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"Thanks for the free products! #ad": the effects of the number of followers and sponsorship disclosures on the credibility of Instagram influencers

Allison Renee Cox
allircox@gmail.com

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"THANKS FOR THE FREE PRODUCTS! #AD":

THE EFFECTS OF THE NUMBER OF FOLLOWERS AND SPONSORSHIP

DISCLOSURES ON THE CREDIBILITY OF INSTAGRAM INFLUENCERS

A Thesis

Presented to

the Faculty of the Communication Division

Pepperdine University

In Partial Fulfillment

of the Requirements for the Degree

Master of Arts

by

Allison Renee Cox

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This thesis, written by

ALLISON RENEE COX

under the guidance of a faculty committee and approved by its members, has been submitted to an accepted by the graduate faculty in partial fulfillment of the requirements for the degree of

MASTER OF ARTS

July 2020

Faculty committee

_____
Elizabeth Smith, Ed. D., Chairperson

_____
Bert Ballard, Ph. D., Member

_____   _____
Anthony Ho-Young Ahn, Ph. D., Member   Michael Feltner, Ph.D., Dean

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ABSTRACT

Instagram influencers regularly promote products for brands. Some influencers follow

Federal Trade Commission rules on advertising disclosures, such as putting "ad" or

"sponsored" in a visible line of text, whereas others do not. Disclosures alert users that they

are viewing an ad. Many social media users view influencers as authentic, trusted

information sources, so it is important they are aware when viewing paid ads. How

disclosures affect source credibility remains unclear. This study used 2 x 2 factorial design

to evaluate the roles of two possible credibility enhancing factors: number of followers and

advertising disclosures. Instagram users ($N = 131$) were shown an influencer's page and a

corresponding post, then asked questions on credibility perceptions of the influencer, brand

attitudes, intent to purchase the product, and intent to share the post. The results of a two-

way MANOVA indicated that the main effect for followers was almost significant, F (4,

124) = 2.30, p = .06. The main effect for disclosure was not significant, F (4, 124) = 0.12, p

= .98. Additionally, the interaction effect of followers and disclosure was not significant, F

(4, 124) = 1.43, p = .23. These results indicated that number of followers and sponsorship

disclosures do not impact credibility ratings or behavioral intent. However, 87% of

respondents correctly identified the post as an ad, regardless of disclosure condition,

indicating that Instagram users recognize advertising regardless of disclosure. Participants

in both disclosure groups identified primary advertising indicators including photo layout,

products, or brand recommendation. This research raises questions for future researchers

regarding the roles that disclosures and number of followers play in establishing source

credibility and behavioral intent for Instagram influencer marketing campaigns.

Key words: Instagram advertising, social media advertising, Instagram influencer marketing, influencer marketing, advertising disclosures, number of followers, source credibility.

CHAPTER 1

Introduction

In March 2015, the department store Lord & Taylor launched a digital marketing

campaign to promote their Design Lab brand. The campaign focused on a single dress that

Instagram influencers styled, photographed, and promoted. This dress was posted on

Instagram by 50 paid influencers. These influencers had massive followings, and the

campaign was a success. The Instagram campaign reached 11.4 million individual users,

resulting in 328,000 brand engagements—likes, comments, and reposts—with Lord &

Taylor's Instagram handle. The FTC (Federal Trade Commission) filed a lawsuit against

and subsequently settled with Lord & Taylor because the influencers posting about the

dress were not required to disclose to their followers that they were being paid to post

(Federal Trade Commission [FTC], 2016a).

Similarly, in 2016, the FTC filed suit against Warner Bros. Home Entertainment,

Inc. when the wildly popular influencer PewDiePie was given a pre-release copy and paid

thousands of dollars to post positive reviews and gameplay videos to be seen by his 54

million YouTube and social media followers, resulting in more than 55 million views

without disclosure that he was paid. A settlement was reached in 2016 (FTC, 2016b).

In 2017, Trevor "TmarTn" Martin and Thomas "Syndicate" Cassell, two social

media influencers who are followed widely in the online gaming community, settled with

the FTC on charges that they deceptively endorsed the online gambling service CSGO

Lotto, a company they jointly own. In addition to endorsing CSGO Lotto, Martin and

Cassell paid influencers to endorse the company without requiring that they use advertising disclosures (FTC, 2017).

These three cases illustrate the problem that not all influencers disclose when brands are paying them to post content. Instagram users may not be aware of the fact that they are viewing ads, and given the reach of influencer marketing in the aforementioned examples, this is a problem. It is important that Instagram users are able to understand that they are viewing promoted content.

Brand-generated content has a positive and significant impact on consumer behavior (Kumar, Bezawade, Rishika, Janakiraman, & Kannan, 2016). Influencer marketing allows brands to build their relationship with consumers (Heese, 2015), and influencers are able to sway consumer opinions in their favor (Hitz, 2014). Focusing on Twitter, Boston (2013) found that promoted tweets influence brand metrics, increase message association, and increase brand favorability. Given that 81% of Americans use social networking, and the fact that promoted content positively affects brand favorability, it is important for users of social networking sites to understand when they are viewing promoted content.

From 2016-2018, 60% of Instagram users logged in at least once per day (Pew Research Center, 2018). With constant connection, people are consuming information presented on social media through friends and brands they like or follow. Instagram's format has provided a forum for brand recognition and brand evangelism (where users consistently share about and promote brands). Consumers are able to post about recently purchased products, products they like, or products they desire, creating UGC (user

generated content). Brands also create *feeds* and post photos that consumers can follow,

like, share, and comment on. Sharing materials online is moving from a distributary model

of information (top down, from brands to consumers) to a circulatory model of sharing

content, where users create and share content themselves (Jenkins, Ford, & Green, 2013).

This shift allows users to feel like they are participating in content creation when they share

materials online. This shift means that people are able to produce and share information

themselves instead of always receiving information in a top-down manner. Brands and

influencers alike participate in this circulatory information model using Instagram,

illustrated by the success of Lord & Taylor's Influencer marketing campaign discussed

previously, where 50 influencers created 11.4 million brand engagements (shares, likes,

and comments) about one dress.

<div align="center">*Social Media Influencer Marketing*</div>

Influencers are defined as:

every day, ordinary Internet users who accumulate a relatively large following on
blogs and social media through the textual and visual narration of their personal
lives and lifestyles, engage with their following in "digital" and "physical" spaces,
and monetize their following by integrating "advertorials" into their blogs or social
media posts and making physical paid-guest appearances at events. (Abidin, 2016,
p. 3)

Murphy and Schram (2014) found that influencers help brands to connect organically to

consumers because consumers have begun to ignore traditional advertising methods,

viewing traditional advertising as top-down information dissemination, but viewing

influencers as trusted information sources. For internet users, influencers feel more

authentic than celebrities (Woods, 2016). An influencer's perceived authenticity is one

reason for the effectiveness of influencer marketing. With social media users deeming

influencers to be trusted information sources with whom they can make an authentic connection, it is important that social media users know when they are encountering paid advertisements posted by influencers. As illustrated in the case studies presented previously, the FTC monitors the use of advertising disclosures by brands and influencers. Currently, disclosures are elusive; some influencers use them whereas others do not. The FTC has released a *disclosure guideline* document for advertisers and influencers (see Appendix D), but the document must be sought out and is not readily available through social media platforms.

Statement of Problem

Influencers may post about their clothes, video games, home design or lifestyle, and recommend products, restaurants, or vacation locations. Instagram users view this content. Influencer marketing campaigns are a common way for many companies to reach consumers by using an influencer's popularity and credibility to endorse a product like a brand ambassador. With the increase in influencer and user-generated content, it is important that Instagram users evaluate the *credibility* of content they consume, create, or even circulate. Since Instagram consists of *user-selected* content, it is especially important to examine how people determine the credibility of Instagram content (Schmierbach & Oeldorf-Hirsch, 2012).

Although source credibility has been a popular subject in many areas of social science research, limited studies have sought to explore persuasive cues that affect influencers' credibility, especially on Instagram. In influencer marketing campaigns, influencers post a photo of a product and may link to a product or brand site and state the

name of the brand or product they are posting. Influencers may be given free products, be paid to post about products, or both. In this context, some Instagram users may be exposed to Instagram content with or without an influencer's self-advertising or sponsorship disclosure. The FTC mandates that when online influencers are paid to post about products, serving as endorsers, they should disclose the sponsorship to prevent any potential deceptiveness (see Appendix D for FTC guidelines).

Advertisers and influencers are required to follow FTC guidelines for using sponsorship disclosures, but not all influencers follow these rules. The Committee of Advertising Practice (CAP) code of conduct considers paid commercial content without disclosure to be illegal under Consumer Protection law (Roderick, 2016). Takumi conducted a survey examining PR and marketing professionals (James, 2016). They found that 12% had no idea what the CAP code of conduct toward influencer marketing was, and of those familiar with the recommendations, over one-third (34%) actively chose not to adhere to it due to a lack of understanding or a reluctance to be transparent about being paid for content (Roderick, 2016).

Followers have a right to make informed purchase decisions based on information that influencers present to them (FTC, 2017.) The problem with the campaigns developed by Lord & Taylor, Warner Bros. Home Entertainment, and CSGO Lotto is that they did not require the influencers to disclose that their posts were sponsored. These actions were both illegal and unethical.

Although some studies have demonstrated the effects of blog and social media disclosures on users' responses to the blogger and the product/brand being advertised (i.e.,

Campbell, Mohr, & Verlegh, 2013; Liljander, Gummerus, & Soderlund, 2015), they have obtained mixed findings. Currently, there is a lack of understanding of whether and how sponsorship disclosures influence user evaluations of the influencer and other persuasion indicators, especially on Instagram.

The present research study evaluated whether sponsorship disclosures are related to source credibility in that disclosures are a way for influencers to be transparent with their followers that they are being paid to post about a product. Disclosures alert viewers that they are seeing an ad, and thus may activate persuasion knowledge, or personal knowledge of persuasion agents' goals and tactics (Friestad & Wright, 1994). Importantly, disclosures could have a positive or negative influence on viewer credibility perceptions, brand attitudes, and intention to purchase and/or share a product, depending on the Instagram user's level of persuasion knowledge. For example, Boerman, van Reijmersdal, and Neijens (2012) evaluated the role of disclosures used with product placement, yielding conflicting findings. They found that disclosures could activate persuasion knowledge in a negative manner, but that a product placement indicator (a stamp saying "PP") could positively influence a viewer's perception of brand placement, evaluated as credible, transparent, or honest. One user could see a disclosure as an influencer being transparent, increasing goodwill toward said influencer, as Abidin and Ots (2015) found with bloggers. Alternatively, seeing a disclosure may alert a user to the persuasive attempt, causing the user to view an ad as negative or as not reflecting the influencer's true opinion, as Hwang and Jeong (2016) found with bloggers.

Purpose of Study

The purpose of this study was to explore the effects of two possible credibility-enhancing factors of an Instagram influencer—number of followers (an indicator of source popularity) and advertising disclosures (as a potential indicator of source transparency)—as they relate to Instagram users' perceived source credibility, attitude toward the influencer, attitude toward the product, and intention to purchase and share the product. More specifically, with one of the influencer's credibility-enhancing factors as the main effect, this research examined how the number of followers (high versus low) affects user evaluation of an influencer's credibility and attitudinal/behavioral changes. As the second main effect, this study explored how advertising disclosures (disclosure vs. no disclosure) influence respondents' evaluations of the credibility of an influencer and their attitudinal/behavioral changes. Further, this study explored the interaction effects of those two credibility-enhancing cues on the same response factors.

Significance of Study

The effects of source credibility in various areas of marketing communication have been a popular research topic (Chu & Kamal, 2008; Hovland, Janis, & Kelley, 1953; Hwang & Jeong, 2016; Subramani & Rajagopalan, 2003; Walther, Van Der Heide, Kim, Westerman, & Tong, 2008; Westerman, Spence, & Van Der Heide, 2012). With the developments and adoption of new media, researchers have consequently expanded their research interest into the effects of source credibility online, including blogs and social media. However, only a few studies have explored the role of the number of followers in social media (i.e., De Veirman, Cauberghe & Hudders, 2017; Westerman et al., 2012).

There is a lack of studies examining the number of followers as an indicator of popularity and how number of followers affects influencer marketing on Instagram. Westerman and his colleagues (2012) found that number of followers was an important factor in influencing people on Twitter. Instagram, however, is different from Twitter because it is a predominantly visual social media platform. It is important to evaluate the impact of number of followers on Instagram because viewers may make decisions based on perceived expertise influenced by number of followers. Thus, it was the goal of this study that the research findings would provide researchers and advertising practitioners with a better understanding of the role of the popularity cue of number of followers on Instagram, alongside other factors.

