

Research on the Impact and Problems of Brand Hidden Marketing in Social Media Platforms

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Abstract: Along with the development of digitalization and social media, user-generated content (UGC) implicit marketing has received widespread attention as an innovative promotional strategy, yet it still has shortcomings in terms of being transparent and ethical, which need to be further examined and enhanced. This essay analyzes the characteristics and roles of UGC blind marketing, discusses its effectiveness in attracting consumers and enhancing brand awareness, and reveals the challenges faced in its commoditization process. The analysis shows that while UGC blind marketing enhances brand influence, it may trigger negative impacts if it lacks transparency management. Based on this, this essay proposes the following recommendations: optimizing the way brands and influencers work together, and platforms to strengthen regulation for more responsible and sustainable marketing practices.

1 INTRODUCTION

The digital marketing landscape has changed with the rise of non-traditional advertising methods. Helping brands communicate through user-generated content (UGC) has increasingly become a cost-effective marketing tool favored by major brands. UGC is content created by consumers rather than brands, collaboration with influencers to produce UGC content has become a critical tool in modern brand marketing, allowing companies to engage their target audience in a more natural and less intrusive way (Advani & Gokhale, 2023). By integrating marketing messages into seemingly authentic and stand-alone content, UGC enables brands to influence consumer behavior without the overt commercialization often associated with traditional advertising. This phenomenon, often known as UGC marketing, represents a shift towards integrating promotional messages into everyday consumer interactions, creating a seamless and more imperceptible form of advertisement (Zhuang, et al., 2023).

UGC's implicit marketing is especially common on social media platforms. Within digital media, user interactions help to drive brand awareness and engagement. Brands are increasingly relying on UGC to foster authenticity and build stronger connections

with their audiences. Through carefully crafted content, companies can skillfully embed promotional messages into user-driven narratives, increasing brand credibility while circumventing the resistance many consumers have shown to traditional advertising methods (Chung, et al., 2023). This transformation to a more subtle form of marketing reflects broader changes in the way consumers interact with digital content, and how brands must adapt to remain relevant and trustworthy of content.

Beyond its effectiveness, however, blind advertising in UGC presents significant ethical challenges. Chief among these is the issue of transparency. The blurred boundaries of paid or self-directed promotional content contained in UGC content can frequently perplex consumers, as many audiences will not realize that the content they are interacting with has been crafted to promote a product or brand (Annabell, et al., 2024). Lacking transparency may undermine consumers' trust and even create a sense of defection as a result. Furthermore, the mixing of organic content with blind advertisements triggers questions about the authenticity of user-driven narratives as well as the ethical responsibility of brands to ensure that their marketing strategies are not misguided (Florenthal, 2019).

As stealth marketing through UGC continues to evolve, it is becoming increasingly necessary to

address these issues. To mitigate the risk of consumer deception and maintain ethical standards, strategies must be implemented to increase the transparency of UGC activities. Regulatory frameworks that ensure clear disclosure of commercial intent, as well as best practices for influencers and platforms, are critical to promoting a more responsible approach to digital marketing (Muda & Hamzah, 2021; Geng & Chen, 2021). This paper discusses these issues in depth, offering insights into how brands can navigate the ethical complexities of UGC commoditization while achieving their marketing goals. It will discuss how to balance the effectiveness of implicit advertising against how to preserve consumers' trust.

2 CHARACTERISTICS AND ROLE OF UGC BLIND MARKETING

2.1 Blind Advertising (Definition) and Its Appearance as a Marketing Strategy

UGC derives from the development of social media and relates to the innovative text, image, audio, and video content created by non-specialized users. Blind advertising, promotes a brand's or product's message in a non-directive matter without explicitly informing the audience of its advertising attributes. The emergence of this strategy is intimately linked to consumer resistance to traditional forms of advertising. Research has shown that explicit advertisements reduce the effectiveness of advertisements by triggering consumer resistance from time to time due to their apparent commercial intentions (Florenthal, 2019). As expectations for an authentic and personalized content increase, this strategy further strengthens its position as a marketing tool, affording brands new opportunities to shape the attitudes of their audiences. However, singular avoidance of advertising can prevent brands from achieving their desired promotional goals. Hence, an increasing number of brands have begun to target the UGC segment and attempt to partner with vegetarian influencers on social media to advertise their products.

2.2 Effectiveness of UGC in Engaging Consumers and Shaping Brand Perception

The effectiveness of UGC lies in its ability to enhance consumers' engagement through authenticity and

emotional connection. First, the authenticity and variety of UGC content crucial factors for engaging consumers. Consumers tend to perceive recommendations from other users as more credible since the content is often perceived as genuine experiences without the brand's intervention (Muda & Hamzah, 2021). For example, a study indicated that consumers are more likely to trust and purchase products that are published by UGC because they perceive them as recommendations from real users rather than self-promotion by brands (Advani & Gokhale, 2023). Additionally, via interactions and recommendations between users of the platform, UGC content can quickly achieve full dissemination in massive flows of information related to brand messages. In turn, it seeks brand visibility and social peripheral status. Moreover, UGC content is characterized by low cost and the ability to be applied in parallel time domains: by refining public evaluations and guiding purchase motivations, improving the sophistication displayed by the brand in human teams as well as parsing the overall industry (Florenthal, 2019).

