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EFFECTIVENESS OF ONLINE POLITICAL AD DISCLOSURE LABELS: EMPIRICAL FINDINGS

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Lawmakers on both sides of the Atlantic are staking a lot of hope on transparency measures to help users better evaluate political advertising source, veracity, and reach. Our experimental research suggests that direct-to-consumer labels may be less effective than regulators imagine. Transparency is an important part of empowering citizens and holding advertisers accountable, but message labeling should not be the only or even central transparency measure lawmakers and other stakeholders consider.

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Online political advertisements are often opaque with respect to targeting and sponsorship. Citizens may not know that they are seeing a targeted political advertisement, that they were personally targeted, that the audience may be very small, or even who has sponsored the ad. As a result, people are not optimally equipped to interpret and contextualize online political ads. In an effort to empower citizens and to increase advertiser accountability, lawmakers are demanding more advertising transparency through the use of labels and other forms of disclosure for online political advertisements.

In the EU's proposed Digital Services Act (DSA), for instance, Article 24 requires:

 "Online platforms that display advertising on their online interfaces shall ensure that the recipients of the service can identify, for each specific advertisement displayed to each individual recipient, in a clear and unambiguous manner and in real time:
(a) that the information displayed is an advertisement;
(b) the natural or legal person on whose behalf the advertisement is displayed;
(c) meaningful information about the main parameters used to determine the recipient to whom the advertisement is displayed."

Slightly different versions of disclosure can be found in the proposed Honest Ads Act in the US, and in comparable provisions proposed for Ireland (Online Advertising and Social Media Transparency Bill; 2017) and adopted in France (Law No. 2018-1202). What all these proposals seem to contemplate is a combination of real time, direct-to-consumer labels, as well as public databases containing details of online political (and other) ads, including the target audience, timing, sponsorship, and payment information.

Assumed Effectiveness of Labels is Not Evidence-Based
While the idea of disclosure notices is part of several bills and legislative proposals meant to improve ad transparency, the extent to which and in what shape disclosure notices are effective is currently understudied. This means that the online ad labelling provisions in many regulations,

such as the proposed DSA, are not based on empirical evidence. It is therefore still an open question, if, and under which conditions labels are an effective means of informing users about political microtargeting. This question is especially relevant in light of the few empirical studies that do exist, which find that disclosure labels in general often go unnoticed (Kruikemeier et al., 2016; Boerman et al., 2015; Amazeen & Wojdynski, 2019).

Investigating Political Ad Disclosure Labels
Here, we summarize new research into the effect of sponsorship, microtargeting, and veracity disclosure labels of different kinds. We carried out a large experiment ($N = 2424$) where we tested 17 different (usages) of labels shown in a political ad from a Dutch trade union (the FNV) about the minimum wage. Of these 17 labels, six tested "traffic light" veracity labels rather than ad transparency interventions. One group received a disclosure stating that the veracity of the ad has not been checked yet. One control group did not receive any advertising disclosure. The remaining notices were modelled after (draft) provisions in the DSA, the Honest Ads Act, the French law, and the Irish bill, alongside labels derived from the commercial sponsorship disclosure literature.

We examined textual disclosure labels in various forms, including those prescribed by proposed and adopted law: written in large white letters against a black background, shown for ten seconds either before the advertisement video started, during the advertising video, or after the advertising video. We also examined a tachometer visualization of microtargeting, which is something like a needle showing various degrees, and a traffic light for content fact-checked as true, false, or unclear (see appendix A, for the study's design; see Appendix B for examples of disclosures).

