

THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING

Departmental Research Seminar

Sponsored Content and News Consumption Tradeoffs By



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Date : 24 Apr 2025 (THU)
Time : 10:30 am – 12 noon
Venue : M802, PolyU

Abstract

Media publishers increasingly feature sponsored content (SC), a form of native advertising resembling editorial content but driven by commercial goals. SC has gained popularity because it achieves higher response rates than banner ads, and its collaborative production by advertisers and publishers provides the latter better content control. However, hosting SC isn't risk-free, as its editorial resemblance may mislead consumers. Using micro data tracking user interactions on a news website, the study reveals that SC viewership negatively impacts subsequent news consumption. This effect is pronounced when SC headlines mimic those of editorial news but deliver promotional content within the story text. Even with clear "sponsored" labels adhering to FTC guidelines, the negative impact on user experience results in decreased display ad revenues. Fortunately, this adverse impact diminishes over visits, and it does not affect subscription or churn tendencies. Nevertheless, the decline in display ad revenues linked to SC (constituting approximately 10% of SC's revenue contribution) emphasizes the necessity for publishers to weigh the revenue prospects of SC against the potential loss in news traffic. The findings recommend finetuning SC headlines to correspond with reader expectations as a strategy to mitigate these losses.

Prof. Inyoung Chae is an Associate Professor of Marketing at Sungkyunkwan University and the Director of the Undergraduate Global Business Administration (GBA) Program. Before joining SKKU, she was a faculty member at Goizueta Business School, Emory University. Her research focuses on digital marketing, social media marketing, and new media marketing, applying advanced empirical modeling techniques, including machine learning, Bayesian analysis, and econometrics, to understand consumer behavior in these domains. Her work has been published in top-tier academic journals, including *Marketing Science*, *Journal of Marketing Research*, *Journal of the Academy of Marketing Science*, *Journal of Interactive Marketing*, and others. She also serves on the editorial boards of leading marketing journals such as the *Journal of Marketing Research*, *Journal of Consumer Research*, *International Journal of Research in Marketing*, and *Journal of Interactive Marketing*. She has presented her research at prestigious academic conferences and has been invited to speak at leading research institutions. She remains actively engaged in advancing marketing research and contributing to the academic community.

All interested are welcome.



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