al. 1993). It means that individuals are trying to emphasize or preserve the idea that they are smart enough to resist media messages. Other research showed the same pattern that people overestimate their capability to adequately analyze information received through the media (White, 1997; Johansson, 2005 & Gunther et al., 1992).

Moreover, still other research reports the main characteristics of the first person which are a high level of education, intelligence, or authority. They are more likely to be involved in politics and have their opinions about different processes. Thus, they think that they are more experienced, consequently, more independent (Johansson, 2005). Here occurs the paternalism and feeling of superiority to make a decision for others who are “not smart enough” or “wholesome” (McLeod et al., 1997). Therefore, the first persons are able recognize the main message of advertising. However, with native advertising, this process can be more complicate due to the deceptive nature of native ads the persuasion knowledge might not be activated, meaning people are not able to realize the true intent of the advertisement. Kim et al. (2018) showed that only the person who
owes high persuasion knowledge is prone to differentiate the ads from real news or story. In conclusion, by testing the link between the third-person effect and native advertising the level of persuasion knowledge should be considered as a major factor.

Lasorsa (1989) presented an explanation of why people feel superiority on others or why they tend to believe that they are smarter. She states that people who are not socially active or knowledgeable are more likely to be impacted by media messages while more educated people have immunity such as their experience and knowledge that enables them to resist to media. Findings show that the “partisans” will believe that “third persons” tend to be more biased by media but not themselves. It can be caused by the exaggerated opinion about themselves. People tend to overestimate themselves while underestimating others which can be applied to the case of native advertising. In fact, there are interesting findings regarding people’s characteristics who can distinguish native content from regular. For instance, Amazeen et al. (2018) found out that those people who use news media for informational/surveillance purposes and are more educated, are more likely to detect the promotional intent of native ads. They have the ability to analyse the source as they are more engaged with different news media outlets. Jung et al. (2019) states that the identification of the ad comes with the knowledge about native tactics rather than with language or positioning disclosure. Waiguny et al. (2014) and Sahni et al. (2020) have similar results meaning the finding of the first study demonstrate that more knowledgeable people have advanced ability to recognize the ad and resist the promotional messages, while the second study claims that consumers, who are highly exposed to advertisement and do frequent research around it, are less likely to be deceived by native ads.

Thus, according to the idea that native ads are less transparent and are totally adopted to the publisher’s website format, education might play an important role in recognizing it. The
predictions can be that people, who identify themselves as more educated, will think that they can recognize native advertising and its true intent rather than others due to their expertise level. Based on this idea, it is essential to explore the valence of TPE. Clearly, the main goal is to assess whether people will underestimate others’ ability to recognize native advertising or be influenced by them. It is also essential to assess whether human beings will tend to think that they have an immunity to resist to native ads effect than others.

**H2:** Native advertising, relative to traditional and mixed advertising, will influence other more than self (third-person effect).

In conclusion, native advertising has become one of the most popular types of marketing. Wojdynski (2016) explains certain benefits of native ads and reasons companies tend to use them. They have started to create different apps to ban it or even agree to pay extra money to avoid it. However, companies cannot survive without an advertisement. Therefore, native advertising can serve as a solution to the issue. First, it is blended with a particular social platform and thus, it is less recognizable. Second, appearance similar to social media makes it more engaging, interesting, and attractive, especially if it is distributed as a funny video or an appealing story. Third, unlike traditional media, native advertising is not overwhelmingly straightforward or assertive. Native ads are more informative, and people need to pay more attention to detect the promotional nature of the message.
CHAPTER THREE:

METHOD

Procedure

In order to measure peoples’ attitudes toward native advertising and determine the correlations between native ads and TPE, the experimental design has been developed similar to that of Kim et al. (2018) meaning the simulation of native, non-native, and mixed ads were created and the design of native x non-native x mixed ads were employed. Clearly, the types of ads have been maneuvered. The main survey was divided into three versions, where each of them included native, regular, and mixed ads. For example, Subway advertisement was selected for regular ad mockup as well as Starbucks and FedEx ads were included for mixed ads model. However, the choice of the brand has not played a role in this research. The most important task was to make these ads look extremely similar to native ads and editorial content.