Much research on influencer marketing has focused on the effectiveness and efficiency of influencer marketing from a commercial standpoint rather than from an ethical point of view concerned about the impact of influencer marketing on Internet and social media users. For instance, Straley (2010) examined how companies could target influencers to boost traffic and sales. I-Ping and Chung-Hsien (2011) worked on designing effective blog marketing campaigns. Kumar et al.'s (2016) study examined the effects of firm-generated content in social media on consumer behavior. Zhang and Mao (2016) explored how consumer motivations of connection or consumption affected ad clicks on social media and behavioral intentions for consumers.

Though minimal, there have been strong calls from researchers pointing out the importance of ethical approaches in the area of blogging, social media, and influencer marketing related research. For example, Kuhn (2007) called for a code of blog ethics to

promote interactivity, free expression, factual truth, transparency, and the human element in blogging. Gottfried (2015) called for the use of disclosures in an article chronicling deceptive marketing practices. These two articles approach influencers and disclosures from an ethical perspective, but they are not actionable because there is no motivation (other than simply being ethical) for influencers to use advertising disclosures on their posts. In fact, only a few studies have looked at the necessity of including sponsorship disclosures in personal blogs or on Instagram. Woods (2016) examined the use of advertising disclosures by influencers, interviewing advertisers who hire influencers and asking about how the advertisers encourage influencers to use disclosures. However, Woods approached disclosure use as a given, when in fact not all influencers use disclosures. Woods interviewed advertising agencies, and all respondents said they used advertising disclosures in their posts and encouraged the use of advertising disclosures by influencers. However, not all influencers use sponsorship disclosures when posting sponsored content, as evidenced by the Lord & Taylor, Warner Bros. Home Entertainment, and CSGO Lotto cases. With the concerns surrounding the use of disclosures and the need for research on the role of disclosures in influencer marketing, this study sought to shed light on how the presence/absence of a sponsorship disclosure on an influencer's Instagram page would affect online users' perceptions toward the influencer and the users' attitudinal and behavioral changes as a result. Results of this research can provide further provide insight into why advertising disclosures are important for advertisers, influencers, and followers.

Furthermore, this research examined the interaction effects between the number of followers and the presence/absence of a disclosure. This study looked beyond the individual effects of an influencer's popularity (i.e., the number of followers) and transparency (i.e., sponsorship disclosure) in an attempt to explore the dynamic relationship between a popularity cue and transparency indicator and respondents' evaluations of the influencer, as well as their attitudinal and behavioral changes in regard to source credibility. Results may provide professionals and researchers with a better sense of how to best integrate various dimensions of Instagram source popularity and transparency in practice. This study will also expand knowledge of online source credibility.

CHAPTER 2

Literature Review

Source Credibility

Credibility is not a characteristic of information or a source; rather, it is a property judged by the receiver of the information (Flanagin & Metzger, 2007). Credibility is a multi-dimensional construct, pertaining to site, content, or source (Miller, 2005). Source credibility describes how the recipient of a message views the source of the message. Ohanian (1990) described it as "a term commonly used to imply a communicator's positive characteristics that affect the receiver's acceptance of a message" (p. 41). Source credibility as a theory has been used since as early as the 1940s (Johnson & Kaye, 2004).

Under the broad heading of source credibility, two specific theories have been researched: source credibility theory and source attractiveness theory. Source credibility theory resulted from Hovland and his colleagues (1953) and source attractiveness theory originated from McGuire (1985). The source credibility model consists of a communicator's perceived expertise and trustworthiness (Hovland et al., 1953). Expertise is the extent to which "a communicator is perceived to be a source of valid assertions," and trustworthiness is "the degree of confidence in the communicator's intent to communicate the assertions he considers most valid" (Hovland et al., 1953, p. 21). A viewer may perceive the communicator to be an expert, but may not have a high level of trust in the statements being made, therefore both expertise and trustworthiness are important factors in determining source credibility. For example, Abidin & Ots (2015) highlighted an instance when readers lost trust in an influencer because he did not disclose that he was

being paid to post. The influencer lost credibility in the eyes of his followers. Flanagin and Metzger (2007) utilized trustworthiness and expertise as factors evaluating perceived credibility of web-based information. Ohanian (1990) developed a scale to measure celebrity endorsers' perceived expertise, trustworthiness, and attractiveness, utilizing intention to purchase as a validating measure.

The source attractiveness model, on the other hand, posits that the factors leading to persuasion depend on source similarity, attractiveness, likability, and familiarity (McGuire, 1985). Regardless of the different dimensions of the components of endorser characteristics, it has been empirically supported that high credibility sources have substantially greater immediate effect on opinions than low credibility sources (Hovland et al., 1953). In other words, it is a general assumption of source credibility theory that the more credible a source is deemed, the higher the likelihood of persuasion. This link between credibility and persuasion can be seen in many studies evaluating credibility online. Hsu, Lin, and Chang (2013) found that perceived trust and credibility had significant influential effects on reader's intentions to shop online. Westerman et al (2012) found that number of followers served as a credibility indicator for Twitter users, and found that increased credibility positively impacted influence. Abidin and Ots (2015) emphasized the importance reader perception of blogger credibility and found that disclosures increased goodwill toward bloggers and their recommendations.

Source Credibility on the Internet

Early research on source credibility on the Internet and social media explored differences between traditional information sources and online information sources (Banning & Sweetser, 2007; Flanagin & Metzger, 2000; Johnson & Kaye, 2004). Flanagin and Metzger (2000) examined people's credibility perceptions of web-based information sources across various subjects. Although web-based information was deemed slightly less credible in this study, user opinions evolved rapidly. A study by Banning and Sweetser (2007) found that "no media type differed significantly according to credibility, indicating the participants did not see one type, such as newspapers, as more credible than another, such as personal blogs" (p. 461). As the Internet grew as an information source, researchers shifted their focus from whether people found web-based sources credible to how users viewed various online sources for information and which were deemed *most* credible and why (Flanagin & Metzger, 2010; Gunter, Campbell, & Touri, 2009; Johnson & Kaye, 2009, 2011; Kang, 2010; Yang & Lim, 2009). Researchers have evaluated factors that make up the construct of online source credibility. Kang (2010) examined how online users determine blogger credibility, and found, among others, that being knowledgeable, passionate, and transparent were important components of credibility. Thorson, Vraga, and Ekdale's (2010) study operationalized factors contributing to credibility as being fair, lacking bias, accurate, telling the whole story, eliciting trust, and showing balance. Schmierbach and Oeldorf-Hirsch (2012) asked respondents whether they trusted the source of information and if they believed the source was credible. Many studies have examined user ability to determine credibility online (Flanagin & Metzger, 2008; Gui & Argentin,

2011; Kubiszewski, Noordewier, & Costanza, 2011; Lucassen, Muilwijk, Noordzij, & Schraagen, 2012; Metzger, Flanagin, & Zwarun, 2003), but research has not investigated how credibility perceptions play a role in influencer marketing campaigns, especially on a specific platform like Instagram.

Influencer Source Credibility

As consumers have become weary of traditional advertising, brands have begun looking for ways to utilize WOM (word of mouth) marketing to connect to consumers. In exploring factors that contribute to viral marketing, Subramani and Rajagopalan (2003) identified an influencer's role in creating awareness within their social networks and getting attention for products. Influencers are invaluable to brands looking to connect with consumers (Hitz, 2014; Murphy & Schram, 2014; Zhu, Huberman, & Luon, 2011).

Zhu et al. (2011) found that other people's opinions significantly sway people's own choices. Hitz (2014) reiterated this sentiment when stating that influencers are extremely valuable to brands because they have the ability to sway opinions in their favor, for a broad range of products and services. Evaluating the relationship between social media usage to obtain product information and intention to purchase products, Millson (2016) found brands can employ recommendations of friends and the use of WOM marketing on social media, encouraging discussions of product purchases by college students. According to source credibility theory, "differences in effectiveness may sometimes depend upon whether the source is perceived as a speaker who originates the message [or] as an endorser who is cited in the message" (Hovland et al., 1953, p. 19). Influencers are unique in that they are considered more authentic then celebrities (Woods,

2016). Influencers can be bloggers, singers, actors, or people who gained popularity

through social media platforms like Twitter, SnapChat, or Instagram. "Social media

influencers (SMIs) represent a new type of independent third party endorser who shape

audience attitudes through blogs, tweets, and the use of other social media" (Freberg,

Graham, McGaughey, & Freberg, 2011, p. 91).

This research builds on previous research on influencer source credibility that

evaluated bloggers, because bloggers were pioneering social media influencers and because

many Instagram influencers also have blogs. Corporations are interested in using bloggers

as influencers to promote products because they can offer consumers a more authentic

connection to brands than traditional advertisements (Wolverson, 2013). Because bloggers

have come to be viewed as commercial connectors, researchers and advertisers have

become more interested in what makes an influencer influential and how to target effective

affiliate connections (Hsu, Lin, & Chiang, 2013; Solis, 2009; Straley, 2010).

An important factor in influencers' effectiveness in strengthening brand perceptions

is how strong their readers perceive their credibility to be (Chu & Kamal, 2008). Abidin

and Ots's (2015) study echoed the importance of perceived credibility in the success of

influencer marketing campaigns, finding themes and norms among influencers. The themes

and norms among influencers included the importance of authentic behaviors and

promotions, testing products before promoting them, and aligning with products that are *on*

brand. These themes and norms are "their own measures of calibrating credibility and self-

disclosure when writing ads" (p. 8). Abidin and Ots examined the link between an

influencer's credibility and money-making capacity. They found that bloggers, followers,

and brands are sensitive to deceptive and unethical behaviors. In one example, an influencer's tweet was later revealed as a paid ad. Even though the blogger provided proof that he had expressed the opinion before signing a contract to promote a product, some followers "remained unconvinced of the truth of his claims … because the influencer had failed to disclose that some of these tweets were motivated by a monetary incentive" (p. 8). This example underscores the importance of influencer credibility and transparency for both influencers and followers. If an influencer is not transparent about posting paid content, he/she may lose credibility in the eyes of his/her followers, which is what happened in the aforementioned example. Duffy and Hund (2015) also found that working with sponsors that align with their brand was an important factor in retaining credibility for influencers. Kang (2010)'s empirical research found that being knowledgeable, passionate, and transparent were important factors in determining blogger credibility, among others. Because bloggers are influencers (see Abidin & Ots, 2015), the present study utilized the aforementioned factors in order to build a scale measuring perceived Instagram influencer credibility.

A tenet of source credibility theory is that the more credible a source is deemed, the more successful the persuasion. Thus, the way that viewers perceive an influencer's credibility is an important factor in the success of marketing campaigns. It is important to evaluate factors that contribute to influencer credibility because influencers are different from traditional information disseminating authorities. An influencer may be viewed as a real person or a peer, and is not connected to one brand specifically. Influencers are able to create and distribute content that followers may or may not view as advertisements, which

blurs the lines between user-generated content and advertising, as illustrated in the Lord & Taylor case study. "In the world of influencer commerce, the boundaries between sponsored content and editorial content is blurring, making their personal taste difficult to distinguish from their commercial pursuits" (Abidin & Ots, 2015, p. 2). In other words, an influencer's source credibility may be compromised depending on the follower's subjective interpretations and evaluations. Walther et al. (2008) pointed out that "source credibility pertains to how people evaluate others as acceptable information sources, and generally pertains to their expertise and trustworthiness, although the precise factors comprising credibility may vary due to a variety of reasons" (p. 36). Because factors that make up credibility can vary due to a variety of reasons, this study examined two possible credibility-enhancing factors: number of followers and advertising disclosures.

<div align="center">*Effects of Followers and Disclosures*</div>

Main Effect 1: Number of Followers

Among other factors, online users tend to use the number of followers a social media account has as one of the important indicators of an influencer's popularity (Flanagin & Metzger, 2013; Westerman et al., 2012). Source popularity is an important dimension of source credibility (Westerman et al., 2012). Westerman et al. (2012) found that people determine credibility mainly based on followers and follows on Twitter. Similarly, De Vries, Genler, and Leeflang (2012) looked at number of likes as an indication of popularity. De Veirman et al.'s (2017) study explored the impact of number of followers and product divergence on brand attitude. They indicated that number of followers reflects network size, is a popularity indicator, and is frequently used by viewers to identify

influence. Therefore, higher number of followers indicates larger message reach. They found that people do notice high versus low followers, and that a user's desire to fit in determined how the number of followers affected their opinion on influencers. Surprisingly, De Veirman et al. found that a lower number of followers increased the user's evaluation of the product being promoted. Users who wanted to be seen as unique or different preferred influencers with lower number of followers and products with high brand divergence, because the lower number of followers indicated a higher level of exclusivity on Instagram.

