

Research Proposal:

Investigating ethic management of native advertising of new and traditional media——Chinese case study

Supervisor: Sarah Peasley

Student Name: Ruhui Bai

Student Number: 1704136

Date: 01/06/2018

1.0 Background

The aim of this dissertation is focus on the ethic issue of the native advertising. This dissertation will analyze from the perspective of the advertiser, media, and the customers. This dissertation will dissect the character of the native advertising and whether the native advertising infringe the audience's right to know and privacy, in addition the researcher will evaluate the impact of the ethic issue and propose the appropriate solutions.

The ethic issues of advertising have always existed. Before the rise of the internet. The main medium of traditional advertising is print ads, the televisions and radio or the outdoor advertising. The main ethic issues of traditional advertising are the false advertising, exaggeration the products effects, as well as the gender discrimination and racial discrimination. However, the rise of the internet led to the emergence of the new media and the new advertising methods. In particular, the native advertising led to new ethic issue.

Imagine that when the reader read the news happily, he discovered that it was an advertisement and it was difficult for the reader to feel that he had not been deceived. In the online world, it is difficult for the audience to seem to receive more information, but in reality, it is difficult for the audience to distinguish the true and false information. The commercial nature of advertising and the audience's demand for real information has become a contradiction, and this dissertation is to explore this contradiction and propose the corresponding ethical management ideas.

2.0 Objective

- Defining the concept of native advertising. Identifying the different types of native advertising
- Analyzing the ethical issues in the distribution of native advertisements
- Exploring the causes of ethical issues
- Evaluating the impact on markets and stakeholders, taking Weibo and Phoenix New Media as examples
- Proposing the solutions.

3.0 Literature Review

3.1 The definition of native advertising

There is no single conclusion about the definition of native ads. Some scholars believe that native advertisements appeared as early as the 1980s. Brug and Harro-Loit (2012) defined native advertisements from the perspective of the nature of native advertisements. They believe that native advertising is a market-oriented news, and This type of news is put forward to emphasize consumer demand. Although this definition focuses on the marketability and consumer welfare of native advertising, it ignores the profitability of native advertising. Wojdyski et al (2016). defined the form of native advertisements, arguing that native advertisements are content, form, and appearance obtained from editors. Yu (2014) defines that narrow-natured native ads should be unique and original experiences of the platform. Formally integrate into the media environment, provide user value on content, and promote the association

and resonance of products and users. His definition of native ads is more systematic. IAB (2013) summarized six types of native advertising: in-feed units, paid search units, recommendation widgets, promoted lists, in-ad with native element units, and Custom elements.

3.2 The essence of native advertising

Immediately after the emergence of native advertisements, the advertising and media industries were shaken. Native advertising can bring a lot of money to the media industry. This emerging form of advertising is novel and attractive (Manic, 2015). Native ads are considered part of content marketing, but native ads only exist on media platforms (Del Rowe, 2016). Chen also believes that native advertising is content marketing and believes that native advertising is the highest form of content marketing. And Chen believes that this form is difficult to define and will have an impact on the pattern of the existing advertising industry. Carlson (2015) pointed out that traditional advertising and news are divided, but native advertising breaks this division. Starkman (2013) also agrees that native advertising is a type of content. However, he believes that native advertising is not attached to news, but an independent form of content. Wasserman (2013) plainly stated that native advertising is itself a scam because it weakens specific information content and enhances perception. Although this view focuses on the relationship between native advertising and audience perception, it ignores the regulation of the industry and the leverage of market leverage.

3.3 The native advertising in China

The development of native ads in China is showing a rising trend. The best-developed media platform is Phoenix.com, which is also the first platform in China to use native advertising. Some scholars believe that native advertising is an “elegant way to make money,” and even that as long as the content is creative, the audience does not care whether this information is advertising or news (Wu, Yang and Huang, 2015). This is obviously a biased view of lack of data support. Du (2015) also believes that native advertising is very important in the existing society. Especially in the rapidly developing society, the advent of multi-screen era has driven the development of native advertising.

In China, the research on the original ads of Phoenix.net focuses on its advertising creativity, case analysis, and communication effects. Xu (2013) believes that Phoenix.net’s native ads have provided emotional emotional resonance to customers and she believes that the hidden nature of this native advertising can increase the effectiveness of communication. Li et al. (2015) believe that Phoenix.net’s native ads are mainly divided into news, videos, columns, topics, and channels. On the one hand, they provide customized advertisements for advertisers, and on the other hand they use new media platforms to shape advertisements. Although the relevant research has conducted in-depth analysis of the effectiveness and model of the original ads of Phoenix.com, the main concern is the lack of attention and analysis of the audience experience by advertisers and media platforms.