Three groups of people were asked to go through the ad and answer the questions in order to measure their attitude toward the ad as well as their perceptions regarding the influence on self and others. Before answering the questions about influence, participants were exposed to an educational paragraph regarding native ads. This section provided a piece of clear information about the main characteristics of a native advertisement. By the end of the survey, demographic data were collected. The purpose of this study did not include measuring the effect based on demographics, and therefore the corresponding results were not presented.
Participants and Data Collection

The survey was created in Qualtrics, an online survey software system and was connected to Mturk, a crowdsourcing website. Mturk enables to gather the results online in a short amount of time. The participants were randomly assigned and exposed to one of the three ads. The demographic data were also collected. In total, 386 people took part in this study (238 males, 145 females, and 2 of them did not mention their gender). They indicate themselves as African-American/Black (6.2 %), American Indian (2.6%), Asian (38.6 %), Hispanic (4.4 %), White/Caucasian (46.4 %), and Two or More Races (1.3 %). Participants willingly were engaged in this activity. They received bonuses via Mturk. In total, data were collected from three hundred and eighty-six people. This study did not have any specific restrictions regarding the target audience. The approximate time spent on the survey varied from 10 to 15 minutes. At the beginning of the survey, the ad was displayed followed by various questions regarding that ad. 7-point Likert scale was employed. Participants had to choose from ‘strongly disagree’ to ‘strongly agree’. Overall, they were compensated by MTurk for participation in this academic survey.
Stimuli development

NBC's official website was chosen. Firstly, the high frequency of native or regular ads appearing on the website was detected. Secondly, native ads tend to appear mostly in news medium as they can be easily hidden among regular stories. Therefore, it seemed more appropriate to create the ads and test them based on NBC news website.

Further, three types of ads were designed. All ads had the same shape and format as on NBC's official website. The first ad indicated how sponsored content can appear among regular news/stories. The second ad demonstrated how a regular ad pops up next to the news/stories. The real ad of Subway was chosen. The third ad was a combination of native and regular ads that are similar to each other. The only difference was that native ads were marked as “sponsored”. The real ads of Starbucks and FedEx were chosen for stimuli as well as these ads had similar shape and format as sponsored content.

Obviously, these ads were designed in a way to determine the ability of people to recognize sponsored content and differentiate native ads from the regular ones. The participants were asked to go through the ads and answer the questions regarding their understanding of native and non-native advertising. This part of the survey focused on the determination of whether they realize that a promotional context was hidden in the shape and format of the NBC website.

The following parts of the survey were aimed to see the bigger picture of how people evaluate native advertising. Specifically, to determine peoples’ attitudes, feelings, and views toward native advertising by applying the TPE. The Third Person Effect Theory suggests that people overestimate others’ ability to process media messages while they underestimate their predisposition to being influenced by media messages (Davison, 1983). For instance, Corbu et al. (2020) examined fake news through the TPE, which is similar to the prior study. The participants
were asked questions such as whether they are able to detect fake news as well as if they believe that others, in this case, third persons, can recognize fake news. For the current study, participants had the opportunity to express/deliver/reveal their perceptions of native ads. In other words, this part of the survey aimed to figure out the perception of people regarding theirs and others' ability to recognize the native ads. Moreover, the key point here was the influence of native ads on selves and others. The statements such as “I think native advertising can influence me” or “I think native advertising can influence others” were used to determine if people tend to think that others can be affected by native ads without realizing that fact while they are smart enough to resist to the promotional message.

One of the most important aims of this study was to evaluate the ethics of native advertisement practice. As the native strategy has been growing and becoming more popular lately, it is crucial to see the disadvantages of native advertisement as it is a highly unrecognizable and deceptive tool to persuade people. Distrust might be caused toward any kind of media for these many reasons. Therefore, to measure individuals’ opinions, the educational paragraph was created to provide certain information about native strategy and advertisement followed by statements such as “I believe native advertainment is unethical”. At the end of the survey, the demographic data were collected.