In terms of a viewer's information processing, the ways in which people determine the credibility of content vary. According to the elaboration likelihood model (ELM), people may play a central role in information processing focusing on the contents of the message (i.e., message quality) or a peripheral route where they rely on various heuristic cues (i.e., source popularity) to determine a message's credibility (Petty & Cacioppo, 1986). Based on De Veirman et al.'s (2017) findings, the number of followers on an influencer's Instagram page may also act as a shortcut in determining credibility and intent to purchase products, depending on the level of product involvement. Schroth (2015) examined brand-generated ads on Instagram. Although they found no effect of the amount of likes alone on brand credibility, they did find significant interaction effects between the amount of likes and level of product involvement and perceived credibility. In their study, low product-involved consumers judged a brand to be less credible when ads had fewer likes. This means that number of likes may have played a role as a heuristic cue in credibility for consumers with low product involvement/familiarity. This research applied

Schroth's findings on number of likes by examining the role number of followers plays for

consumers evaluating source credibility and built on De Veirman et al.'s (2017) finding

that number of followers affects consumer opinions. Based on these findings, the following

hypothesis was proposed for this current study:

- H1A: Instagram users exposed to influencers with more followers will rate

    influencer credibility higher than consumers exposed to influencers with fewer

    followers.

This study will not only examined the influence of number of followers on

perceived credibility, but also the role that perceived credibility plays in consumers'

attitudes toward the brand, as well as share and purchase intent. Credibility is important in

developing positive attitudes and enhancing purchase intent (Hovland et al., 1953).

Previous research has shown that increased credibility increases persuasion: "A highly

credible source results in greater persuasion than a source low in credibility" (McLaughlin,

2016, p. 103). Owusu, Mutshinda, Antai, Dadzie, and Winston (2016) found that web

purchase decisions are driven in part by credibility of user-generated content. Research has

shown that endorsements by others can increase source credibility. For example, Walther et

al. (2008) found that "complimentary, pro-social statements by friends about profile owners

improved the profile owner's social and task attractiveness, as well as the target's

credibility" (p. 44). Similarly, Fogg (2003) found that website credibility was raised when

the website was recommended by others or linked from another website. Factors that may

act similarly to recommendations include number of followers and likes on posts. As

mentioned previously, in looking at BGAs (brand-generated ads) on Instagram, Schroth

(2015) found significant interaction effects of number of likes and level of product involvement on perceived credibility. Source credibility plays a role in attitude formation and purchase intent, and because Instagram consists of user-created and shared content, this study evaluated the influence of source credibility through intention to share. Based on the role of credibility in persuasion, the finding that credibility affects user-generated content's ability to persuade, the finding that number of followers affects brand attitudes, and the finding that number of likes affects perceived credibility, the following hypotheses were generated in order to evaluate the impacts of number of followers as a popularity indicator on brand attitude, intent to purchase, and intent to share:

- H1B: Instagram users exposed to influencers with more followers will exhibit greater positive attitude toward the brand than consumers exposed to influencers with fewer followers.

- H1C: Instagram users exposed to influencers with more followers will exhibit higher intent to purchase than consumers exposed to influencers with fewer followers.

- H1D: Instagram users exposed to influencers with more followers will exhibit higher intent to share than consumers exposed to influencers with fewer followers.

Main Effect 2: Sponsorship Disclosures

In addition to evaluating the role that number of followers plays in user perception of influencer credibility, brand attitude, intent to purchase, and intent to share, this study seeks to evaluate whether sponsorship disclosures foster consumer trust and contributes to

higher perceived source credibility of Instagram influencers. More specifically, the current study examined the relationship between a sponsorship disclosure (versus a no-disclosure condition) and user perception of influencer source credibility and brand persuasion.

Sponsorship disclosures allow influencers to inform their followers that they are posting sponsored content. Sponsorship disclosures show viewers that a material connection, or financial incentive, exists between an influencer and an advertiser, and they are legally required to alert viewers of the material connection. Influencers can use hashtags like #sp, #ad, #brandpartner, or #sponsored in order to alert readers that they have been compensated for promoting a brand or product. Duffy and Hund (2015) discussed "the practice of tagging or linking to a branded product in one's blog or Instagram feed, [that] stands as public recognition of a commercial gift" (p. 7). Instagram users may or may not view merely tagging a product or brand in order to recognize a commercial gift as a sponsorship disclosure, nor does this act follow FTC disclosure guidelines (see Appendix D).

Gottfried (2015) called for clearly defined disclosure rules in online native ads (ads designed to blend in with non-commercial content) due to the prevalence of deceptive marketing. According to Gottfried, native ads "intentionally cause confusion, blurring the line between editorial and advertisement with the hopes that the advertisement becomes a credible source of information, rather than, simply, an advertisement" (p. 401). Because Instagram contains so much user-generated content promoting brands, an influencer's followers may think he/she is viewing an unpaid post. "This blurring of the lines between what is a genuine endorsement and what is a paid one through content-rich platforms is

what makes influencer marketing so powerful" (Woods, 2016, p. 6). Many influencers begin as average Internet users who are enthusiastic about a hobby or lifestyle, and viewers may misconstrue influencers as a regular person as opposed to an advertiser. There is a "popular construction of fashion bloggers as 'real people,' a pervasive myth that has been challenged by findings that the blogosphere is heavily imbricated with markers of existing social and economic capital" (Duffy & Hund, 2015, p. 10).

In native advertising, there is no distinction between commercial content and real or authentic opinions, feelings, and experiences of the journalist or sender (Pollit, 2015). There is no distinction between commercial content or an influencer's real opinions, unless an advertising disclosure is utilized. Critics argue that native advertising is unethical and misleading because it is unclear for the audience that this is a form of advertising, due to it being masked as editorial content. Identification of advertising is a key element of consumer rights (Cain, 2011). In order to protect the consumer and create effective advertising campaigns, it is important to understand the role disclosures play in influencer marketing in light of this blurring of lines between genuine endorsements and paid endorsements.

The Effects of Sponsorship Disclosures

Researchers have examined the influence of sponsorship disclosures in television, printed articles, and blogs; their findings have been mixed (Hwang & Jeong, 2016; Matthes & Naderer, 2016; van Reijmersdal et al., 2016; Wojdynski & Evans, 2016). In examining traditional media, Kim, Pasadeos, and Barban (2001) found that the presence of the word *advertisement* significantly increased advertising recognition over no label. Studies on the

influence of sponsorship disclosures on source credibility and purchase intent have yielded

mixed findings. Hwang and Jeong (2016) evaluated the effects of sponsorship disclosures

on sponsored blog posts. They looked at three conditions: no disclosure, simple disclosure,

and honest disclosure. They defined an honest disclosure as "a sponsorship disclosure that

emphasizes the honesty of opinions presented in posts" (p. 3). They used persuasion

knowledge as a possible moderator and evaluated effects using answers to questions about

source credibility, brand attitude, and behavioral intent. They found that simple disclosures

("This is a sponsored post") had negative impacts on credibility perceptions, but that honest

disclosures ("This post is sponsored, but it reflects my honest opinion") had positive

impacts on viewers, especially high-skepticism individuals. Conversely, van Reijmersdal

and her colleagues (2016) found that sponsorship disclosures in blogs activated

respondents' persuasion knowledge, which led to higher affective resistance, reduced brand

attitudes, and reduced purchase intention.

Wojdynski and Evans (2016) also examined the effects of sponsorship disclosures,

and found they had a negative impact on viewers. They examined the impacts of disclosure

position and disclosure language on advertising recognition within a news story along with

the impacts of disclosure position and language on persuasive intent, attitudes toward the

company, story credibility, story quality, and intention to share. Although this present study

examined the impacts of disclosures and number of followers on Instagram, both studies

examined credibility perceptions, brand attitude, and behavioral intent. Due to similarities

in research design, Wojdynski and Evans's (2016) scales inspired several of the measures

in the present study, including credibility, intent to purchase, attitude toward the influencer,

and advertising recognition. These measures will be further explained in the methods section.

Disclosures and Source Transparency

Due to the mixed findings outlined above on the role sponsorship disclosures play for viewers, this study utilized research questions to evaluate the role of disclosures. This section presents those research questions.

As discussed in the previous sections, it is generally assumed that disclosures can play an important role in activating persuasion knowledge by allowing viewers to recognize the presence of advertising. As evidenced by the mixed findings discussed in this literature review, this can have either positive, negative, or no impact for viewers. Disclosures can negatively influence consumers' perceptions of influencer credibility and may negatively influence consumer attitudes toward a sponsored brand, as van Reijmersdal et al. (2016) found. However, disclosures may also serve as a transparency factor that enhances an influencer's credibility.

DiStaso and Bortree (2012) defined transparency as "the degree to which an organization shares information its stakeholders need to make informed decisions" (p. 511). This definition can be applied to influencer marketing, in that transparency is the degree to which an influencer shares information with his/her followers that the followers need in order to make informed decisions. Transparency is a recognized factor in explaining credibility (Chu & Kamal, 2008; Chu & Kim, 2011; Flanagin & Metzger, 2010; Greer, 2003; Gunter et al., 2009; Johnson & Kaye, 2009; Leung, 2013; Li, Lai, & Chen, 2011;

Schmierbach & Oeldorf-Hirsch, 2012). If followers feel as though an influencer is transparent, it may increase their trust in the influencer. Chu and Kim (2011) found that trust is important in internet WOM marketing, and Kang (2010) indicated that credible bloggers are "passionate, reliable, and transparent" (p. 11). Thus, it is reasonable to assume that disclosures may be a way for influencers to show transparency and maintain credibility with followers when posting sponsored content. Because the research outlined previously has produced mixed findings, this study was interested in viewers' responses to a sponsorship disclosure in regard to influencer credibility, attitude toward product, and behavioral intentions to purchase and/or share.

Considering the general findings on the effects of sponsorship disclosure in regard to persuasion knowledge, it is expected that the presence of a sponsorship disclosure would induce a negative viewer response. However, the impact of activated persuasion knowledge may be moderated by the viewer's expectations of marketers (Friestad & Wright, 1994). As a result, some viewers may find the disclosure to be an indicator of influencer transparency, positively affecting persuasion. Due to the possibility of different reactions to sponsorship disclosures (as a negative reaction to a persuasion attempt versus a positive reaction to transparency), and mixed findings in previous research regarding the influence of persuasion knowledge on disclosures, the following research questions about the relationship between disclosures, credibility, and behavioral intent are raised:

- RQ1: What is the relationship between sponsorship disclosures and perceived credibility of the influencer?

- RQ2: What is the relationship between sponsorship disclosures and brand

  attitudes?

- RQ3: What is the relationship between sponsorship disclosures and intent to

  purchase the product advertised?

- RQ4: What is the relationship between sponsorship disclosures and the viewer's

  intent to share the post?

Figure one illustrates the research questions and hypotheses.
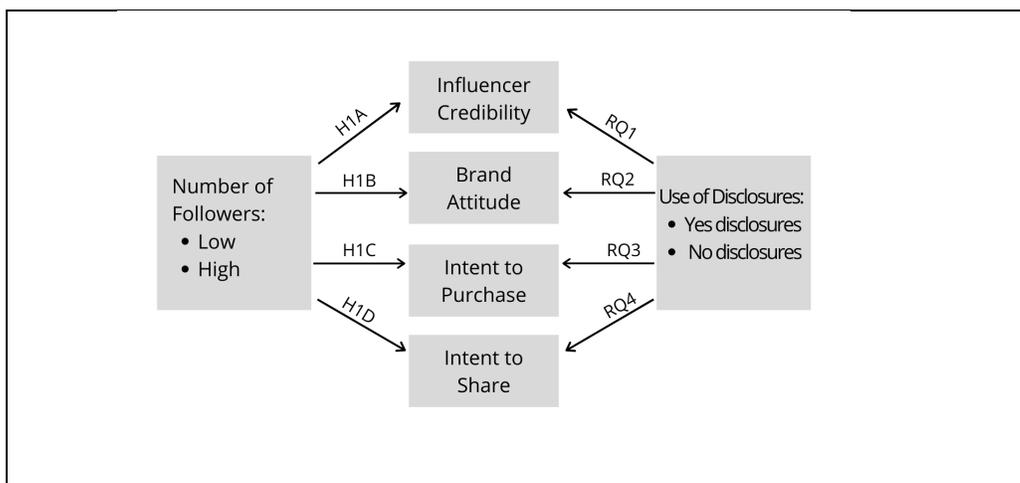
Figure 1. Hypotheses and research questions.