3.4 The ethics theory

EU(2001) defines corporate responsibility as a company that incorporates social and

environmental issues into operations and interacts with stakeholders. Carroll's pyramid of CSR (Carroll, 2016) is pointed out that the responsibility of a company is divided into economic responsibilities, legal responsibilities, ethical responsibilities, and philanthropic responsibilities. The company must first bear the economic responsibility. On the basis of realizing the economic profit, the company must also abide by the law and bear the moral responsibility. In addition, the highest responsibility of the company is charitable responsibility. The responsibility at this level depends on the actual situation of the company. The Friedman (1970) asserts that the company's responsibility is to increase profits, which is similar to Carroll's view. Freeman's (1984) proposed a stakeholder theory that the ultimate responsibility of the company is to meet the needs of stakeholders, and increasing profits is only a method. All those three theories recognize the importance of increasing profits for businesses. However, these three theories are universal and do not pay attention to the particularities of some industries. The media industry has its own particularity.

Grayson (2010) believes that the media should also assume corporate responsibility, including bringing real information to the audience. Among them, he puts up a question on advertising. Whether the media is responsible for the effectiveness of advertising to promote sales. Bardoel and D'Haenens(2004) believe that as commercialization increases, media responsibilities become more complex, media needs more self-discipline, and accountability is also required to supervise the media.

In the study of native advertising, ANA Study (2015) research found that one-third of users believe that native advertising should be clearly marked, and that marketing personnel have the responsibility to maintain the transparency of information. Schauster et al. (2016) believe that the effectiveness of native advertising is based on deception, and it is immoral for the media to participate in such promissory notes as a watchdog.

4.0 Methodology

Matthews and Ross(2010) believe that research is a survey of knowledge that is a step-by-step process that involves collecting information and examining information. Saunders et al. (2012) modeled the academic research process. This model is called the research onion. This model divides the research process into 6 layers, and analyzes the research process from Philosophical Stances, Approaches, Strategies, Choices, Time Horizons, Techniques and Procedures.

At the research strategy level, this dissertation selected the method of case study and conducted research on Chinese media. According to Elman et al (2016), The case study originated from the JS Mill's magisterial study, and then gradually developed into one of the mainstream social science research methods in the 1960s and 1970s. Among the traditional concepts, the case studies are mainly qualitative research, but more and more scholars Begin to combine qualitative research with quantitative research.

For case studies, the different subjects involved need to be considered. The triangulation method is a respected research method. The triangulation method refers to the use of multiple methods in the study in order to obtain richer and more complete data (Wilson, 2014).

The advantage of the triangulation method is that it avoids ignoring different opinions. In addition, this method can also make the data more effective (Carter et al., 2014). Denzin (1975) divided the method into four different types, data triangulation, theoretical triangulation, researcher triangulation, and methodological triangulation. Data triangulation and theoretical triangulation will mainly be used in this dissertation.

Data mainly comes from three different types of stakeholder of native ads, customers (readers), scholars (researchers), and media workers. The main method of collecting data is interviews. As the consumer's opinion is affected by their age, academic qualifications, and geographical environment. So, in the reader's data collection, this article will select the survey. The interview outline has changed due to the different interviewees. The outline of the general interview is as follows:

(1) To customers (Questionnaire survey outline).

Did you realize the existence of native advertising in daily news and reading?

Can you feel that your rights have been violated ?

(if so) what rights have been violated?

What type of news do you think you can accept to include native ads?

Do these ads make you question the credibility of the media?

Can native ads be news?

Do you feel that the media is obliged to inform users whether a piece of news is a native advertisement?

Do you think the media is obliged to use a prominent sign to indicate native advertising.

(2) Scholars

What are the main ethical issues involved in native advertising?

What are the root causes of these ethical issues?

Is it possible to effectively avoid these ethical conflicts?

(3) Media workers

Why the media chooses native advertising instead of traditional advertising

What is the main form of native advertising?

Will the audience purchase related products because they believe in the media platform or don't know if this is an advertisement?

In your opinion, will this kind of native advertising damage the interests of the audience?

Will you explicitly tell the user that this is an advertisement?

Do you have internal policies on supervising advertisements?

Is there a law that regulates native advertising?

Theoretical triangulation mainly uses related theories of journalism, advertising, and ethical management.

5.0 Evaluation

5.1 Reliability and validity

The opinions of the respondents will be influenced by many factors such as their own environment, experience, age, education level and other factors. On the one hand, the research will collect personal information of respondents (guarantee the security of personal privacy). On the other hand, researchers will do their best to rule out the impact of personal bias on the results to ensure the reliability of the results.

In the questionnaire survey, it will be mainly distributed through the Internet, and the questionnaire will use an anonymous method to ensure that the respondents have no psychological burden.

Interviewers of this dissertation will be stakeholders in different fields to ensure that multiple opinions are heard.