The findings show that most people do not notice the majority of transparency disclosures for online ads. Notable exceptions are the disclosures for the DSA, and the Irish bill, which were two frames instead of one because of the large amount of information that needed to be displayed (see Appendix B). The more graphic tachometer (see Appendix B) was also noticed by a slight majority of participants. See Figure 1 for an overview.
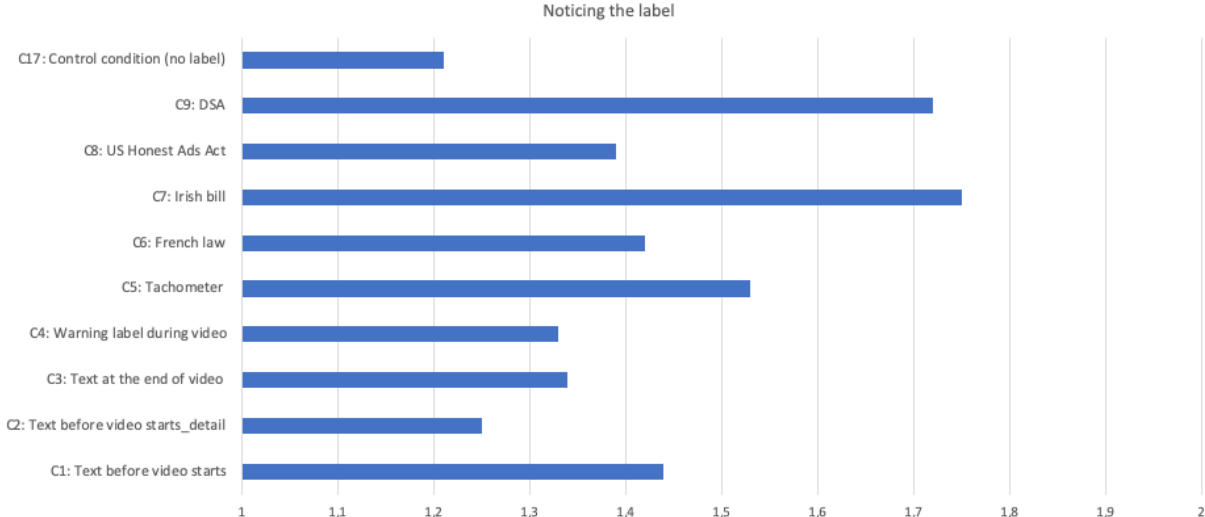

Figure 1 – did people notice the textual disclosures? 1 stands for 'not noticed, 2 stands for 'noticed'.

Further testing revealed that the people who reported that they did not notice the disclosure have similar scores on several other measures compared to the control group, such as their attitudes toward the message and toward the advertiser. The people who did notice the disclosure, however, were better able to understand the goals of the advertiser.

The next question is whether a more graphic disclosure label might be more effective. We tested this with respect to the veracity of the advertisement rather than sponsorship or targeting because the subject lends itself more readily to a graphic binary, or tertiary as it was where we tested graphic traffic light interventions. **Participants did in fact notice these traffic lights (Figure 2), and seeing a red or orange traffic light decreased the perceived credibility of the ad.**
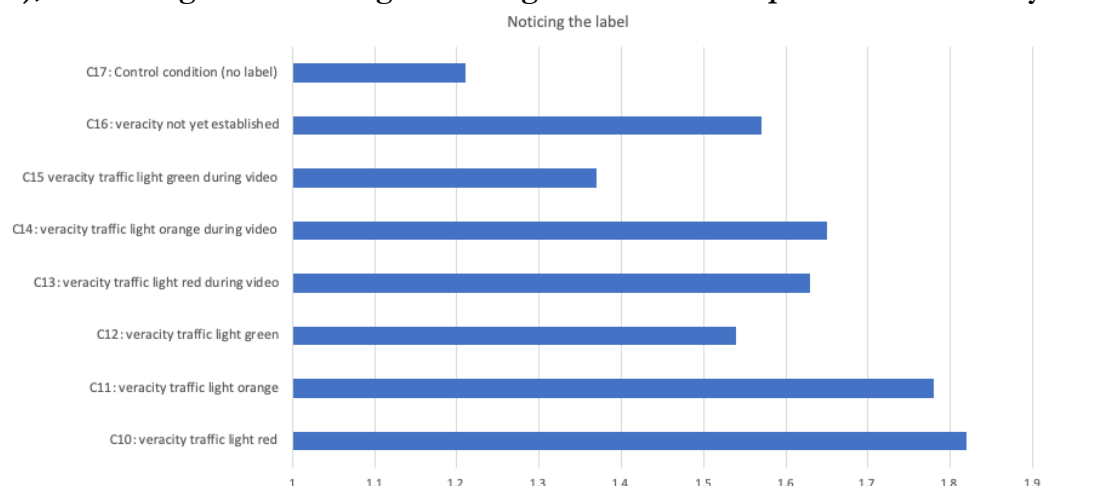