Interaction Effects

This study also examined the interaction effects of number of followers (high

versus low) and sponsorship disclosure (presence versus absence) in terms of credibility,

brand attitudes, and intent to purchase and share products being advertised. As discussed in

the previous section, persuasion knowledge and transparency may play conflicting roles in

forming responses to disclosures. Thus, the direction of interaction effects is difficult to

speculate. As a result, the following research question was developed:

- RQ5: Which of the four treatment conditions (low followers, disclosure; low followers, no disclosure; high followers, disclosure; high followers, no disclosure) will have the highest ratings for credibility, brand attitudes, intent to purchase, and intent to share?

Two main components of source credibility that affect a persuasive attempt are expertness and trustworthiness (Hovland et al., 1953). A person who is deemed to be willing to express his/her true beliefs and knowledge is more likely to have success in persuasive attempts, because higher credibility equates with higher likelihood of the success of a persuasive attempt (Hovland et al., 1953). This was reflected when Hwang and Jeong (2016) found that an honest disclosure on a blog was more effective than a simple disclosure. In order to better understand the roles that number of followers and use of disclosures play in influencer marketing on Instagram, this study conceptualized number of followers as a popularity indicator (illustrating expertise) and disclosures as a transparency indicator (illustrating trustworthiness). Examining the roles of followers and disclosures and how they affect credibility, brand attitudes, intent to purchase, and intent to share, both independently and together, will allow communications researchers, influencers, and marketing professionals to better understand influencer marketing on Instagram.

CHAPTER 3

Methods

Experimental Materials and Stimuli

The stimulus materials used in this research were created using photos posted by

popular Instagram influencers. The researcher created the stimulus materials, as the

researcher has experience as a blogger and influencer for the sites *Roadside Rehab* and

Chair Candy. In order to make the ad realistic, an existing brand, HoneyBelleShop, was

used. HoneyBelleShop is a natural beauty brand that sells skincare products including face

masks, oils, face wash, body scrubs, soaps, and beauty accessories like jade rollers.

HoneyBelleShop has product lines for both men and women. The products were chosen

because they are gender neutral, allowing this research to evaluate both male and female

participant attitudes. This study created and utilized an Instagram influencer profile

consisting of fashion, lifestyle, and home décor. Photos used to create the profile were

posted by lifestyle influencers on Instagram and included coffee, cafes, cars, food, flowers,

and home décor. The stimuli did not include close up photos of an influencer's face, in

order to avoid possible bias that could arise. The stimulus materials for the disclosure

condition complied with FTC guidelines, and were in line with what Instagram users would

normally see on the mobile application. Photos of the profile and post can be found in

Appendix A.

Number of followers was manipulated by changing the number of followers on the

landing page of the account. Profiles differed in number of followers, with one profile

showing 403K followers (high condition) and another profile showing 31.6K followers

(low condition). The number of followers for each condition was determined based on recommendations from the owner of a digital marketing agency that regularly hires Instagram influencers to promote products.

Disclosure type was manipulated. The posts that subjects viewed differed based on presence or absence of disclosures. Sponsorship disclosure in this study was used to refer to an influencer disclosing to participants that a material connection exists with the brand about which they are posting. The influencer disclosed material connection by ending his/her text with "#ad." One condition did not contain a disclosure ("My faves from @HoneyBelleShop preview their GOLD line featuring Luxe cleansing oil (launching next month)!") and the other said "#ad" at the end of the text below the photo ("My faves from @HoneyBelleShop preview their GOLD line featuring Luxe cleansing oil (launching next month)! #ad"). The disclosure condition is compliant with the FTC guidelines in that the disclosure is clear and occurs within the first three lines of text on the post. Photoshop was used to create the text for each disclosure condition and connect the text to the photo.

Design

A 2 x 2 between-group factorial design was used. High versus low number of followers was evaluated, along with disclosure versus no disclosure conditions. A between-group factorial design was used in order to evaluate main effects and interaction effects between independent variables on the stimulus blocks, and to evaluate which treatment condition elicited the most positive responses. Independent variables included: number of followers (high versus low) and presence or absence of a disclosure. Dependent variables were credibility perception, attitude toward product, and intent to purchase and share. The

participants were randomly assigned to one of the four condition blocks, classified by number of followers and presence or absence of disclosures. Figure two illustrates the research design.

		Followers	
		Low	High
	Disclosure	$N = 34$	$N = 36$
Disclosures	No Disclosure	$N = 27$	$N = 34$

Figure 2. 2 x 2 factorial research design.

In order to evaluate effects between both independent variables and the dependent variables, a two-way MANOVA was used. In order to evaluate the relationships between number of followers and disclosure condition independently (the independent variables) and credibility perception, brand attitude, and intent to purchase and share (the dependent variables), ANOVA was used.

Participants

A total of 131 people between the ages of 18-35 participated in an online experiment in Fall 2019. They were randomly broken down into four groups, or blocks. It is generally recommended that there should be a minimum of at least 30 participants per group (Simmons, Nelson, & Simonsohn, 2011). Subjects were men and women between the ages of 18-35. Subjects identified that they currently use and understand how to use Instagram in order to participate in this research, since this study was interested in credibility perceptions and persuasion in regard to Instagram. Participants self-reported that they use Instagram in order to qualify for the study. The participants were selected from a

panel of more than 1,000,000 individuals maintained by a nationwide certified survey company, Qualtrics. Each participant was incentivized for his/her/their participation.

Recruitment and Data Collection

Qualtrics recruited subjects throughout the United States selected from actively managed market research panels online. These respondents opted in to take online surveys and received a notification about the survey because it fit their pre-provided qualifications. Respondents were notified of the survey either via email or through their survey platform. Respondents were asked to confirm their qualifying demographics before beginning the survey, then asked to respond to screener questions a second time to provide multiple layers of assurance that they fit the qualifications for the study. Based on these questions, Qualtrics screened out 544 respondents who provided information that disqualified them from the survey. Qualtrics collected 184 complete responses, and 131 of those responses were deemed sufficient for analysis (they were within average response times and had no straight-lining, or providing the same response for every question).

Procedure

In the online experiment, participants were asked their age, which social media platforms they used, and gender in order to determine that they fit qualifications for the sample. Only respondents that reported Instagram use were selected. Screening questions related to age (over 18) and social media use (must use Instagram regularly) were included as part of the survey (see Appendix B). After participants qualified to complete the survey, they officially began the study with an informed consent form. They answered questions regarding their social media use, perceptions toward Instagram, and Instagram habits.

Then, they were asked to read the stimulus profile and corresponding post, then answer a series of questions determining their advertising and disclosure recognition, attitudes toward and credibility perception of the influencer and the promoted brand, and intention to purchase or share the promoted product. The survey ended with a question about their education, then manipulation checks for the stimulus materials. After completing the session, subjects were thanked and compensated (Qualtrics compensates subjects for completing surveys, and it was about $6 for this study). After subjects were compensated, their IP address was stripped from the data in order to maintain anonymity.

Manipulation Checks

In order to check whether the manipulation condition of number of followers (main effect 1) was successful, participants were shown both stimuli and asked which page contains more followers (stimulus A with 403K versus stimulus B with 31.6K). In post-test manipulation checks, 88% of respondents correctly answered the question regarding number of followers. In order to determine whether the manipulation of disclosure condition (main effect 2) was successful, study participants were shown both stimuli and asked to report whether the Instagram post contained an expression that the post was an ad (a sponsorship disclosure.) In the case of disclosures, 85% of respondents correctly identified the post that contained a sponsorship disclosure. These results were similar to findings from pre-test manipulation checks.

Measures

Source credibility is defined as "how people evaluate others as acceptable information sources, and generally pertains to their expertise and trustworthiness" (Walther

et al., 2008, p. 36). It was assessed using eight items adapted from Wojdynski and Evans

(2016). Respondents were asked to report the extent to which they thought the influencer

who wrote the post was transparent (1)-not transparent (7), honest (1)-dishonest (7),

untrustworthy (1)-trustworthy (7), etc., developed using Wojdynski and Evans's methods.

Transparency of the influencer refers to the degree to which an influencer shares

information with his/her followers that they need in order to make informed decisions,

adapted from DiStaso and Bortree's (2012) definition. Transparency was grouped with

questions measuring source credibility. Transparency was measured with the statement "I

think the Instagrammer was transparent (1) – not transparent (7)."

Brand attitude refers to the extent to which the brand is liked and perceived to be

good and favorable (Mitchell & Olson, 1981). It was measured by asking participants to

report their attitude toward the brand, HoneyBelleShop. Chu and Kamal's (2008) items ("I

think the brand shown is" Good/bad, pleasant/unpleasant, favorable/unfavorable") were

used and the same semantic differential items (1-7) were used.

Intent to purchase is defined as intention to buy the advertised product. It was

measured using a series of Likert-type questions developed from the scale by Wojdynski

and Evans (2016). Additionally, the brand name was listed, then respondents were asked to

rate their likelihood of purchasing the product, whether they would like more information

on the product, and whether they were interested in the product. Intent to purchase was

measured using the statement "I would purchase the product(s) recommended in the post"

on a 7-point Likert scale that follows measures for intent to share.

Intent to share refers to the Instagram user's intention to share the product or post. Questions on intent to share were developed for this research and were tested for validity. ("I would repost this photo," "I'd recommend this post to a friend," "I would tag a friend in this post/DM this post to a friend") measured by strongly agree [1] to strongly disagree [7].)

Respondents were asked questions on attitudes toward the influencer, advertising recognition, persuasion knowledge, and perceived appropriateness of ads that may be used for further analysis. Measures of attitude toward the influencer were developed from Wojdynski and Evans (2016) and were measured on a scale of 1-7. ("I think the Instagrammer is appealing/unappealing, good/bad, unpleasant, pleasant, unfavorable/favorable, unlikeable/likeable.")

Advertising recognition is defined as activated conceptual persuasion knowledge and awareness of commercial content (Boerman et al., 2012). Questions used to measure advertising recognition were adapted from Wojdynski and Evans (2016). Immediately after viewing the stimulus materials, subjects were asked whether there was advertising in this post. If they answered yes, they were asked to respond to the questions, "What made you think there was advertising in this post?", "What areas of the post contained advertising?", and "Please indicate in as much detail as possible what characteristics of the content led you to believe that it was advertising." Subjects were also asked questions regarding familiarity with and perceived appropriateness of ads. Finally, questions evaluating the activation of persuasion knowledge through disclosures were adapted from Tutaj and van

Reijmersdal (2012). The survey ended with demographic questions on age, sex, and highest

level of education (for the full survey, see Appendix B).

CHAPTER 4

Results

The purpose of this study was to evaluate Instagram users ($N = 131$) in order to determine the influence of an influencer's number of followers and the use of advertising disclosures on viewer (a) credibility perceptions, (b) attitude toward a brand, (c) intent to purchase items featured on an influencer page, and (d) and intent to share content featured on an influencer page.

As a reminder, there were four hypotheses for this study:

- H1A: Instagram users exposed to influencers with more followers will rate influencer credibility higher than consumers exposed to influencers with fewer followers.

- H1B: Instagram users exposed to influencers with more followers will exhibit greater positive attitude toward the brand than consumers exposed to influencers with fewer followers.

- H1C: Instagram users exposed to influencers with more followers will exhibit higher intent to purchase than consumers exposed to influencers with fewer followers.

- H1D: Instagram users exposed to influencers with more followers will exhibit higher intent to share than consumers exposed to influencers with fewer followers.

Also, there were five research questions for this study:

- RQ1: What is the relationship between sponsorship disclosures and perceived credibility of the influencer?

- RQ2: What is the relationship between sponsorship disclosures and brand attitudes?

- RQ3: What is the relationship between sponsorship disclosures and intent to purchase the product advertised?

- RQ4: What is the relationship between sponsorship disclosures and the viewer's intent to share the post?

- RQ5: Which of the four treatment conditions (low followers, disclosure; low followers, no disclosure; high followers, disclosure; high followers, no disclosure) will have the highest ratings for credibility, brand attitudes, intent to purchase, and intent to share?