2.3 UGC Commoditization for Branding

UGC commoditization, that is, brands incentivize users to create brand-related content for commercial purposes, enabling brands to leverage users' existing social networks to rapidly expand and increase market coverage (Chung, et al., 2023). For example, by launching challenge events, brands can inspire users to actively participate in content creation, thus creating a spontaneous promotional effect. Then, the authenticity quality of UGC could enhance the credibility of the brand. User-generated content makes consumers more receptive to the message due to its seemingly untouched by the brand intervention (Kitsios et al., 2022). Nonetheless, brands must be careful to maintain trusting relationships with consumers when utilizing this strategy. It is important to avoid undermining the truthfulness and appeal of UGC by over-commercializing it.

3 ETHICAL ISSUES OF UGC COMMODITIZATION

3.1 Opaqueness of Implanted Advertisements

One of the most prominent ethical issues in the commoditization of UGC is the lack of transparency

in advertising placements. This opaqueness stems from the fact that UGC is often presented in a natural, non-commercialized way, thus covering up the commercial intent behind it. While this tactic enhances the appeal and credibility of the content, it could mislead consumers, who fail to realize that they are being exposed to engineered advertising content (Annabell et al., 2024). As this content type continuously grows and consumers' perceptions of it become clearer, homogenized or uninnovative content provokes consumers to doubt its authenticity, which can have a direct implication on the trust relationship between brands and consumers. The absence of transparency prevents consumers from clearly distinguishing between advertisements and personal recommendations, which can in turn lead to unfavorable emotions toward the brand. Research has shown that, for instance, sponsorship content that is not indicated explicitly may be perceived as deceptive by consumers, weakening their loyalty to the brand (Florenthal, 2019). In addition, the ambiguous nature of implanted advertisements may also raise concerns from regulators, further exacerbating reputational risk for brands. Even though some platforms now require content authors to label or leverage artificial intelligence (AI) to label potentially commercial content, in many cases automated labeling can also target the wrong audience, thus harming a portion of original creators.

3.2 Challenges Associated with Unpublished Partnerships

Undisclosed partnerships between brands and content creators are another important ethical issue in the commoditization of UGC. Such partnerships often include monetary sponsorships, product giveaways, or other forms of commercial transactions. However, if they are not explicitly labeled in the published content, they may raise consumer questions about the authenticity of the content (Chung, et al., 2023).

The influence of hidden marketing on the authenticity of UGC is mainly reflected in the erosion of consumer trust. Undisclosed brand partnerships lead consumers to be more inclined to suspect the motives behind the content, thus creating distrust toward the brand (Annabell et al., 2024). On social media platforms, an influencer's image of authenticity is an important factor in attracting followers, but hidden collaborations can undermine this impression. Studies have noted that when consumers realize that content contains undisclosed business collaborations, their credibility rating of the content significantly decreases, and may even become disenchanted with

the influencer. This negative effect not only affects the effectiveness of a single marketing campaign but may also weaken a brand's credibility with its target audience in the long run (Chung et al., 2023).

In addition, concealed marketing can also lead to a decline in consumer trust in the platform. Social media platforms play a role as content regulators while promoting UGC distribution. When platforms fail to effectively enforce their transparency policies or allow the proliferation of hidden marketing, consumers may be skeptical of the platform's fairness and reliability. The study by Annabell, further emphasizes that the design of platform policies and interfaces is critical to the impact of blind marketing. Several platforms indirectly contribute to the prevalence of blind marketing by obscuring commercial logos or not establishing disclosure requirements, which both jeopardize the authenticity of the content ecosystem and may cause consumers to lose their reliance on the platform over time (Annabell et al., 2024).

3.3 Ethical Responsibility for Brands and Influencers

The authenticity of content is not only a vital element of UGC in engaging consumers, but it is also the foundation for building lasting trust relationships for brands (Muda & Hamzah, 2021). Brands and influencers need to use this strategy cautiously to ensure that it does not violate the consumer's right to be informed and the brand's ethical responsibility. While the potential of hidden marketing lies in its ability to naturally blend in with consumers' everyday content, brands, and influencers need to be wary of over-commercialization, which might create a sense of deception for consumers. Ensuring that influencers can express their experience of using authentically and naturally. When the commercial motives behind content are too subtle or inadvertently trigger consumer distrust, both the brand's image and the influencer's credibility can be damaged (Annabell et al., 2024). Therefore, brands and influencers require a high level of sensitivity to ensure that the content itself still retains authenticity and emotional connection, rather than being solely driven by commercial benefits. Although this strategy can boost short-term sales and brand exposure, it may still result in a negative impact on the brand in the long run if consumers are skeptical of its authenticity.