Additionally, the pilot study was conducted via MTurk to test the reliability of the mockups. Participants were asked to review the ad and answer the following statements to express their opinion regarding how genuine and realistic the ads were. The results of the pilot study confirmed that the mockups were similar to what people have seen on other websites.
Measurements

Two main measures were included in this study: 1) the influence on self and others and 2) the attitude toward native ads.

Native advertising is one of the most effective tools to persuade people and lead them to certain consequences. Many people failed in recognizing it and were prone to be influenced by the promotional context of the native ads (Wojdynski et al., 2016). The Third Person Effect Theory states that people are more likely to overestimate their skills of detecting sponsored content among the news analogous to it as well as underestimate others’ ability to do the same. Therefore, according to the third-person effect, individuals tend to assume that they are more capable to resist native ads effect rather than others. This section was divided into two parts: the influence on self and influence on others. In order to measure this hypothesis, six straightforward statements were tested using 7-point Likert scale, measuring people’s perceptions of the influence of native ads on self and others.

The second measurement was attitude. Eight statements measured the attitude toward native and non-native ads which facilitated the indications of participants’ feelings toward both types of advertisement. There is an example of eight items that were used: ethical vs unethical, misleading vs accurate, irritating vs less irritating, positive vs negative, discreet vs transparent, effective vs ineffective, persuasive vs not persuasive (Kim et al., 2018). These statements were based on a 7-point Likert Scale. Besides, people can assume that they have been deceived, which can arise the feeling that native advertising is unethical. Therefore, in order to find out any correlation between native ads and the third-person effect, it is essential to understand what exactly people’s feelings toward native ads are.
CHAPTER FOUR:

Results

A pilot study was run to check whether created ads could be applicable for this study. It was necessary to determine whether the ads are realistic. The small-sample survey was created in Qualtrics and connected to MTurk. It included three types of mockups: native, regular, and mixed ads. Participants were exposed to each of them. They were asked to respond the following three statements: “The ads are realistic”, “The ads are genuine”, and “The ads are similar to what I have seen on other websites”. The total number of participants was 51. The data were measured through the One-Way ANOVA. The results were significant for each ad: native $F(8,50)= 22.335$, regular $F(8,50) = 4.777$, and mixed $F(9,50) = 11.549$. Hence, native $(M=3.71, SD=.72)$, regular $(M=4.65, SD=.83)$, and mixed mockups $(M=3.73, SD=.66)$ were obtained as realistic and genuine ads, $p<.05$.

The results of pilot study proved that the ads are dependent for further research. Therefore, three main version of survey were created. First one included regular ad, second one native and third one mixed ad meaning regular and native ads were presented on the same mockup. The total number of participants was 386 (first version=139, second version=128, third version=119).

According to this, the independent variable was the versions of the survey and dependent variables were influence on self, influence on others, and attitude toward the ads.
Hypothesis one suggested that people might think that native advertisement is unethical compared to non-native advertising. One-Way ANOVA was used to examine the evidence that native ads would be perceived in a negative light by participants. Due to mixed type of statements, factor analysis indicated the measure was comprised by two factors. First factor was called “deceptive” as it included statements such as “I believe native advertisement is unethical” and “I believe native advertisement is misleading”. Reliability of the first factor was 0.775. The second factors asked participants to express their opinion regarding the positive sides of native ads, therefore, it was called “positive aspects”. For second factors reliability was 0.844.

The results of One-Way ANOVA showed that deceptiveness was insignificant, $F(2,383) = 0.554$. However, positive aspects indicated significant difference, $F(2,383)=0.011$. Post Tukey tests demonstrated that regular advertisement ($M=4.25, SD=1.26$) was perceived lower in positive aspects that were either mixed ads ($M=4.57$) nor native ads ($M=4.66, SD=1.14$), $p<.05$.