Frequency Counts for Selected Variables

Ages of respondents ranged between 18-35 years old (*M*= 27.31, *SD*= 4.82; see Table 1). There were more male respondents than females (51.1% male versus 48.9% female). Most respondents (64.1%) had purchased a product on Instagram before, and 84.0% of respondents reported that they like finding items to purchase on Instagram. Fifty-eight percent of respondents reported that they access Instagram multiple times a day. Respondents were grouped based on stimulus condition (e.g., Group one = low followers, disclosure. Group two = low followers, no disclosure. Group three = high followers, disclosure. Group four = high followers, no disclosure), and were assigned randomly.

Group 3 (high followers with disclosures) was the largest, with 36 respondents (see Table

1).

Table 1

Frequency Counts for Selected Variables

Variable	Category	n	%
Age			
	18-20	13	9.9
	21-24	27	20.6
	25-29	46	35.1
	30-35	45	34.4
Gender			
	Male	67	51.1
	Female	64	48.9
Purchase history on Instagram			
	Yes	84	64.1
	No	47	35.9
Like finding products on Instagram			
	Yes	110	84
	No	21	16
Time Spent on Instagram			
	Multiple times a day	76	58
	Daily	38	29
	Multiple times a week	10	7.6
	Weekly	4	3.1
	Less than once a week	3	2.3
Block			
	One	34	26
	Two	27	20.6
	Three	36	27.5
	Four	34	26

Note. Group one= low followers, disclosure. Group two= low followers, no disclosure. Group three= high followers, disclosure. Group four= high followers, no disclosure. Age: $M = 27.31$, $SD = 4.82$.

Reliability

The reliability coefficient Cronbach's alpha ranged in size from $\alpha= .83$ to $\alpha= .91$ with a median sized coefficient of $\alpha= .89$ (see Table 2). This finding suggests that all scales were at acceptable levels of internal reliability (Pyrczak, 2009).

Table 2

Psychometric Characteristics for Summated Scale Scores (N = 131)

Score	# of items	*M*	*SD*	Low	High	Alpha
Source credibility	8	4.53	0.96	1.38	6.75	0.83
Attitude toward brand	3	5.25	1.41	1	7	0.91
Intent to purchase	3	5.25	1.51	1	7	0.86
Intent to share	4	3.83	1.78	1	7	0.94

Effects of Followers and Disclosures

A two-way MANOVA was used in order to evaluate the relationship between number of followers and disclosures with respect to credibility ratings, brand attitudes, and intent to purchase or share the product posted by the influencer. ANOVA step down tests were utilized in order to evaluate the impact of the independent variables on each dependent variable individually, and in order to evaluate interaction effects between both independent variables.

Table 3 displays the results of the two-way MANOVA test based on number of followers and disclosure for the four dependent variables. The main effect for followers was almost significant, $F (4, 124) = 2.30, p = .06$. The main effect for disclosure was not significant, $F (4, 124) = 0.12, p = .98$. In addition, the interaction effect of followers combined with disclosure was also not significant, $F (4, 124) = 1.43, p = .23$ (see Table 3).

Table 3

Two-Way MANOVA for Followers and Disclosure

Effect	Value	F	p	Partial Eta Squared
Followers	0.07	2.30	.06	.069
Disclosure	0.00	0.12	.98	.004
Followers X Disclosure	0.04	1.43	.23	.044

Note. N = 131.

Hypotheses: Number of Followers

Hypothesis 1A-1D evaluated the impact of number of followers on credibility

perception, brand attitude, intent to purchase, and intent to share. Although the main effect

for followers was not significant in the two-way MANOVA test (*p* = .06), an ANOVA

step-down analysis was performed in order to analyze the impact of number of followers

on each dependent variable. The results are shown in Table 4.

Table 4

ANOVA Main Effect Step Down Analysis for Number of Followers

Variable	Group	M	SD	F	P	Partial Eta Squared
Source credibility				1.89	.17	.015
	Low	4.66	0.12			
	High	4.42	0.12			
Attitude toward brand				0.02	.90	.000
	Low	5.27	0.18			
	High	5.24	0.17			
Intent to purchase				5.21	.02	.039
	Low	4.61	0.19			
	High	4.02	0.18			
Intent to share				0.89	.35	.007
	Low	3.99	0.23			
	High	3.69	0.21			

Note. N = 131.

Table 4 displays the results of the ANOVA main effect step down analyses for number of followers for each of the four dependent variables. Inspection of the table found no significant differences based on number of followers for source credibility ($p = .17$), attitude toward brand ($p = .90$), and intent to share ($p = .35$). However, a significant difference was found ($p = .02$) for intent to purchase. Specifically, those in the low number of followers group ($M = 4.61$) had significantly higher intent to purchase scores than those in the high number of followers group ($M = 4.02$; see Table 4).

Research Hypothesis 1A predicted the following: Instagram users exposed to influencers with more followers will show a higher credibility evaluation for influencers than users exposed to influencers with fewer followers. No significant difference was found between number of followers and source credibility ($p = .17$; see Table 4). The findings did not support Research Hypothesis 1A.

Research Hypothesis 1B predicted the following: Instagram users exposed to influencers with more followers will exhibit greater positive attitude toward the brand than users exposed to influencers with fewer followers. No significant difference was found between number of followers and attitude towards brand ($p = .02$; see Table 4). These findings did not support Research Hypothesis 1B.

Research Hypothesis 1C predicted that Instagram users exposed to influencers with more followers would exhibit higher intent to purchase and share than users exposed to influencers with fewer followers. A significant difference was found between number of followers and intent to purchase ($p = .02$), but the groups with lower number of followers were more likely to purchase the products. Therefore, Research Hypothesis 1C was not

supported. Additionally, the partial eta squared was only .039, meaning that only 4% of the variance was explained by number of followers (see Table 4).

Research Hypothesis 1D predicted that Instagram users exposed to influencers with more followers will exhibit higher intent to share than users exposed to influencers with fewer followers. No significant difference was found between followers and intent to share ($p = .35$; see Table 4). This research hypothesis was not supported.

Due to only one dependent variable (purchase intent) having a significant difference between high and low followers, and that relationship being inverse of the predicted effect, Hypothesis 1 was not supported.

Research Questions: Disclosures

Research Questions 1-4 evaluated the impact of use of advertising disclosures on credibility perception, brand attitude, intent to purchase, and intent to share. An ANOVA step-down analysis was performed in order to further evaluate the impact of disclosure use on credibility perception, brand attitude, intent to purchase, and intent to share.

Table 5 displays the results of the ANOVA main effect step down analyses for disclosure for each of the four dependent variables. Inspection of the table found no significant differences based on disclosure for source credibility ($p = .72$), attitude towards brand ($p = .71$), intent to purchase ($p = .90$), and intent to share ($p = .95$; see Table 5).

Research Question 1 inquired about the relationship between sponsorship disclosures and perceived credibility of the influencer. No significant difference was found between disclosure groups evaluating source credibility ($p = .72$; see Table 5).

Table 5

ANOVA Main Effect Step Down Analysis for Disclosures

Variable	Group	*M*	*SD*	*F*	*P*	Partial Eta Squared
Source credibility				0.13	.72	.001
	Yes	4.51	0.12			
	No	4.57	0.12			
Attitude toward brand				0.14	.71	.001
	Yes	5.30	0.17			
	No	5.20	0.18			
Intent to purchase				0.01	.90	.000
	Yes	4.33	0.18			
	No	4.30	0.19			
Intent to share				0.00	.95	.000
	Yes	3.85	0.21			
	No	3.83	0.23			

Note. N= 131.

Research Question 2 inquired about the relationship between disclosures and brand attitude. No significant difference was found between disclosure conditions for brand attitudes (*p* = .71; see Table 5).

Research Question 3 inquired about the relationship between disclosures and intent to purchase. No significant difference was found between disclosure groups for intent to purchase (*p* = .90; see Table 5).

Research Question 4 inquired about the relationship between disclosures and intent to share. No significant difference was found between disclosure groups for intent to share (*p* = .95; see Table 5).

Research Questions 1-4 found no significant differences between disclosure groups regarding credibility, brand attitudes, and behavioral intent. Therefore, no significant relationship was found between the independent variable of disclosures and the dependent

variables in this study. Previous research yielded mixed findings regarding positive or negative impacts of disclosures (Hwang & Jeong, 2016; van Reijmersdal et al., 2016), but this research found that disclosures had no impact on these opinions or behaviors. Manipulation checks showed that most users could differentiate between the disclosure and no disclosure condition (85% of respondents correctly identified the disclosure condition) but many respondents that recognized that the persuasive attempt did not identify the disclosure as the reason persuasion knowledge was activated; this finding will be examined further in the discussion section.

Research Question 5: Interaction Effects

In order to evaluate the interaction effects between followers and disclosures, Research Question 5 asked which of the four treatment conditions (low followers, disclosure; low followers, no disclosure; high followers, disclosure; high followers, no disclosure) would have the highest ratings for credibility, brand attitudes, intent to purchase, and intent to share. The two-way MANOVA found that the interaction effect for number of followers and disclosure was not significant, $F (4, 124) = 1.43, p = .23$ (see Table 3). This study used an ANOVA to perform a step-down analysis in order to evaluate interaction effects between number of followers (high versus low) and sponsorship disclosure (presence versus absence) for each independent variable: credibility, brand attitudes, and intent to purchase and share products (see Table 6).

Table 6

ANOVA Interaction Effect Step Down Analysis for Followers X Disclosure

Variable	Followers	Disclosure	*M*	*SD*	*F*	*p*	Partial Eta Squared
Source credibility					0.08	.77	.001
	Low						
		Yes	4.65	0.17			
		No	4.66	0.19			
	High						
		Yes	4.37	0.16			
		No	4.48	0.17			
Attitude toward brand					0.16	.69	.001
	Low						
		Yes	5.26	0.24			
		No	5.27	0.27			
	High						
		Yes	5.33	0.24			
		No	5.14	0.24			
Intent to purchase					1.88	.17	.015
	Low						
		Yes	4.45	0.25			
		No	4.78	0.29			
	High						
		Yes	4.21	0.25			
		No	3.82	0.25			
Intent to share					0.00	.98	.000
	Low						
		Yes	4.00	0.31			
		No	3.97	0.35			
	High						
		Yes	3.69	0.30			
		No	3.68	0.31			

Note. N = *131.*

Table 6 displays the results of the ANOVA interaction effect step down analyses for number of followers X disclosure for each of the four dependent variables. Inspection of the table found no significant interaction effects for source credibility ($p = .77$), attitude towards brand ($p = .69$), intent to purchase ($p = .17$), and intent to share ($p = .98$).

Therefore, to answer RQ5, no significant interaction effect between followers and

disclosures was found.

CHAPTER 5

Discussion

This study investigated influencer advertising on Instagram and looked at the individual and dynamic relationships between a popularity indicator (number of followers) and a transparency cue (disclosures) in order to evaluate how number of followers and sponsorship disclosures affect user persuasion (i.e., brand attitudes, purchase intent, and intent to share). Source credibility theory was the underlying heuristic that informed this research. Source credibility is judged by the receiver of the information (Flanagin & Metzger, 2007), and both popularity and transparency may influence credibility (Westerman et al., 2012; Wojdynski & Evans, 2016). Perceived credibility is an important factor in determining an influencer's effectiveness (Chu & Kamal, 2008).

The first main effect this study evaluated was the role of number of followers as a possible popularity indicator for Instagram users, and whether number of followers an influencer has influences credibility ratings for Instagram users. Based on previous research findings indicating that significant interaction effects between number of likes and level of perceived credibility (Schroth, 2015), and extant research has found that number of followers served as a popularity indicator (Flanagin & Metzger, 2013; Westerman et al., 2012), as well as that followers were a credibility indicator on the social network Twitter (Westerman et al., 2012), it was hypothesized that number of followers would positively affect perceived credibility, brand attitude, and behavioral intent for Instagram users.

Main Effect 1: Number of Followers

This study found that number of followers is not a heuristic cue for users evaluating an influencer's credibility because a significant difference between groups of high versus low number of followers was not found (see Table 4). This finding conflicts with the results of Westerman et al.'s (2012) study, which found that number of followers was an important factor in influencing people on Twitter. Among other reasons, these findings may be contradictory due to the difference between the formats of Twitter and Instagram, despite both being social media platforms.