Time scale

[illegible]

	Draft																
	Submission																
2	Literature Review																
3	Findings & Analysis																
	Questionnai re send and interview																
	Analyse questionnair e results and feedback																
	Conclusion																
4	Submission Preparation																
	Supervisor																
	modify																
	Submission																

References

ANA Study, (2015), ANA Study Reveals Marketers are Increasing Spend on Native Advertising But Disclosure, Ethics and Measurement are Key Issues. . Targeted News Service, p. Targeted News Service, Jan 29, 2015.

Bardoel, J., & D'Haenens, L. (2004). Media Meet the Citizen. *European Journal of Communication*, 19(2), 165-194.

Brug, J. R., & Harro-Loit, H. (2012). Journalism embracing advertising as traditional journalism discourse becomes marginal: A comparative study of European MICE (Meetings, Incentives, Conferences and Events) magazines. *Journalism Practice*, 6(2), 172-186.

Carlson, M. (2015). When news sites go native: Redefining the advertising–editorial divide in response to native advertising. *Journalism*, 16(7), 849-865.

Carroll, A. (2016). Carrolls pyramid of CSR: taking another look. [online] Available at: <https://jcsr.springeropen.com/articles/10.1186/s40991-016-0004-6> Accessed 25 Mar.2018.

Carter, N., Bryant-Lukosius, D., DiCenso, A., Blythe, J., & Neville, A. (2014). The Use of Triangulation in Qualitative Research. *Oncology Nursing Forum*, 41(5), 545-7.

Chen, L. (2016). The Challenge of Native Advertisements to Existing Advertising Forms. *Young reporter*, 2015(6), pp.80-81.

Del Rowe, S. (2016, 11). Native ads: balance brand promotion with compelling content. *Customer Relationship Management*, 20, 26-29.

Denzin, N. (1975). *The research act : A theoretical introduction to sociological methods* (Methodological perspectives). Chicago: Aldine.

Du, Y. (2015). Fun multi-screen marketing, native advertising is the main force. *International Brand Watch*, 2015(7), pp.42-45.

Elman, C., Gerring, J., & Mahoney, J. (2016). Case Study Research. *Sociological Methods & Research*, 45(3), 375-391.

EU Commission Green Paper (2001), *Promoting a European Framework for Corporate Social Responsibility*, COM (200 1) 366 Final.

Freeman (1984) *Strategic Management: A Stakeholder Approach*, Cambridge University Press, New York.

Grayson, D. (2010). CORPORATE RESPONSIBILITY AND THE MEDIA. *Economics, Management and Financial Markets*, 5(3), 160-193

IAB. (2013). *Native advertising playbook*. [online] Available at: <http://www.iab.net/media/file/IAB-Native-Advertising-Playbook2.pdf> [Accessed 23 May 2018].

Li, D., Zhou, J. and Xiao, X. (2015). Creative and Rethinking of Native Ads: A Case Study of Native Advertising in Phoenix. *Journal of Chengdu Nomal College*, 2015(8),

pp.117-120.

Manic, M. (2015). The rise of native advertising. *Bulletin of the Transilvania University of Brasov.Economic Sciences.Series V*, 8(1), 53-58.

Matthews, B., & Ross, L. (2010). *Research methods : A practical guide for the social sciences*. Harlow: Longman.

Saunders, M.N K, Lewis, P. and Thornhill, A. (2012) *Research Methods for Business Students Financial Times/Prentice Hall 6th Edition*.

Schauster, E. E., Ferrucci, P., & Neill, M. S. (2016). Native advertising is the new journalism. *The American Behavioral Scientist*, 60(12), 1408-1424.

Virginia Wilson. (2014). Research Methods: Triangulation. *Evidence Based Library and Information Practice*, 9(1), 74-75.

Wasserman, E. (2013). *Advertising Goes Native, and Deception Runs Free*. [online] HuffPost. Available at:
https://www.huffingtonpost.com/edward-wasserman/native-advertising-atlantic-science_b_2575945.html?guccounter=1 [Accessed 23 May 2018].

Wojdyski, Bartosz W., and Nathaniel J. Evans (2016), “Going Native: Effects of Disclosure Position and Language on the Recognition and Evaluation of Online Native Advertising,” *Journal of Advertising*, 45 (2), 157–68.

Wu, Z., Yang, I. and Huang, Y. (2015). Native Ads: Earn Money Elegantly. *News Outpost*, 2015 (4) , pp.96-97.

Xu, L. (2013). Advertisers approve native ads, Phoenix Times accelerates marketing innovation. *Advertising Grand View*, 2013 (9) .

Yu, G. (2014). Mosaic, Creativity, Content: Three Key Words of Mobile Internet Advertising - Taking the Operational Route of Native Advertising as an Example. *News and Writing*, 2014(3), pp.48-53.