The second part of the survey tested a connection of native, non-native, and mixed ads with The Third Person Effect. Consistent with the third-person effect, hypothesis two predicted native advertising, relative to traditional and mixed advertising, will influence other more than self. The prediction was tested with a 3 x 2 mixed model ANOVA with the three ads as the independent variable and self and other serving as a repeated factor. The results indicated a significant main effect for ad type, $F(2,383) = 4.206, p = .016$, partial $\eta^2 = .021$, and the repeated factor on self and other, $F(1,383) = 37.588, p < .001$, partial $\eta^2 = .089$. However, the effects were overridden by a significant two-way ad type x repeated factor interaction, $F(2,383) = 3.493, p = .031$, partial $\eta^2 = .018$. 

24
One degree-of freedom probes of the interaction indicated that, for native advertising, the effect on others ($M = 5.133, SD = 1.013$) was rated significantly higher than that for self ($M = 4.773, SD = 1.220$), $t(127) = -4.349, p < .001$. Hypothesis two was supported. A significant effect also emerged for traditional advertising, $t(138) = -4.953, p < .001$. Once more, the effect for mixed advertising, however, was not statistically significant., $t(118) = -0.119, p = .167$, as the means for others ($M = 4.784, SD = 1.191$) and self ($M = 4.665, SD = 1.184$) did not differ meaningfully.
CHAPTER FIVE:
DISCUSSION

Findings and Theoretical Contribution

Applying the Third Person Effect Theory, this study aimed to determine how people evaluate native advertising. Sponsored ads were created in the same shape and format as on NBC official website in order to examine several conditions: 1) attitude toward native advertising, 2) perceived influence on self, 3) perceived influence on others, 4) ability to recognize the native advertising among the presented set of ads. The Third Person Effect theory states that people are more likely to think that others can be influenced by media messages more than themselves (Davison, 1983). This idea was applied to the research. Native ads are a highly unrecognizable type of advertisement; therefore, the intention was to test whether first persons overestimate their ability to recognize and resist the influence of native ads as well as they underestimate others’ ability to do the same.

Furthermore, one of the key concepts of The Third Person effect theory is a social desirability, meaning if media or advertising message includes a positive message, the first person is more likely to allow to be persuaded (Gunther and Mundy, 1993; McLeod et al., 1997; David et al., 2004). However, when the ad contains a negative message, The Third Person Effect is activated leading to a negative evaluation of the message by the first person. In this case, they will tend to
think that others will be influenced due to the lack of knowledge and understanding of the negative issue. Plenty of studies examined the topic such as alcohol or tobacco advertisement through the third-person effect prism as these types of ads include the potentially dangerous idea that can harm children or young adults (Youn et al., 2000; Griffiths et al., 2017, McLeod et al., 1997). All this research successfully provided empirical evidence that the first persons overestimate themselves and underestimate others which leads to specific actions such as insisting on banning ads with negative content.

Due to the highly unrecognizable and deceptive nature of native advertising, The Third Person Theory seemed to be an appropriate theory to examine how people perceive native ads. The main question was to find out how ethical native strategy is. It can be seen in a negative light as people might be persuaded without even realizing it. Therefore, the prediction of this first hypothesis was an acknowledgment that native advertising is unethical compared to non-native ads. This study does not provide any significant evidence for it. Moreover, the first important finding demonstrates that native advertisement is perceived as a positive aspect among participants. They did not recognize native ads as unethical or deceptive. One of the main reasons may be the ability of native advertising to bring readers a more pleasant experience than regular advertising. Research shows that people are skeptical toward the ads that contain obvious promotional intent (Pan et al., 2017). Kim et al. (2019) suggest that banner advertising includes a more straightforward and clearer persuasive message, which might have less effect on people who were exposed to it. However, in this case, native advertising has some superiority over regular ads. According to Gillespie et al. (2016), when native advertising has a more narrative structure, it leads to positive evaluation among readers as it provides an enjoyable experience, and people do not recognize the persuasion attempt. Therefore, native advertising is more informative and
entertaining as it provides more engaging information about the promoted product. This can attract people in native advertising, eventually leading to a positive evaluation of it. Tutaj et al. (2012) and Wojdynski (2016) claim that individuals approve native ads as they are more interesting, engaging, and less irritating compared to regular, straightforward ads. According to this research, participants were exposed to the narrative type of native ads. Having the same shape, format, and informative style as editorial content, it reduces the promotion effect, thus leading to a less negative evaluation of the native ad. It can be assumed that people prefer to be engaged with detailed information about the promoted goods rather than face straightforward promotional content.