Intent to purchase was found to have a significant difference between groups based on number of followers ($p = .02$), with those in the group exposed to a lower number of followers having a higher intent to purchase. This finding is in line with De Veirman et al.'s (2017) study that evaluated the impact of number of followers along with brand divergence on brand attitudes. Their study found that users that wanted to be viewed as *different* preferred influencers with lower number of followers and higher brand divergence. Although intent to purchase was affected by number of followers in this research, partial eta squared was .039, meaning that a number of other factors (moderators) may have contributed to the significant finding. For example, because the product featured is not a well-known product, product divergence, as discussed in De Veirman et al.'s study may have affected responses about intent to purchase for low follower stimulus groups. Intent to share and brand attitude were not affected by number of followers.

Main Effect 2: Use of Disclosures

The second main effect this study evaluated was the role of sponsorship disclosures on perceived source credibility, brand attitudes, and persuasion. The FTC currently polices Instagram for advertising disclosures, and may fine companies or influencers for non-compliance. People's choices are swayed by others' opinions online (Zhu et al., 2011). It is important to evaluate the impact of influencer marketing on social media users because the internet blurs the lines of commercial and personal content (Duffy & Hund, 2015; Gottfried, 2015). The blurring of the lines between commercial and personal content is what makes influencer marketing so powerful (Woods, 2016). As these lines become more blurred, it is paramount that social media users are aware when they are exposed to ads, because identification of advertising is a consumer right (Cain, 2011). Because credibility is judged by the receiver of the message, when Instagram users are unable to determine that they are viewing paid advertising and make a purchase decision based on an influencer's recommendation, it is unethical.

The goal of this study was to evaluate the relationship among sponsorship disclosures and credibility rankings, brand attitudes, and follower purchase intent and intent to share in order to provide further motivation for influencers to use sponsorship disclosures. Because of conflicting findings regarding disclosure usage online (where honest disclosures had a positive impact for Hwang and Jeong [2016]; disclosures led to resistance, reduced attitudes, and reduced purchasing intent for van Reijmersdal et al. [2016]), this research evaluated disclosures using research questions asking how disclosures affect perceived source credibility, brand attitudes, and behavioral intent.

This study found no significant difference between presence or absence of sponsorship disclosure and an Instagram user's evaluation of the credibility of an influencer ($p = .72$), attitude toward brand ($p = .71$), intent to purchase ($p = .90$), and intent to share ($p = .95$; see Table 5). This finding is significant because both the FTC and Instagram place great value on an influencer's use of advertising disclosures, as evidenced by the examples illustrated at the beginning of this thesis. Source credibility is judged by the receiver of the message, and if Instagram users are not equating advertising disclosures with credibility and disclosures do not affect brand attitudes, intent to purchase products, or intent to share the post, disclosures may not play as big of a role for Instagram users as the FTC estimated previously. A possible reason for this finding may be that Instagram users determine source credibility based on other factors and even expect to see ads from influencers, which will be discussed in further detail below.

Interaction Effects

This research evaluated the possible interaction effects between number of followers combined with presence or absence of disclosures to determine which condition, if any, was most conducive to eliciting positive credibility evaluations, brand attitude, and intent to purchase and share products. A two-way MANOVA test showed no significant differences between treatment conditions (see Table 3), and one-way ANOVA step down analyses found no significant differences for each dependent variable (see Table 6), but other factors may explain the lack of significant findings in this study. Although advertising disclosures and number of followers were not found to be indicators of credibility for Instagram users, nor did they help predict brand attitudes or intent to

purchase and share products when combined as factors, it is possible that advertising disclosures or number of followers may be combined with other moderators that could lead to changes in user evaluations and behavioral intent. For example, Schroth (2015) found that product involvement affected how users evaluated the number of likes on Instagram, and De Veirman et al. (2017) found that product divergence was a moderator that played a role alongside number of followers in users forming brand attitudes. Similarly, Hwang and Jeong (2016) found that an honest disclosure (emphasizing that the disclosure reflects the influencer's honest opinion) had positive results and a simple disclosure had negative results, especially for high skepticism individuals.

Persuasive Cues

Despite finding no interaction effect between followers and disclosures with regard to credibility, brand attitudes, and behavioral intent, this study did find that users may utilize different persuasive cues when evaluating content on Instagram. Users reported that they recognized content as advertising based on cues such as photo layout, the presence of products in photos, or the mention of a brand name in the text accompanying the photo posted. This finding is a meaningful contribution to research on the role of disclosures in Instagram influencer advertising. Regardless of disclosure condition stimulus group, 87% of respondents correctly responded that they had viewed an advertisement when viewing the Instagram post. When asked why they deemed the post advertising, subjects in the groups that did not contain advertising disclosures gave responses including the presence of a "product," "the photo layout," or "the post" itself as indicators that they were viewing an advertisement (see Appendix C for a full list of participant responses). Groups that

contained an advertising disclosure included similar responses to groups with no

disclosure, indicating that disclosures are not the only advertising indicators respondents

use when evaluating whether an influencer's post is advertising. Because many users look

for, or even expect, advertising in posts, this indicates that advertising disclosures may not

be as important as the FTC previously estimated. This finding, combined with the findings

that an advertising disclosure is not correlated with increased credibility perceptions, brand

attitudes, intent to purchase, or intent to share, it is arguable that disclosure usage may not

be a question of ethics in the landscape of ads posted by Instagram influencers, because

users were not impacted by the presence of disclosures. Previous research on influencer

marketing has approached disclosures from the perspective that they are always used

(Woods, 2016). Approaching this study from the perspective that disclosures are not

always used, despite laws indicating that they must be, allowed for the discovery that many

Instagram users look for a number of advertising indicators when consuming content.

Limitations

A limitation of this research is that most users identified signals other than the

advertising disclosure as the main advertising indicator. Regardless of whether they were in

the disclosure or no disclosure block, 87% of respondents ($n = 113$) in the total sample

correctly identified advertising. However, in both the high and low stimulus groups

exposed to the disclosure conditions, only five respondents out of 61 (8.2%) who correctly

identified that the post was an ad responded that a disclosure served as the main advertising

indicator. Once respondents identified that they had viewed an ad, they were asked, "What

made you think there was advertising in this post?" in order to determine the advertising

indicator. The sample size of users that identified disclosures as the primary advertising indicator ($n = 5$) did not allow for evaluation of the impact of disclosures on user attitudes toward credibility, user brand attitude, or behavioral intent based solely on respondents correctly identifying the disclosure as the advertising indicator. Participants who utilized disclosures as the main advertising indicator may have different evaluations of credibility, brand attitudes, intent to purchase, and intent to share.

Although this study found no significant difference between the presence or absence of a sponsorship disclosure in terms of an Instagram user's evaluation of credibility of an influencer, brand attitudes, or behavioral intent, results may be affected by a larger sample size of users that use disclosures as cues in identifying advertising. Future researchers may highlight or point to the fact that the user is viewing a post containing an advertising disclosure. As a reminder, this study's stimulus materials complied with FTC guidelines and were in line with what Instagram users would normally interact with on the mobile application. Additionally, future researchers may compare results for respondents who did not initially recognize that the post was an ad. This may provide a deeper understanding of the role disclosures play for less savvy Instagram users where an advertising disclosure is the primary cue in determining the presence of advertising.

This research was originally conceptualized in 2016. Because of delays in completing the research, user response and results may have been affected. This research may have had different findings regarding the roles of number of followers and disclosures had it been completed sooner, due to the constantly changing and quickly developing media environment. Examining the roles of disclosures and number of followers in

credibility perceptions, brand attitudes, and behavioral intent is still important because influencer marketing still abounds on Instagram, but the finding that Instagram users are savvy in recognizing advertising opens the door for more questions.

Another limitation of this research is that Hypothesis 1 was not supported because only one dependent variable (purchase intent) yielded a significant difference between high and low followers. This difference was inverse of the predicted effect that more followers would have a higher purchase intent. Further, this research solely investigated the roles of number of followers and advertising disclosures, and did not examine possible covariates or moderators. For example, education, sex, desire to fit in, how often users access Instagram, whether respondents regularly follow influencers, or whether the Instagram user had previously purchased items recommended by influencers may have affected study results for both number of followers and for disclosures. Examining possible covariates or moderators like the items listed previously may produce different results for future researchers.

Areas for Future Research

More factors like advertising recognition, activated persuasion knowledge, or attitudes toward advertising on Instagram may have affected respondents' opinions and behavioral intent in this study. Future researchers may evaluate these items as possible moderators for influencing the efficacy of Instagram advertising. For example, 67.2% of respondents reported that it was acceptable that the post was a paid ad, and 15.3% of respondents reported feeling neutral that they were viewing an ad, leaving only 17.7% of respondents who said they did not think it was acceptable that they had viewed a paid

advertisement. Each of these groups may have had different credibility perceptions, brand attitudes, and behavioral intent as a result of their opinions on Instagram advertising. Similarly, future researchers could evaluate the role of persuasion knowledge by comparing responses from groups that have a high persuasion knowledge score versus a low persuasion knowledge score, measured by self-reported scales.

Thomas, Fowler, and Grimm (2013) found that attitude toward disclosure plays a moderating role in influencing consumer perceptions of manipulative intent for users watching a commercial. Future researchers may benefit from combining elements of their study (a scale measuring attitudes toward disclosure, updated to reflect Instagram use) with elements of this study (measuring impacts of attitude toward disclosure on credibility, brand attitudes and behavioral intent) in order to gain a better understanding of the role of disclosures for Instagram users evaluating advertising.

This study attempted to measure attitude toward disclosure, but during the pretest of the survey, Chronbach's alpha indicated low reliability in the questions "I believe Instagram influencers should disclose if posts are ads" and "I like seeing #ad on posts." As a result, these questions were removed from the survey. Future research could expand and develop reliable measures for "attitude toward disclosure" in order to evaluate how attitude toward disclosures and/or number of followers affects intent to purchase or share products recommended by Instagram influencers.

In addition to evaluating the possible moderators of advertising recognition along with activated persuasion knowledge and attitudes toward influencer advertising on Instagram for brands, future researchers could evaluate the impacts of type of products

being advertised on attitudes toward influencer credibility, brand attitudes, and behavioral intent when it comes to sharing or purchasing products on Instagram. Diverse products may affect user responses. Responses and reactions to advertising disclosures may be affected by the type of product recommended (i.e., shoes, brand of coffee, paint.)

To expand the participant selection, bath products in a gender-neutral color scheme were selected for the stimulus material, as opposed to another type of product, such as clothing or shoes, which may be perceived as gendered. In the future, researchers may evaluate gendered products like clothing, shoes, or jewelry and limit participant gender. This research chose to show only one shot of the influencer that was not a close-up, a somewhat gender neutral product page, and a brand that is not well known in order to reduce bias.

Brand recognition may affect activated persuasion knowledge and brand attitude. Although a real product was selected, it was purposely not a well-known brand (e.g., Nike, Fashion Nova, Coca Cola) in order to avoid potential biases resulting from preexisting brand attitudes. A newly launched brand with a low likelihood of brand recognition was chosen based on Schroth's (2015) finding that consumers with low product involvement use *likes* as an indicator of a brand's credibility. Although this research did not echo their findings, future researchers may look at the role of number of followers by making the number of followers visible on the individual post, as if a user is scrolling from the influencer's page, instead of showing the post as part of a newsfeed. Future research on the impact of disclosures or number of followers on advertising featuring well-known brands that use influencer marketing, like Nike, may produce different results in an otherwise

similar study. Using these scales and measures, future researchers could compare responses to evaluate similarities and differences when respondents are exposed to well-known brands.

The type of photo may also affect findings. The stimulus materials used in this study included a flat lay photo of the products being advertised. Because many respondents said the layout of the photo or the products in the photo activated their advertising recognition, future researchers may use different types of photos to evaluate user response to advertising. For example, many influencers post photos of themselves holding or wearing a product, and this may have an impact on advertising recognition. This research utilized a flat lay in order to avoid possible bias based on sex or physical characteristics of the influencer being featured in the photo.

Only 13% of respondents did not recognize that the stimulus material was an advertisement. Future researchers may evaluate perceived source credibility, brand attitudes, and behavioral intent of respondents in the group who were not able to identify that they were viewing advertising. Comparing results between groups that recognized the ad versus did not recognize the advertisement may produce insight for future researchers. Further, future researchers may benefit from evaluating whether the number of followers plays a role in the post's success for users who did not recognize the advertisement.

In order to evaluate the impact of number of followers as a popularity indicator and the role followers may play in source credibility and the success of an advertising campaign, future research may also evaluate influencers with higher or lower numbers of followers (i.e., 1 million, 4.5 million, 8 million), because this research evaluated micro-

influencers with follower counts under 500K. Similarly, future researchers may examine

influencers with lower number of followers than accounts featured in this research, which

were 31.6K for the low follower condition and 403K for the higher follower condition (see

Appendix A). Additionally, future researchers may evaluate the role of number of

followers when an Instagram user is in the process of making a purchase decision, once

participants respond that they are open to purchasing products discovered on Instagram.

