

## Does Dual Modality Make the Cut? Disclosing Advergimes to Parents

Submitted by Nathaniel (Nate) Evans, Ph.D.  
University of Georgia

For presentation consideration at the FTC's Native Advertising Workshop

### Background

“Regardless of context, consumers should be able to tell what’s an advertising pitch, whether it’s an advertorial, an infomercial, word-of-mouth marketing or native advertising”, notes Mary Engle (FTC 2013). Masking advertising or marketing content generates public policy concerns because consumers are generally less skeptical of information that appears to be unrelated to marketing communications (Petty and Andrews 2008). Such masking has been dubbed “covert marketing” whereby an attempt is made to “expose consumers to brands by embedding them into outlets not typically considered advertising terrain” (Wei, Fischer, and Main 2008, p. 35).

Advergimes may be viewed as both a form and extension of covert marketing as they are “custom made games specifically designed around a product or service” (IAB 2007, p. 6). As a highly interactive and immersive brand experience (Grimes and Shade 2005), advergimes may be one of the most extreme forms of covert marketing and product placement because they make the boundaries between entertainment and advertising difficult to discern. Indeed, advergimes targeting children have previously garnered regulatory attention from the FTC and the Department of Health and Human Services (FTC/DHHS 2005). Their immersive nature includes them in the realm of native advertising and represents one of several forms whereby marketers can reach “distracted consumers” (emarketer 2013) and warrants continued evaluation.

## Purpose and Contribution of Proposed Presentation

Two of the key questions to be discussed at the December 2013 FTC Workshop address “consumers’ recognition and understanding of these messages” and “how can ads effectively be differentiated from regular content, such as through the use of labels and visual cues?” (FTC 2013). While the public policy concern has been *children’s* limited cognitive capacity and ability to distinguish advertising from entertainment content, and specifically the ability to identify advergames as a form of advertising, the assumption has been that parents would not have this difficulty. Furthermore, as socialization agents for their children, parents would play an assistive role in assuring that children were discerning the persuasive message underpinning advergames.

This presentation will present the author’s research (Evans, Carlson, and Hoy 2013; Evans and Hoy working papers), which investigated the extent to which parents’ understand advergames as a form of covert advertising with persuasive motives. Findings from Evans et al. (2013) indicate that parents overgeneralize as to what qualifies as an advergame, which suggests that parents may have inadequate knowledge or skill to correctly identify advergames as advertising. The authors propose that future regulatory initiatives should apply to children as well as adults.

As a follow-up to the above study, Evans and Hoy (working papers) investigated the role of disclosure modality (FTC 1970) for generating parents’ understanding of advergames as a form of persuasive communication. Their findings indicate that the use of a single modality disclosure (i.e. text crawl) is more effective at promoting a better understanding of advergames’ persuasive and selling motives compared to advergames featuring no disclosures. However, the use of dual modality disclosure (i.e. text crawl and voice over) was actually less effective in this regard compared to a single modality disclosure.

## Public Policy Implications

Taken collectively, these findings have important public policy implications within the context of native advertising. First, parents don't inherently seem to view advergames as a form of advertising or persuasive communication. The potential for advertising non-recognition or confusion directly relates to previous and current FTC initiatives concerned with ensuring consumers' accurate recognition of advertising (FTC 2013). Thus advergames, especially those targeting children, need to be included in our discussion of native advertising. Second, the use of a single modality advertising disclosure was superior at promoting parents' understanding of advergames' selling and persuasive motives. We speculate that in an audio-dominant game environment, dual modality competed with mental resources thus reducing the conspicuousness of the disclosure's audio component. Additionally, parents were focused on accomplishing game objectives. Given this evidence, we may need to rethink our understanding of dual-modality superiority (Andrews 2011) by considering the media environment and consumer mindset. What constitutes a "clear and conspicuous" disclosure may be contingent upon a holistic view of the consumer environment.

## Author's Research

Evans, Nathaniel, Les Carlson and Maria Grubbs Hoy (2013), "Coddling our Kids: Can Parenting Style Affect Attitudes Toward Advergames?" *Journal of Advertising*, 42 (2-3), 228-240.

Evans, Nathaniel and Maria Grubbs Hoy (working paper), "PKM for Parents: Does Advertising Disclosure Modality and Cognitive Load Influence Parents' Persuasion Knowledge of Children's Advergames" *In preparation for submission to the Journal of Advertising*.

Evans, Nathaniel and Maria Grubbs Hoy (working paper), "How Restless are the Natives? The Influence of Disclosure Modality and Cognitive Load on Parents' Attitudes Toward Children's Advergame Regulation" *In preparation for submission to the 2014 Marketing and Public Policy Conference, Boston, MA*.

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## Expertise in Digital Advertising

Dr. Evans' research interests include advergaming, branded apps, immersive advertising/marketing, the theoretical implications for persuasion knowledge research, and policy implications for advertising regulation and self-regulation. Dr. Evans investigates how digital advertising formats blur the boundaries between entertainment and commercial content. Through the application of parental socialization theory, Evans' previous work focused on parents' attitudes, awareness, and understanding of children's advergaming as an advertising tactic.

Recently, Dr. Evans has examined how advertising disclosure modality and cognitive load influences parents' persuasion knowledge of and attitudes toward children's advergames.

Current projects include the examination of sponsored content (i.e. native advertising) on online publishers websites. Specifically, his future research efforts will focus on the type and placement of sponsored content and the potential effects on advertising recognition, persuasion knowledge, and perceived credibility of online publishers.

### Bio

Nate Evans received his M.S. and Ph.D. in Communications from the University of Tennessee and is currently an Assistant Professor in the Department of Advertising and Public Relations, University of Georgia.

### **ACADEMIC GRANTS**

- 2013 AAA Doctoral Dissertation Grant Competition: Funded by the American Academy of Advertising (AAA) (\$2000)
- 2012 Competitive Student Travel Grant Award: Funded by the Association for Education in Journalism and Mass Communication (AEJMC) (\$650)
- 2010 ESPN's Research Funding Award (\$3650)

### **AWARDS AND HONORS**

- 2013 Graduate Student Research Award: University of Tennessee, College of Communication and Information (\$200)
- 2012 Top Student Paper: Advertising Division, Association for Education in Journalism and Mass Communication (AEJMC) (\$300)
- 2012 Kappa Tau Alpha Research Award: Best Student Paper, Advertising Division (\$100)