Moreover, the Third-Person Effect Theory mainly focuses on the negative type of ads, such as tobacco, gambling, or alcohol advertisements. It has been proven that the influence of these kinds of advertisements can lead to harmful outcomes: consuming a great deal of alcohol or tobacco as well as becoming addicted to gambling (Youn et al., 2000; Jensen et al., 2005; Xu et al., 2003). However, this cannot be applied to native advertising since there is no empirical evidence of harmful effects following the implementation of native strategies. Individuals are more likely to think that the way of how native ads are presented and disclosed cannot influence them in a negative way even though it is a covert type of advertisement.

Other findings of this study provide more insight into the effect of native advertisements on self and others. The main prediction of the second hypothesis was that native advertising, relative to traditional and mixed advertising, would influence others more than self. The results have revealed the third-person effect regarding native ads. In other words, participants, who were exposed to the survey with a native ad, believe that native advertising has a greater effect on others than themselves. The Third Person Effect Theory explains different aspects of people’s psychology that help analyze how people process media and advertising messages as well as how they evaluate
others’ ability to do the same. The main concept of the theory refers to the biased optimism phenomenon. People overestimate their abilities which is a subjective evaluation of their knowledge, education, and intelligence. This type of person feels superiority over others that leads to subjective judgments (Gunther et al., 1993). Therefore, this finding can be linked to the biased optimism that might explain individuals’ perceptions and evaluation of theirs and others’ ability to resist the effect of native ads.

The most interesting finding of this study is that the third-person effect was not detected among the participants who were exposed to the survey with mixed ads. The results indicated the same rates for self and others. The mixed ads included native and regular ads. The native advertisement had the same format and shape as editorial content. Also, regular ads were created similar to the sponsored content. This finding can point out to the idea that the outcome could be caused by failing to recognize native advertising or differentiate it from regular ads or editorial content. The literature explains the main success of the native ads is willingness to simulate editorial content, therefore, this way the promotional message can be easily hidden from the readers (Wojdysnki et al., 2016). Hence, more appropriate explanation for this finding can be the failure in detecting promotional content among participants followed by certain attitudes toward the presented set of ads. In addition, these thoughts can be linked to the first finding that has already been discussed above. One of the reasons that people perceive native ads as a positive aspect, can be the inability to detect a sponsored/paid content among the identical informational flow.

This research concentrates specifically on native advertising regarding the third-person effect. However, there is one unpredicted finding revealing the third-person effect among the participants who were exposed to the regular ad. The rate highly varies between self and other variables. In other words, people are certain that others are not able to resist the effect of the regular
ad. This outcome demonstrates the traditional third-person effect. As it was mentioned above, regular ads, aka traditional ads, do not hide the promotional message. The Third Person Effect literature states that the first person relies on their expertise and intelligence when it comes to persuasion attempts. They are strongly convinced in their ability to resist the main intent of the traditional ads. However, their perception of the third persons is the opposite. According to the first persons’ judgment, others are more inclined to be susceptible to advertisements caused by a lack of skills to evaluate or distinguish the promotional content. Consequently, this finding enhances the consistency of the third-person effect.