 This study evaluated the relationships between number of followers and the use of

advertising disclosures in an Instagram post. A study where respondents are shown both

profiles and posts then answer questions based on each profile may be more enlightening

regarding the specific roles advertising disclosures or number of followers play in user

perception of influencer credibility, brand attitudes, and behavioral intent.

CHAPTER 6

Conclusion

As evidenced by previous research cited in the literature review, influencer

marketing is effective (Hitz, 2014; Murphy & Schram, 2014; Zhu et al., 2011). It is widely

accepted in the advertising industry that influencers are invaluable to brands looking to

connect to consumers. Whereas Duffy and Hund (2014) investigated the importance of

bloggers maintaining credibility with their followers and promoting on-brand products,

they did not evaluate the role of disclosures. This research evaluated the roles of

disclosures and number of followers in the perceived credibility of an Instagram influencer

and behavioral intent regarding sharing or purchasing products.

Many companies utilize influencer marketing campaigns in order to connect with

consumers in a manner that feels more authentic than traditional advertising. Although

previous research has investigated the role of influencer advertising on blogs or Twitter,

this research expands upon that knowledge in regard to the social media platform

Instagram.

The purpose of sponsorship disclosures is to prevent deceptiveness (FTC, 2019).

The FTC monitors advertising practices online and has fined companies and issued

warnings to celebrities and influencers for not following their disclosure rules. Based on

findings in this research that showed no relationship between disclosures and credibility

and behavioral intent, disclosures may not be as important as the FTC currently estimates.

Because many cues like photo layout or products being featured were found to help users

identify that they were viewing an ad, and because many users correctly identified

advertising, maintaining an ethical landscape on Instagram is not as simple as putting #ad within the first three lines of text underneath a post. Because previous research on social media marketing took for granted the fact that all influencers use advertising disclosures, it may have been overlooked that Instagram users are savvy and have come to expect ads during their scrolling. A practical implication of this research is that the FTC may modify their rules or enforcement of disclosure use as a result of this finding.

In their book on source credibility theory, Hovland et al. (1953) stated, "Communicator characteristics relevant to the amount of influence exerted…are probably specific as to time and cultural setting" (p. 20). Because of the rapidly developing social media environment and participants' apparent expectation of ads, disclosures may not be a characteristic relevant to the amount of influence exerted. As stated previously, 87% of respondents in this study correctly identified advertising, regardless of stimulus group. This finding indicates that Instagram users are savvy and that advertising is an expected part of Instagram use, regardless of whether users approve of the advertising. More research is needed to evaluate influencer advertising from the perspective of Instagram users. Whether some users expect ads and accept them or some users experience resistance when they view ads, influencers continue creating content for brands and posting content. Because of the circulatory environment of Instagram, this content is circulated by other influencers, other Instagram users, and brands. Although disclosures do theoretically increase transparency, this research shows that disclosures are not necessarily correlated with credibility perception of influencers, brand attitudes, or behavioral intent. Brands and influencers like PewDiePie, CSGO Lotto, and Lord & Taylor that have come under scrutiny of the FTC for

not using advertising disclosures have paved the way for Instagram users to expect and

evaluate posts for ads based on more than just sponsorship disclosures or number of
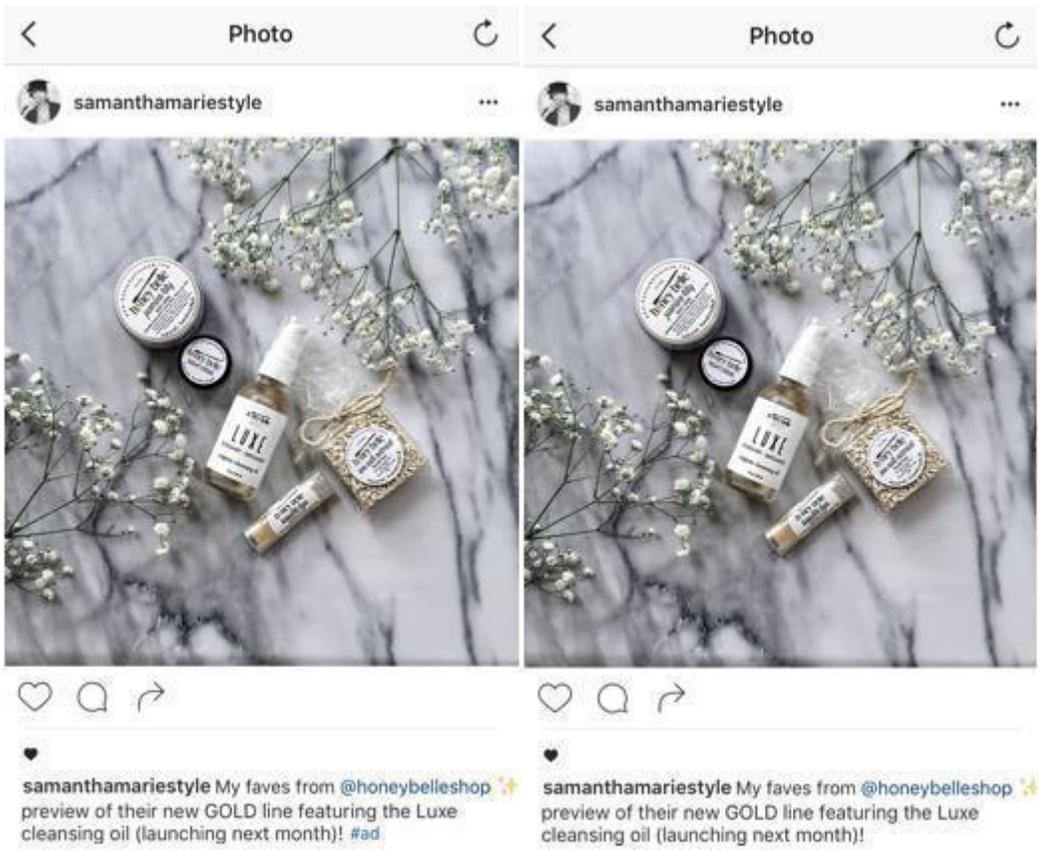
followers.

Appendix A

Stimuli

Number of followers (high, low.)
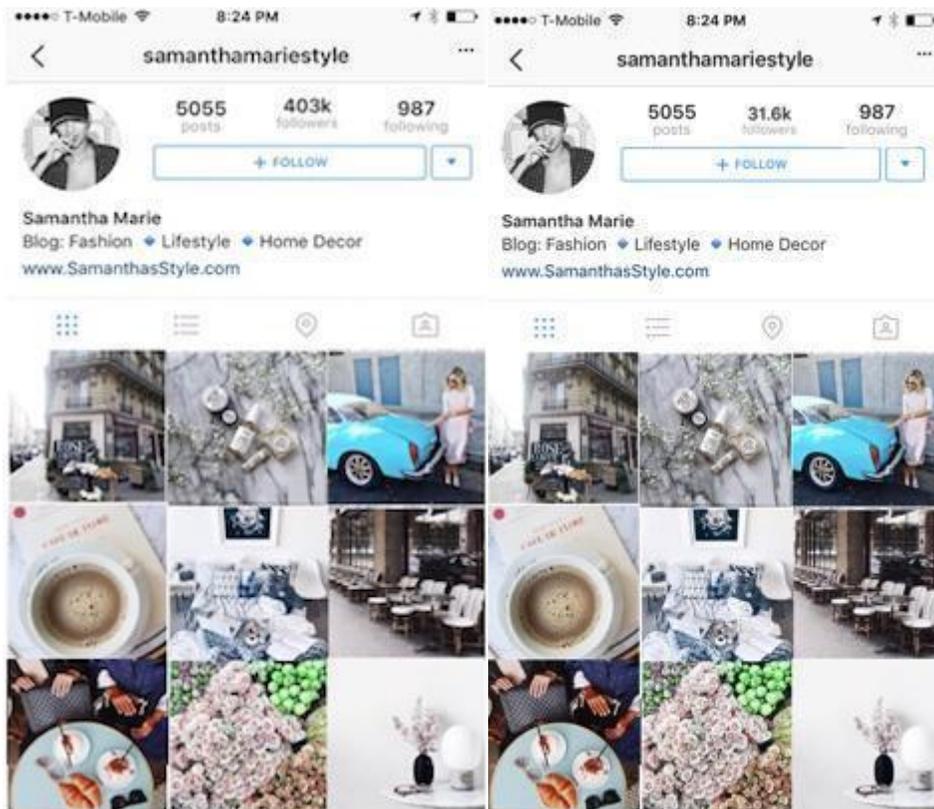
Disclosure condition (disclosure, no disclosure.)

<   Photo   ↻

samanthamariestyle   ...

♡ ◯ ↗

♥

samanthamariestyle My faves from @honeybelleshop ✨
preview of their new GOLD line featuring the Luxe
cleansing oil (launching next month)! #ad

<   Photo   ↻

samanthamariestyle   ...

♡ ◯ ↗

♥

samanthamariestyle My faves from @honeybelleshop ✨
preview of their new GOLD line featuring the Luxe
cleansing oil (launching next month)!

Appendix B

Survey

Qualification 1 What is your age?

_____

Qualification 2 Which of the following social media platforms do you use? Please select all that apply.

☐ Facebook (1)

☐ Twitter (2)

☐ Instagram (5)

☐ Snapchat (6)

Qualification 3 What is your gender?

○ Male (1)

○ Female (2)

○ Nonbinary (3)

○ Prefer not to disclose (4)

- -

Consent
Dear participants,
You are invited to participate in a research analysis conducted by Allison Cox affiliated with the Communication Division at Pepperdine University.   **This study is designed to examine individuals' responses on Instagram influencer profiles and posts**. In this study, you will first complete a questionnaire about your Instagram habits. Then you will view the profile of an Instagram influencer and a post made by that Instagram influencer.

You will then be asked a series of questions on your attitudes toward the influencer, toward the brand they post about, your intention to purchase these products or share the post, and your persuasion knowledge. Collected data will only be used in statistical analyses. **You will be compensated according to the terms of your panel provider. The entire study will take approximately 15 minutes to complete.** The results of your participation in this research will be confidential.   Your participation in this study is completely voluntary. You may withdraw at any time and choose to participate in another study.   Closing the survey window will erase your answers without submitting them.   Please note that Internet communications are insecure and there is a limit to the confidentiality that can be guaranteed due to the technology itself. However, once the research completed, the researcher will store the results on a password protected computer, and will destroy them by June 2020.   **If you have any questions, please contact Allison Cox at 803-599-2847 or Allison.cox@pepperdine.edu.** Additional questions or problems regarding your rights as a research participant should be addressed to the Pepperdine University's IRB Chairperson, Dr. Susan Helm at Susan.helm@pepperdine.edu.   Thank you for the invaluable help you are providing by participating in this research study. Please begin the online experiment now by clicking the link below.   I understand and agree to participate in this research project.

○ Yes (1)

○ No (2)

Skip To: End of Block If Dear participants,   You are invited to participate in a research analysis conducted by Allison C... = No

Page
Brea
k

Please answer the following questions about your Instagram use and habits:

Q1 I have purchased a product after seeing it on Instagram

○ Yes (1)

○ No (2)

Q2 I like finding new products on Instagram

○ Yes (1)

○ No (2)

Q3 How often do you use Instagram?

○ Multiple times a day (1)

○ Daily (2)

○ Multiple times a week (3)

○ Weekly (4)

○ Less than once a week (5)

Q4 What kinds of accounts do you follow on Instagram? (Select all that apply.)

☐ I follow friends (1)

☐ I follow brands (2)

☐ I follow bloggers (3)

☐ I follow celebrities (4)

Page Break

Q5 Now you will be asked to view an Instagram page. Please look at the following Instagram profile and read the post from the profile. Please take **at least one minute and fully scan all of the elements** of the page and the corresponding post.
Please note that once you click the "next" button at the bottom of these pages, you can't go back to the previous post.

End of Block: Block 2

Start of Block: Block 3

samanthamariestyle My faves from @honeybelleshop ✨ preview of their new GOLD line featuring the Luxe cleansing oil (launching next month)! #ad

End of Block: Block 3

Start of Block: Block 4

Q6 You just viewed a profile and a post from the profile. Please answer the following questions about that post:

Was there any advertising in this post?