Figure 2 - did people notice the traffic light disclosures? 1 stands for 'no participant noticed', 2 stands for 'all participants noticed'.

Conclusion

A first important outcome of this study is that disclosure label requirements need work. Textual disclosure labels may go largely unnoticed and are therefore not always as effective in empowering citizens as they can be. Graphic disclosure labels (in this case: traffic lights) do get noticed more easily by people. Graphic disclosure labels, however, are less suitable in situations where the information that needs to be conveyed is complex or includes several items.
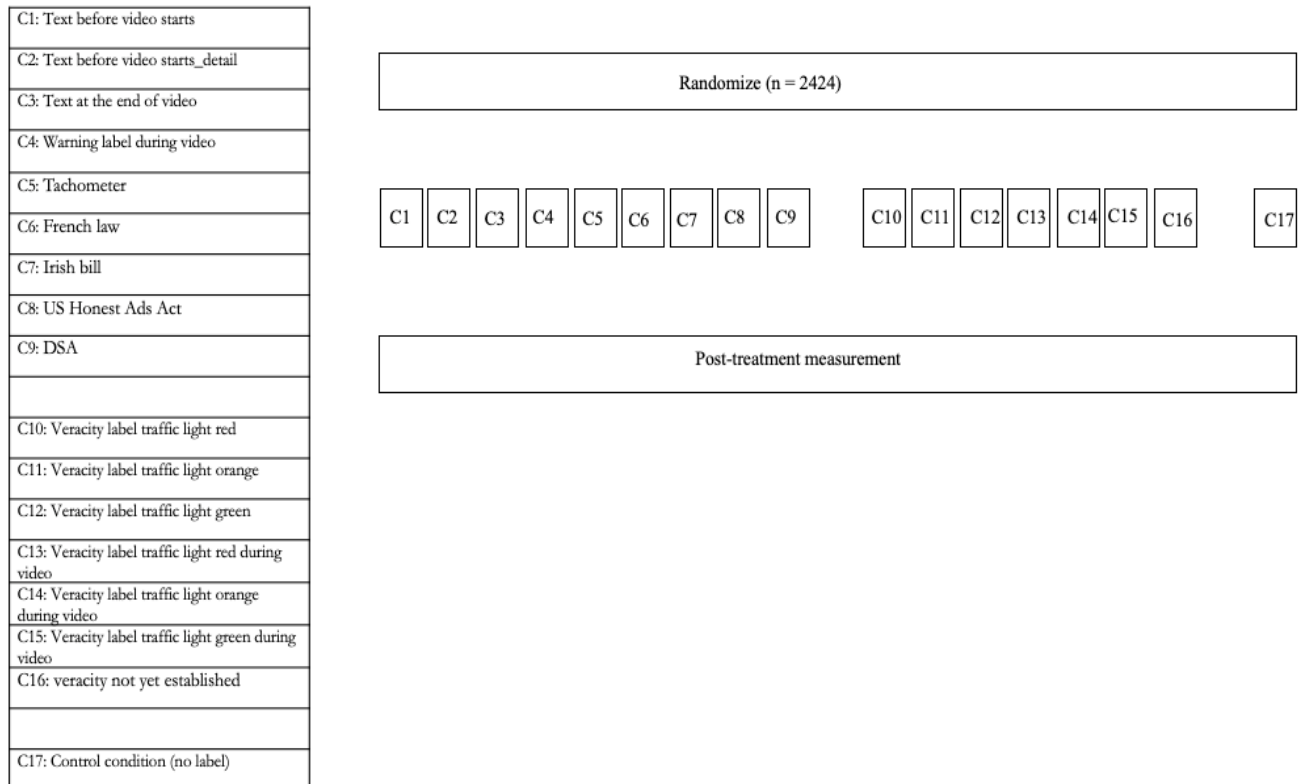
Transparency and empowering voters through information on online political advertising is an important pillar in the regulatory strategies of many nations and the European Commission in its Digital Services Act. The findings from this study call for caution against an overreliance on user-facing transparency solutions. This is not to say that transparency cannot or should not have a role in the governance of online political advertising. However, transparency can only be a meaningful way to empower users and hold political advertisers and platforms accountable if regulatory design incorporates evidence-based best practices on what information and, maybe even more importantly, how information is conveyed.