Implications

This paper aimed to fulfill the gap in native advertising literature. It is the first study that tested the third-person effect hypothesis in regard to native ads. Specifically, the perceptual component was examined in this case. It enables to understand people’s mindset and predict their further attitude and behaviors toward media/advertising messages. The main prediction of the third-person effect is that advertising can influence the third person more than the first person. Individuals strongly believe that they have advanced skills to resist any type of media or advertainment messages, as well as they can recognize the main intent of received information. People are prone to think that they are more educated, experienced, and intelligent. However, this kind of individuals have the opposite opinion about others. They underestimate their ability of understanding and processing the information. Therefore, the theoretical implication of this study refers to enhancing the theory itself. This research provides empirical evidence of the existence and effect of the third person. It is strongly tied with another existing third-person effect literature that provides interesting and identical findings regarding the perceptual component. It also clearly
demonstrates people’s mindset. This theory can lead to a fundamental understanding of consumers’ psychology regarding native advertising.

Furthermore, the finding of this study brings important practical implication. Recently native advertising has been popular among advertisers. The nature of native ads can create a new reality for companies, newspapers, and social media as it can mimic the format of the media content and be perceived as a piece of regular information. The main finding of this research says that people positively evaluate native advertainment. The attitude toward native ads gives an expression that individuals ignore the fact of how highly unrecognizable native ads are.

Firstly, this process can positively affect people’s attitudes and behaviors toward native advertising and the brand itself. Native advertising can deliver persuasive messages to potential customers in a less disturbing way. Companies can use various media, such as newspapers or social platforms, to spread awareness of their product and promotions by using native strategy. It seems that people are more inclined to consume native content. This can be an effective technique to attract the targeted audience. Moreover, a more narrative format enables people to receive more insights about brands and their main activities in the market. It can directly impact people’s attitudes and behaviors toward the brand. There is less chance that humans will abandon an ad and leave it without attention. Further, if a native advertisement is perceived as interesting and less intrusive information, a person is more likely to share it with other people. This pattern can cause a positive outcome for the brand as it might raise awareness about the product and company. In the case of social media, this process can happen very quickly. Highly popular social media platforms, such as Instagram, Facebook, Snapchat, or Twitter, help rapidly spread information among an enormous amount of people. Companies should consider using social media to place native ads as it reaches plenty of users in a short amount of time (Nisar et al., 2015). Hence,
practicing native strategies might contribute to advancing advertising and marketing fields, gaining more benefits from the consumers, and reducing the negative attitudes toward advertainment.

Secondly, several scholars expressed concerns toward the native advertisement and its ability to threaten independent journalism (Schauster et al., 2016; Bakashi, 2014; Iversen et al., 2019). The researchers argue that it can diminish the credibility of media and risk the watchdog role of journalism as their main purpose is to notify the society about various concerns in social and business spheres. However, if journalism becomes dependent on brands and focuses on creating paid content, it will put in the risk the freedom of speech. The authors suggest raising awareness about native advertising among society. The findings of this study can address this issue. The NBC news website was chosen to determine whether the participants would react negatively toward the promotional content that was organically blended with the editorial format. The experiment showed that people positively process the presented ads. Sahni et al. (2020) conducted a similar experiment and did not find any empirical support for the deceptiveness of native ads. These results can affect the future use of native advertising in media, meaning it might not cause a distrust among readers and threat toward journalism and media credibility. Newspapers can greatly benefit from placing native ads on websites. Firstly, it will attract more readers due to an interesting format that native ads can provide. The editors should meet the needs of their followers in order to maintain them; therefore, more usage of native advertisement can contribute to this process. Secondly, newspapers have the potential to gain more profit from companies by placing paid content that is analogous to the shape and format of the media platform. In conclusion, the overall positive attitude toward native advertising can be based on several factors: it is informative, less intrusive, more engaging, and it hides the straightforward
promotional intention. Native advertisement has a successful future ahead that will enhance and provide effective communication between the media, companies, and people.