4 STRATEGIES FOR RESOLVING ETHICAL ISSUES

4.1 Enhance the Transparency of UGC Promotional Contents

Firstly, brands and content creators need to proactively disclose commercial partnerships, for example, by labeling content clearly with the words "sponsored" or "advertisement" to ensure that consumers can easily identify commercial intent (Muda & Hamzah, 2021). Research has shown that such disclosure not only contributes to the credibility of the content but also enhances consumers' trust in the brand (Hanus, 2019). Furthermore, platforms should also play a more active role in transparency enhancement. For example, some social media platforms have introduced built-in advertising disclosure tools that require content creators to use specific hashtags when posting content with brands. Through these mechanisms, platforms can effectively reduce misinformation issues arising from the concealment of commercial intent, thereby providing users with a more transparent consumption environment.

4.2 Preferred Practices for Influencers and Brands Disclosing Commercial Intent

The success of brand-influencer partnerships depends not only on creativity and attraction but also on cultivating responsibility and ethical obligations on both sides. In the context of implicit marketing, marketing strategies should go beyond the choice of "implicit" or "public disclosure" to promote trust by enhancing consumers' perception and understanding of the intent behind the marketing.

In the first step, influencers and brands can work together more interactively and engagingly to enhance the effectiveness of their marketing. For example, influencers can invite fans to share their opinions or experiences with a particular product by launching prize-based interactions or quizzes. During these interactions, influencers do not directly promote products but rather encourage consumers to participate in the brand's story through their means, which not only improves fans' identification with the content but also reinforces the authentic interaction between the brand and consumers. This strategy can help brands avoid the backlash caused by over-commercialization while allowing consumers to

voluntarily participate and thus identify more with the brand's values (Geng & Chen, 2021).

Secondly, brands and influencers need to empower consumers to recognize hidden marketing content through appropriate education and guidance. The brand can, for instance, provide relevant ethical training to influencers before the collaboration to ensure that they follow certain ethical standards when creating content and remind fans in appropriate contexts that there is a commercial collaboration behind this content. This type of education helps influencers to be more conscious of the transparency and authenticity of their content during the creation process, preventing consumer dissatisfaction due to information asymmetry. Meanwhile, consumers are also able to gradually develop the ability to recognize the content of advertisements in this way, avoiding the crisis of trust caused by blind marketing (Vazquez et al., 2020).

4.3 The Role of Platform Regulation in Enhancing Accountability for UGC

Refinement of platform policies also plays a critical role in the regulation of blind marketing content. Platforms should take steps to make a reasonable distinction between advertorial and non-advertorial content and push brands and content creators to follow norms in the creation process. In this regard, platforms can adopt a more granular categorization system that indicates which content is in partnership with brands without directly imposing an advertising label. For example, platforms can add a "partnership" label underneath the content posted by influencers, so that consumers know that there is a commercial partnership behind the content without interrupting the flow of the content. In this way, platforms not only enhance consumer trust but also encourage more standardized and transparent collaboration between brands and influencers (Annabell et al., 2024).

Additionally, platforms should establish a comprehensive user feedback mechanism to encourage consumers to report UGC content suspected of violating the law. By responding quickly and strictly enforcing relevant policies, platforms can protect consumers' rights and interests while promoting the formation of good behavioral norms among brands and content creators. For example, some leading international social media platforms have developed reporting tools and transparency reporting systems that provide users with a convenient way to monitor ad content (Muda & Hamzah, 2021). Facebook and Instagram have introduced "ad transparency" tools that allow users to

View information about the publisher behind each ad and the target audience for which the ad was placed. When users believe an advertisement is misleading or fails to disclose a business partnership, they can easily file a complaint through the reporting tool provided by the platforms, which will then review and address the content. Meanwhile, the platform regularly publishes transparency reports showing the scale of advertising, target groups, and information about advertisers, enabling the public to have a more extensive understanding of how advertisements are operated and how effective they are. Such transparency not only helps consumers better recognize the commercial nature of advertising content but also motivates brands and advertisers to comply with relevant regulations during the marketing process, ensuring that marketing activities are compliant and ethical.

5 CONCLUSION

In conclusion, UGC implicit marketing provides brands with an innovative way to engage consumers and shape brand image in the digital era. Its authenticity and interactivity make it an efficient promotional tool. On the other hand, the ethical and transparency challenges of this strategy cannot be ignored. By informing partnerships, giving influencers more creative freedom, and optimizing platform regulatory mechanisms, brands, and relevant stakeholders can effectively enhance the credibility of UGC advertising while reducing consumer concerns. With the advancement of technology and increased consumer demand for authentic content in the future, brands will be required to further investigate creative marketing approaches to achieve their business goals yet maintain a trusting relationship with consumers. This is the way forward for brands and influencers to sustain their profile.

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