○ Yes (1)

○ No (2)

- -

Display This Question:
*   If You just viewed a profile and a post from the profile. Please answer the following*
questions abou... = Yes

Q6B If yes, what made you think there was advertising in this post?

_____

Q6C If yes, what areas of the post contained advertising?

_____

Q7 Please list the brand or products listed in the post you just viewed.

_____

Page Break

Q8 Please rate how you feel about the person who posted the content you just viewed.

I think the Instagrammer was:

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Transparent (1)	○	○	○	○	○	○	○
Honest (2)	○	○	○	○	○	○	○
Trustworthy (3)	○	○	○	○	○	○	○
Convincing (4)	○	○	○	○	○	○	○
Biased (5)	○	○	○	○	○	○	○
Credible (6)	○	○	○	○	○	○	○
Ethical (7)	○	○	○	○	○	○	○
Reputable (8)	○	○	○	○	○	○	○

Page Break

Q9 You just viewed a post that included products made by HoneyBelleShop. Please rate how you feel about the brand represented in the post you just viewed.

I think HoneyBelleShop is:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)	
Bad	○	○	○	○	○	○	○	Good
Unpleasant	○	○	○	○	○	○	○	Pleasant
Unfavorable	○	○	○	○	○	○	○	Favorable

Page Break

Q10 You just saw a photo of HoneyBelleShop bath products. Please report how you feel about these products.

	Strongly disagree (1)	disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
I'm likely to purchase this product. (1)	○	○	○	○	○	○	○
I would like more information on this product. (2)	○	○	○	○	○	○	○
I'm interested in this product. (3)	○	○	○	○	○	○	○

Page Break

Q11 Please respond to how you identify with each statement regarding the post, profile, and products shown in the post.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
I would repost this photo. (1)	○	○	○	○	○	○	○
I would tag a friend in this post or message this post to a friend. (2)	○	○	○	○	○	○	○
I would recommend this profile to a friend. (3)	○	○	○	○	○	○	○
I would purchase the products recommended in this post. (4)	○	○	○	○	○	○	○

Page Break

Q12 Please rate how you feel about the person who made the post (the Instagrammer) you just saw. Select the point between the adjectives that describes the extent to which you believe the word describes the Instagrammer.

I think the person who made this post (the Instagrammer) was:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)	
Unappealing	○	○	○	○	○	○	○	Appealing
Bad	○	○	○	○	○	○	○	Good
Unpleasant	○	○	○	○	○	○	○	Pleasant
Unfavorable	○	○	○	○	○	○	○	Favorable
Unlikeable	○	○	○	○	○	○	○	Likeable

Page Break

Q13 Please rate the extent to which of these items are characteristic of you:

	Extremely Uncharacteristic (1)	Uncharacteristic (2)	Neutral (3)	Characteristic (4)	Extremely Characteristic (5)
I know when an offer is "too good to be true." (1)	○	○	○	○	○
I can tell when an offer has strings attached. (2)	○	○	○	○	○
I have no trouble understanding tactics used by sales persons. (3)	○	○	○	○	○
I know when a marketer is pressuring me to buy. (4)	○	○	○	○	○
I can see through sales gimmicks used to get consumers to buy. (5)	○	○	○	○	○
I can separate fact from fantasy in advertising. (6)	○	○	○	○	○

Page Break

Q Please answer the following questions about the post you just viewed.

Q14 It seems acceptable to me if the brand (HoneyBelleShop) had paid to be mentioned.

	Strongly disagree (1)	Disagree (2)	Moderately disagree (3)	Mildly disagree (4)	Neither agree nor disagree (5)	Mildly agree (6)	Moderately agree (7)	Agree (8)	Strongly agree (9)
(1)	○	○	○	○	○	○	○	○	○

Q15 It seems fair to me if the brand (HoneyBelleShop) had paid to be mentioned.

	Strongly disagree (1)	Disagree (2)	Moderately disagree (3)	Mildly disagree (4)	Neither agree nor disagree (5)	Mildly agree (6)	Moderately agree (7)	Agree (8)	Strongly agree (9)
(1)	○	○	○	○	○	○	○	○	○

Q16 What is the highest level of school you have completed/degree received?

○ Less than high school degree (1)

○ High school degree or equivalent (e.g., GED) (2)

○ Some college but no degree (3)

○ Associate Degree (4)

○ Bachelor Degree (5)

○ Graduate Degree (6)

Page Break

Q19 There are two Instagram pages shown.
Which page contains more followers?

○   (1)

○   (2)

Q20 There are two Instagram posts shown.
Which post contains an expression that the post is an ad (a sponsorship disclosure)?

○ Image:Disc jpeg (1)

○ Image:No disc jpeg (2)

Appendix C

Advertising Recognition Responses

Q6B If yes, what made you think there was advertising in this post?

_____

Q6C If yes, what areas of the post contained advertising?

_____

Q6B If yes, what made you think there was advertising in this post?	Q6C If yes, what areas of the post contained advertising?
Products	Caption
The caption	All of it
They were advertising something that is coming out next month	The text under the photo
I don't know	Na
They showed a bramd item	The middle
Ideas in the picture	Bottles
Saw promo code	The captiom
Because the post it self was a product promo	the entire post
The photo looked like it was staged for an advert	Description
Apperal	Top corner
A brand was tagged and a picture of the product was posted	The picture and the caption
There was a picture	The photos
She was saying a new item will be	The pixture of product
	All both picture and caption
	All of it

droppong soon

Based on the picture and caption

There was soaps and lotion

The post was advertising the candles

Beauty essentials
The statement about trying the new gold
line of products

Due to the picture posted.

Luxe brand

I seen brands

Hashtags

The image was of certain products

The placing and talk of the oil

Blantant advertising

Specific product mention

The products that where their

seen words

Business account

Product shown

The layout

The post hashtagged "ad."

the copy

The products were showcased.
She was showing a product that had not
yet launched
There was advertising for a popular
soap/makeup brand.

There was a store being advertised

The product shown in the photo
Check out these people saying it comes
out next month

The items

Serum

The had a picture of products and said
sneak peak new products launching next
week

The talking about the problem

bloggers usually post things like that

Yes the candles

Make up

The photo and the caption

The item in the picture.

The products shown

Bottom

The hashtag

The post and the description.

Essential oils

The caption

The photo and caption

Everything

the bottom

Post

Words

Photo

The whole post.

the copy

The description and photo

The description

The picture and the post narrative.

It was tagged in the photo

The second photo with focus on the product

All

Entire page

The bottom

They had a picture of products and said sneak
peak new products launching next week

The whole thing

the actual post itself

some

In the middle of the page

The whole post

N/A

top left page

In the second

TAGGING BRANDS

It was saying about luxe facial products

The clear advertizing
No advertising, just review on product.
My mistake.

cool

Kind of picture
It shows

Layout of the items
Salon

The bottles
Seeing a display of products
The hashtag
It tagged a company
People don't normally post products
her pic was advertizements on its own
The luxe brand oil
Photos of the products

Make up
Make up
Marie

Glax
The picture was advertising fashion
It was made for fragrances

Yes
The brands being displayed
None
They are promoting the products by
introducing them to begin with.
I saw the product

The bottom

Entire photo
Hair

The bottles
The post itself
Belle
Tags in description
In the post
in her pics
The post/picture
The feed

The 2nd one
The 2nd page
The description

Inteo
The entire post
Just beauty products

Yes
The picture itself
None
The caption of the post
The caption
The caption and picture
#ad
Text

Beauty
Hashtag
Left corner

The hashtag #ad

the hastag ad

Photo of product with description of it coming out soon

Pic

The post

Make up

The layout

There was a deal featured.

Organic food

The product

The products

Product pic

Beauty products

I don't know

Don't know

Pictures

Product selling

Product image

It was subtle but and maybe she was just stating a favorite product but the composition of the photo

The way she had items layed out

Photos

Pictures of products/oils and a brief description

She had a photo of products and tagged the handle for the products.

The product name and brand

Images

Products

She was complimenting a product she was using

The post

It said #ad

I saw products

All

The bottom left corner.

The middle section

There a gold products in the works

The logo

The post

picture and hash tags

I don't know

Don't know

The pictures

Within the picture

The photo and comment

Photo contained picture of product, descriptions had tag to company

her post

Cosmetics

The pictures of products... the description had light advertising. Enough info to make you want to click on the post

The post with products.

The picture and text

Images

Caption

The 2nd pic

The post

A picture from a post

Company name

The picutres

Don't know

Idk

The caption

Good

the description and photo

the pic

I see

beauty and health

Product knowledge

The picutes Don't know Lots of stuff It had a company tagged Good They tagged the company the stuff in the pic On top some beauty products Basic but straight forward named a product Pictures	text Almost the whole thing

Appendix D

FTC Guidelines

Disclosures 101 for Social Media Influencers

TAGS:

- Advertising and Marketing

Do you work with brands to recommend or endorse products? If so, you need to comply with the law when making these recommendations. One key is to make a good disclosure of your relationship to the brand. This brochure from FTC staff gives tips on when and how to make good disclosures.

The FTC works to stop deceptive ads, and its Endorsement Guides go into detail about how advertisers and endorsers can stay on the right side of the law.

If you endorse a product through social media, your endorsement message should make it obvious when you have a relationship ("material connection") with the brand. A "material connection" to the brand includes a personal, family, or employment relationship or a financial relationship – such as the brand paying you or giving you free or discounted products or services. Telling your followers about these kinds of relationships is important because it helps keep your recommendations honest and truthful, and it allows people to weigh the value of your endorsements.

As an influencer, it's **your responsibility** to make these disclosures, to be familiar with the Endorsement Guides, and to comply with laws against deceptive ads. Don't rely on others to do it for you.

WHEN TO DISCLOSE

- Disclose when you have any **financial, employment, personal, or family relationship** with a brand.
  - Financial relationships aren't limited to money. Disclose the relationship if you got anything of value to mention a product.
  - If a brand gives you free or discounted products or other perks and then you mention one of its products, make a disclosure even if you weren't asked to mention *that* product.
  - Don't assume your followers already know about your brand relationships.
  - Make disclosures even if you think your evaluations are unbiased.
- Keep in mind that tags, likes, pins, and similar ways of showing you like a brand or product are endorsements.
- If posting from abroad, U.S. law applies if it's reasonably foreseeable that the post will affect U.S. consumers. Foreign laws might also apply.
- If you have no brand relationship and are just telling people about a product you bought and happen to like, you don't need to declare that you **don't** have a brand relationship.

HOW TO DISCLOSE

Make sure people will **see and understand** the disclosure.

- Place it so it's **hard to miss**.
  - The disclosure should be placed with the endorsement message itself.

Disclosures are likely to be missed if they appear only on an ABOUT ME or profile page, at the end of posts or videos, or anywhere that requires a person to click MORE.

Don't mix your disclosure into a group of hashtags or links.

If your endorsement is in a *picture* on a platform like Snapchat and Instagram Stories, superimpose the disclosure over the picture and make sure viewers have enough time to notice and read it.

If making an endorsement in a *video*, the disclosure should be in the video and not just in the description uploaded with the video. Viewers are more likely to notice disclosures made in both audio and video. Some viewers may watch without sound and others may not notice superimposed words.

If making an endorsement in a *live stream*, the disclosure should be repeated periodically so viewers who only see part of the stream will get the disclosure.

- Use **simple and clear** language.

    Simple explanations like "Thanks to Acme brand for the free product" are often enough if placed in a way that is hard to miss.

    So are terms like "advertisement," "ad," and "sponsored."

    On a space-limited platform like Twitter, the terms "AcmePartner" or "Acme Ambassador" (where Acme is the brand name) are also options.

    It's fine (but not necessary) to include a hashtag with the disclosure, such as #ad or #sponsored.

    Don't use vague or confusing terms like "sp," "spon," or "collab," or stand-alone terms like "thanks" or "ambassador," and stay away from other abbreviations and shorthand when possible.

- The disclosure should be in the same language as the endorsement itself.
- Don't assume that a platform's disclosure tool is good enough, but consider using it in addition to your own, good disclosure.

WHAT ELSE TO KNOW

- You can't talk about your experience with a product you haven't tried.
- If you're paid to talk about a product and thought it was terrible, you can't say it's terrific.
    - You can't make up claims about a product that would require proof the advertiser doesn't have – such as scientific proof that a product can treat a health condition.

FOR MORE INFORMATION

Have more questions? The FTC's Endorsement Guides: What People Are Asking is an FTC staff publication that answers many questions about the use of endorsements, including in social media, with many helpful examples.

https://www.ftc.gov/influencers

November 2019

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