**Limitations and Future Directions**

According to the findings, more research is required to explore the consistency of the third-person effect regarding native advertising when conditions are manipulated. Therefore, several limitations of this study should be addressed. Firstly, this is the first research that implemented The Third Person Effect Theory regarding native advertisement. The perceptual component of the theory was particularly examined meaning only people’s attitudes were measured using the third-person effect. However, there is another essential and integral component of the theory called behavioral. Plenty of research used both components to test attitudes and behaviors toward various media and advertisement messages. The behavioral component refers to the idea of calling for action. The Third Person Effect theory predicts that when the first person recognizes a negative intent of media or advertisement messages, s/he is more likely to try to protect others from undesirable influence. Adding the behavioral component could have given a bigger picture of individuals' perceptions of native ads. Therefore, future studies should include both components to receive a clear and complete picture of how The Third Person Effect can be linked to native advertisement.

Secondly, the design of the experiment should be more advanced. In this study, only three types of ads were created and measured. The experimental design was simple and easy to test. Also, it was particularly focused on a news website. Nowadays, native advertising appears in social media such as Facebook, Instagram, Snapchat, and Twitter (Pollitt, 2017). Future research should include various types of media.
Additionally, the valence of ads plays a significant role when the third-person effect is applied. Plenty of research manipulated positive and negative ads and received various results (Gunther and Thorson, 1992). Therefore, future research can maneuver the valence of native ads as well as test famous social media platforms where native ads appear the most. Moreover, ads of random companies were assigned for this study. It did not focus on the brand or any specific message of the advertisement. The result may vary when these conditions are altered.

Thirdly, according to the studies of The Third Person Effect, education has been proved to be one of the main characteristics that predict the first person and the third-person effect regarding advertisement (Johansson, 2005; Lambe et al., 2005). Future research can concentrate on the educational level of the potential participants to detect if there is any correlation between education, native advertising, and third-person effect.

In conclusion, this research contributes to the emerging field of native advertising, providing deeper insight about people’s perceptions and attitudes regarding native ads. The findings demonstrate that individuals do not identify native advertisement as an unethical practice. These kinds of studies can also educate people and give them more understanding of a new type of advertainment that they can face in any kind of media.
REFERENCES


Corbu, N. O.-B. (2020). ‘They can’t fool me, but they can fool the others!’ Third person effect and fake news detection. *European Journal of Communication*, 1-16.


APPENDICES
## Appendix One: Measurements

<table>
<thead>
<tr>
<th>Influence on self and others (the third-person effect)</th>
<th>Measurements</th>
</tr>
</thead>
<tbody>
<tr>
<td>I believe I am able to recognize the native advertisement in the set of ads</td>
<td></td>
</tr>
<tr>
<td>I believe others are able to recognize the native advertisement in the set of ads</td>
<td></td>
</tr>
<tr>
<td>I think the presented set of ads can influence me</td>
<td></td>
</tr>
<tr>
<td>I think the presented set of ads can irrationally influence my decision making process</td>
<td></td>
</tr>
<tr>
<td>I believe the presented set of ads can influence other people</td>
<td></td>
</tr>
<tr>
<td>I think the presented set of ads can irrationally influence my decision making process</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Attitude</th>
<th>Measurements</th>
</tr>
</thead>
<tbody>
<tr>
<td>I believe native advertisement is unethical</td>
<td></td>
</tr>
<tr>
<td>I believe native advertisement is misleading</td>
<td></td>
</tr>
<tr>
<td>I believe native advertisement is less irritating</td>
<td></td>
</tr>
<tr>
<td>I believe native advertisement is positive</td>
<td></td>
</tr>
<tr>
<td>I believe native advertisement is discreet</td>
<td></td>
</tr>
<tr>
<td>I believe native advertisement is very effective</td>
<td></td>
</tr>
<tr>
<td>I believe native advertisement is very persuasive</td>
<td></td>
</tr>
<tr>
<td>I believe native advertisement is reliable</td>
<td></td>
</tr>
</tbody>
</table>
Appendix Two: A Regular Ad Mockup
Appendix Three: A Native Ad Mockup
Appendix Four: A Mixed Ads Mockup