References

Amazeen, M. A., & Wojdynski, B. W. (2019). Reducing Native Advertising Deception: Revisiting the Antecedents and Consequences of Persuasion Knowledge in Digital News Contexts. *Mass Communication and Society*, *22*(2), 222–247.

Boerman S. C., Van Reijmersdal E. A., Neijens P. C. (2015). How audience and disclosure characteristics influence memory of sponsorship disclosures. *International Journal of Advertising, 34*, 576–59223.

Kruikemeier, S., Sezgin, M., & Boerman, S. C. (2016). Political Microtargeting: Relationship between Personalized Advertising on Facebook and Voters' Responses. *Cyberpsychology, Behavior, and Social Networking, 19*(6), 367–372.

APPENDIX A – EXPERIMENTAL DESIGN

C1: Text before video starts
C2: Text before video starts_detail
C3: Text at the end of video
C4: Warning label during video
C5: Tachometer
C6: French law
C7: Irish bill
C8: US Honest Ads Act
C9: DSA
C10: Veracity label traffic light red
C11: Veracity label traffic light orange
C12: Veracity label traffic light green
C13: Veracity label traffic light red during video
C14: Veracity label traffic light orange during video
C15: Veracity label traffic light green during video
C16: veracity not yet established
C17: Control condition (no label)

Randomize (n = 2424)

C1 C2 C3 C4 C5 C6 C7 C8 C9   C10 C11 C12 C13 C14 C15 C16   C17

Post-treatment measurement

APPENDIX B – DISCLOSURE EXAMPLES

C5. Tachometer disclosure

Translation: **"Target audience specification"**
Range of **"Specific – Broad"**
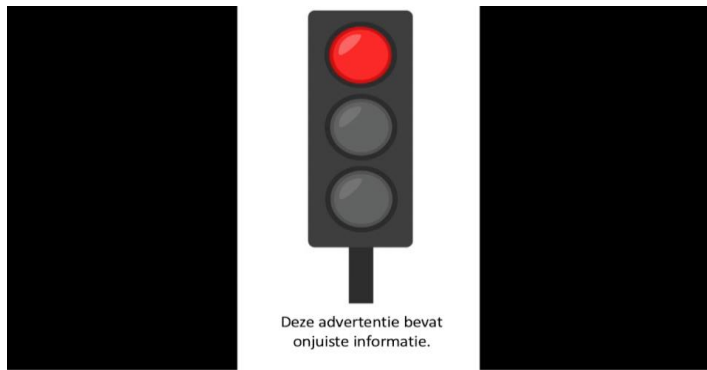**"This advertisement is tailored to you personally"**.

C9. DSA-style disclosures

Translation: **'This is an advertisement by FNV".**

Translation: **"FNV serves you this advertisement on the basis of information about your income, age and gender".**

C10. Veracity traffic light label before video starts.

Deze advertentie bevat
onjuiste informatie.

Translation: **"This advertisement contains false information".**