

Original Research Article

The Experience of Regulating “In-Feed Ads” in the United States

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Abstract: In-Feed Ads is a kind of personalized advertising that emerges from American social platforms. It is characterized by algorithm recommendation and native experience. Compared with the previous forms of advertising, the regulation of In-Feed Ads faces four major difficulties, including the increasing difficulty of content supervision, the increasing difficulty of advertising identification, the algorithm dilemma of personalized advertising recommendation and the risk of privacy infringement by the use of artificial intelligence technology. As the birthplace and important market of In-Feed Ads, the United States has rich experience in the targeted governance of In-Feed Ads. After combing, the governance experience of the three aspects of heteronomy, self-discipline and technical regulation of In-Feed Ads in the United States has profound implications for the regulation of In-Feed Ads in other countries.

Keywords: In-Feed Ads; Advertising governance; Inspiration from experience

1. Introduction

With the development of the Internet and digital technology, the advertising industry has undergone revolutionary changes. As a new form of digital advertising, stream advertising has become one of the most popular forms of advertising in recent years. As early as 2006, the US social giant Facebook launched the News Feed feature, which combines users ‘ personalized content and advertising^[1]. At present, stream advertising has become an important part of the Internet advertising market, and it is expected to maintain rapid growth in the next few years.

However, the popularity of In-Feed Ads has also brought a series of problems and challenges. Due to the characteristics of information flow advertising itself, such as concealment, orientation and interaction, it involves the supervision of advertising content, the specification of advertising logo, the transparency and justice of algorithm recommendation, and the protection of user data and privacy, and so on. Compared with traditional advertising forms, there are more difficulties in regulation. These problems are also the common problems existing in the regulation of information flow advertising in various countries.

In order to solve these problems, the advertising regulators and industry self-regulatory organizations in the United States have been strengthening the supervision and regulation of information flow advertising, forming a more mature and perfect heteronomy and self-regulatory system. In addition, industry self-regulatory organizations and Internet platforms for information flow advertising also achieve self-regulation of the information flow advertising industry through a number of measures. Therefore, this paper will analyze the model of information flow advertising regulation in the United States, and explore its experience and enlightenment.

2. Difficulties in the Regulation of In-Feed Ads

First, the difficulty of content supervision is increasing, and it is difficult to guarantee the authenticity and legitimacy of advertising. The diversification of various types of mobile phone APPs makes In-Feed Ads more

diverse and complex, often presented in various forms such as text, audio, video, live broadcast, or involving cross-platform, cross-border, transnational and other communication channels, making it more difficult to supervise the authenticity and legitimacy of advertising content. In recent years, the development of artificial intelligence technology has made ‘ deep fakes ’ technology widely used in the field of advertising and marketing, which has also aroused people ‘s concern about whether advertising is true and legal^[2].

Second, the difficulty of advertising logo increases. Relatively speaking, the words ‘ advertising’ and ‘ sponsorship’ are more semantically clear, which can play a good role in prompting and protecting the rights and interests of consumers. However, some advertisers blur the identification terms, such as ‘ partner ’, ‘ promotion story’, etc., and the risk of weak identification of advertisements increases. The FTC of the United States has investigated Warner Bros. for such non-standard logos, and found that it failed to fully disclose business relationships when promoting the game. The vast majority of sponsorship disclosures are shown below the ‘ fold’, which can only be seen by clicking ‘ show more ’. Also, when a blogger posts a YouTube video on Facebook or Twitter, the post does not include the ‘ Show More ’ button, which prevents consumers from seeing sponsorship disclosures. The FTC ‘s explicit prohibition of such behavior has served as a wake-up call to other advertisers that do not regulate the disclosure of business relationships^[3].

Third, advertising personalized recommendation is difficult to guarantee the transparency and fairness of the algorithm. Because the algorithm may have data bias, model bias, target bias and other problems, the algorithm may have unreasonable differential treatment or discriminatory behavior in the process of sorting, pushing and displaying, which will damage the legitimate rights and interests of the relevant parties. For example, common gender bias, male users may see information flow advertisements such as digital cars, and women will be recommended for information flow advertisements such as makeup and skin care.

Finally, the biggest hidden danger of the application of artificial intelligence technology is easy to obtain user privacy and data protection. In order to pursue profits, advertisers often use some technical means, such as cookie tracking, data analysis and other technologies to track user behavior, so as to improve the effect of advertising. Twitter, the largest social networking platform in the United States, disclosed in 2019 that it may use the phones and mailboxes provided by users for security features for targeted advertising, but users cannot benefit from their data^[4].

3. Regulation of In-Feed Ads in the United States

3.1. Heteronomy: To Regulate Through Multi-party Cooperation

The regulatory framework of In-Feed Ads in the United States adopts a multi-pronged and coordinated hybrid regulatory model. In addition to government regulation, self-regulatory organizations and people ‘s participation in supervision are also important regulatory means. This three-dimensional regulatory model can effectively ensure the scientificity and rationality of In-Feed Ads regulation^[5].

In the heteronomy system, FTC, as an important government agency for advertising regulation, mainly regulates In-Feed Ads through administrative warnings and legal sanctions. Although there is no uniform ‘ advertising law ’ in the United States, the FTC ‘s new policies for the development of the advertising market can keep pace with the times and carry out targeted regulation. For example, in December 2015, the FTC issued the “ Business Guide for the Native Advertising Industry ” in the second part, which listed 17 cases. The interpretation is clear, easy to understand, and has strong guidance. However, because of its originality and

concealment, it is not enough to rely solely on government regulation. In addition to government regulation, the heteronomy system also includes the supervision of the public. Organizations such as the FTC and the American Consumer League have established convenient and open complaint channels to encourage consumers to report found non-compliant or misleading news feeds, and to investigate and deal with them based on the reports. American consumers will also actively participate in the governance of In-Feed Ads and safeguard their legitimate rights and interests.

3.2. Self-discipline: Self-regulatory Organizations and Internet Platforms

Advertising industry self-discipline is the self-discipline of the advertising industry, and it is also an inevitable choice under the market economy system. The advertising self-regulatory system in the United States has a wide range of industry organization foundation, and its advertising self-regulatory organizations are mainly divided into three categories, including advertising activities, industry organizations and cross-industry organizations. These industry organizations and associations actively explore and guide the formulation of a series of targeted In-Feed Ads regulations and consumer protection regulations, which has become an effective supplement to the government 's heteronomy supervision. For example, the ' Native Advertising Manual ' issued by IAB has made a lot of principled provisions on in-stream advertising.

In addition to the regulation of industry self-regulatory organizations, the importance of self-regulation of Internet platform advertising cannot be ignored. Internet advertising platform is an important node for direct contact between In-Feed Ads and its audience. It should consciously assume the responsibility of advertising self-regulation, and achieve effective self-regulation from the aspects of protecting user privacy, managing advertising content, providing open and transparent advertising policies and dispute resolution mechanisms. Internet platforms in the United States, such as Google and Facebook, are constantly updating their advertising policies to regulate the form and content of advertisements. In terms of monitoring and auditing of advertisements, there will also be special technical support to achieve intelligent auditing.

3.3. Technical Regulation: The Application of Intelligent Technology and Third-party Monitoring System

Nowadays, the delivery and release of information flow advertisements are becoming more and more intelligent. In the face of the rapid development of artificial intelligence technology, only by using ' intelligent technology ' to regulate ' intelligent technology ' can the supervision of information flow advertisements be more efficient and effective.

The introduction of intelligent technology and third-party detection systems helps to intelligentize the regulation of live advertising^[6]. Artificial intelligence, big data and other technical means can automatically review and monitor advertising content, and timely discover and deal with advertising violations. For example, using natural language processing technology, image recognition technology and data mining technology such as ' client retained data + web crawler ' ^[7], advertising content can be audited in real time, and abnormal behavior and violations of advertising can be found. By establishing the corresponding data mining model and monitoring model, we can find the behavior patterns and rules of bad advertisements, and shield and deal with them in time. In addition, the establishment of an advertising verification and tracking system based on blockchain and other technologies can improve the authenticity and credibility of advertising content.

The third-party monitoring system is independent of advertising platforms and advertisers, and its evaluation

results have high credibility. The third-party monitoring platform can establish corresponding monitoring systems and monitoring standards. Through data collection and analysis technology, it can monitor and analyze data such as advertising effectiveness, exposure rate, and click rate, and detect and block illegal advertisements in time to ensure the legitimacy and compliance of advertising. After data collection and analysis, the third-party monitoring system can provide detailed monitoring reports of advertisements according to the needs of advertisers and platform parties. The detection report can directly reflect the situation and effect of advertising, and find and solve the problem of advertising in time^[8].

With the development of technical means, the means of data fraud are becoming more and more complex and diverse. In the face of changing new technology forms, the third-party monitoring platform has to constantly update and develop to ensure effective supervision and audit of In-Feed Ads.

4. Conclusion

Since the advent of In-Feed Ads has gone through more than ten years, the rapid development of In-Feed Ads, constantly updated iteration, has become the mainstream form of social media advertising. The exploration of the regulation path of In-Feed Ads in the United States started earlier and has a relatively perfect system. From the three aspects of heteronomy, self-discipline and technical regulation, the heteronomy regulatory framework of the United States adopts a multi-pronged, up-and-down hybrid regulatory model. In addition to government regulation, public participation in supervision is also an important regulatory means. This three-dimensional regulatory model can effectively ensure the scientific and rational regulation of In-Feed Ads; in terms of self-discipline, self-regulatory organizations and self-regulation of Internet platforms are an indispensable part of the regulatory framework of In-Feed Ads. Finally, in terms of technical regulation, using artificial intelligence to regulate artificial intelligence may be the direction of future technical regulation. The application of intelligent technology in the regulation of In-Feed Ads and the introduction of third-party monitoring system make the supervision of In-Feed Ads more intelligent.

However, with the continuous evolution of In-Feed Ads, regulatory strategies also need to be constantly adjusted and improved. Future research can further explore how to apply more advanced technologies to the regulation of In-Feed Ads to cope with the increasingly complex advertising environment.

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