

Disclosing Instagram Influencer Advertising: The Effects of Disclosure Language on Advertising Recognition, Attitudes, and Behavioral Intent

Nathaniel J. Evans , Dr. Joe Phua , Jay Lim & Hyoyeon Jun

To cite this article: Nathaniel J. Evans , Dr. Joe Phua , Jay Lim & Hyoyeon Jun (2017): Disclosing Instagram Influencer Advertising: The Effects of Disclosure Language on Advertising Recognition, Attitudes, and Behavioral Intent, Journal of Interactive Advertising, DOI: [10.1080/15252019.2017.1366885](https://doi.org/10.1080/15252019.2017.1366885)

To link to this article: <http://dx.doi.org/10.1080/15252019.2017.1366885>



Accepted author version posted online: 17 Aug 2017.



Submit your article to this journal [↗](#)



Article views: 61



View related articles [↗](#)



View Crossmark data [↗](#)

Disclosing Instagram Influencer Advertising: The Effects of Disclosure Language on Advertising Recognition, Attitudes, and Behavioral Intent

Nathaniel J. Evans, Ph.D. Assistant Professor¹, Dr. Joe Phua Associate Professor², Jay Lim
Doctoral Student³, Hyoyeun Jun Doctoral Student⁴

Department of Advertising & Public Relations Grady College of Journalism & Mass
Communication University of Georgia 120 Hooper St Athens, GA, USA 30602

¹Correspondence author: 706.542.1697 nevans4@uga.edu

²Correspondence author: 706.542.4984 joephua@uga.edu

³Correspondence author: 706.542.4984 shining0931@gmail.com

⁴Correspondence author: 706.542.4984 hj15075@uga.edu

ABSTRACT

In this study we examined the effect of disclosure language (control/no disclosure, “SP”, “Sponsored”, and “Paid Ad”) in Instagram-based influencer advertising on ad recognition, brand attitude, purchase intention and sharing intention among a sample of 237 students. In line with prior research, results indicated that disclosure language featuring “Paid Ad” positively influenced ad recognition, which subsequently interacted with participants’ memory of a disclosure, and mediated the effect disclosure language on attitude toward the brand and sharing intention. The findings offer a significant contribution to the literature on consumers’

information processing and understanding for new and developing native advertising executions.

Theoretical and managerial implications are discussed.

Keywords

Influencer Advertising, Advertising Disclosures, Advertising Recognition, Native Advertising,
Instagram

In recent years, social media has become an important advertising platform for brands looking to reach consumers online. According to a 2016 Harris Poll and Hootsuite survey, 83% of American adults use social media, with 48% interacting with brands and businesses on at least one social media site (Walters 2016). There are many ways in which brands can use social media sites to engage with their target audience, including brand pages, paid ads or sponsored posts, and electronic word-of-mouth (eWOM). eWOM refers to “any positive or negative statement made about a product or company, which is made available to a multitude of people and institutions via the Internet” (Hennig-Thurau, Gwinner, Walsh and Gremler 2004, p. 39). Specifically, on social media platforms, brand-related eWOM can be propagated by individuals who have the desire to share brand-related information with others in their social networks (Chu and Kim 2011; Phua and Ahn 2016). The shared information is then passed along through multiple connected persons within and between social networks, eventually leading to critical mass (Rogers 2010). eWOM typically encompasses unpaid, organic communication by consumers who voluntarily act as brand advocates due to positive prior experiences with particular brands (Scott 2015). However, brands may often utilize paid eWOM to amplify brand messages through opinion leaders, in a process known as influencer marketing (Scott 2015), which is the focus of the current study. Defined as the identification and use of specific key individuals who hold influence over potential buyers of a brand or product to aid in the marketing activities of the brand (Brown and Hayes 2008), influencer marketing can act as a powerful mechanism for eWOM. In previous research, use of influencers such as celebrities (e.g. Djafarova and Rushworth 2017; Jin and Phua 2014), brand community members (e.g. Kim, Sung and Kang 2014), and bloggers (Lee and Watkins 2016), have been found to significantly increase

consumers' positive brand attitudes and purchase intentions. Due to its ability to reach a large segment of consumers in a relatively short period of time and its low cost compared to traditional ad campaigns, social media-based influencer marketing has become a highly popular way for brands to engage their consumers online (Phua, Jin and Kim 2016).

Instagram, a photo- and video-sharing mobile-based social media app with over 600 million active users as of December 2016 (Statistica 2017), is currently one of the most popular social media platforms for influencer marketing. Influencers on Instagram often amass large followings through posting aspirational photos using hashtags and engaging with followers on the site, leading to the rise of the term "Insta-famous," a self-made micro-celebrity known for his or her work on Instagram only (Washington Post 2014). Brands looking to use Instagram influencers to market their products can choose those whose niche interests align with their target audience, while the influencers in turn broadcast their brand-related posts to their many followers, leading to a mutually beneficial relationship between brands and influencers. Brands typically collaborate with influencers in several ways, including sharing sponsored content, posts and product placements, documenting an event or experience, hosting an event, and making event appearances (Mediakix 2016). For example, in 2016, clothing brand Old Navy announced that social media influencer Meghan Rienks to appear in several brand posts on Instagram, Twitter and YouTube, in which she showed fans how to style Old Navy outfits for special occasions, such as for a date or a holiday party, leading to positive eWOM for the brand (Hubspot 2017). As of 2016 (Huffington Post 2016), brands spend approximately \$1.5 billion on influencer marketing, with projected revenue expected to reach \$15-\$20 billion by 2020 (Mediakix 2016). Among marketers who have used influencer marketing, 81% judged it to be

effective, with 51% believing that they get better customers, and 37% reported better retention, due to consumers trusting influencers more than traditional ads (Burgess 2016).

Despite the many benefits of influencer marketing for brands, the practice has also received criticism from organizations including the Federal Trade Commission (FTC) due to the possibility of paid brand endorsements masquerading as organic, unpaid posts. In August 2016, TruthinAdvertising.org discovered several Instagram posts from Kim Kardashian and other celebrities who did not include disclosures in their paid product placement posts on the site (New York Times 2016). Incidents such as these have led the FTC to enact stricter guidelines for the disclosure of paid influencer posts on social media sites including Instagram. A major impetus for the regulation of influencer marketing lies in its similarity to native advertising, in which paid ads are made to look like editorial content. Influencer marketing can be classified as a form of native advertising because the nature of the paid relationship between the sponsoring brand and the individual poster may be unclear. The obfuscation of this relationship, in combination with potentially large bases of followers, may create the impression that the influencer's comments are their own objective opinion and not directly resultant from monetary or other forms of compensation from the sponsor. Information that indicates the relationship between the influencer and sponsor often comes in the form of labels or disclosures (FTC 2015). However, to date, little is known about what disclosure language characteristics (e.g. no disclosure, "SP," "Sponsored," "Paid Ad" etc.) are effective in promoting consumers' recognition of influencer posts as advertising, and whether the presence of these advertising disclosures, as recommended by the FTC (New York Times 2016), can minimize social media users' persuasion knowledge.

To this end, the current study sought to address the effect of Instagram-based influencer

marketing on brand-related outcomes, based on type of disclosure language in the Instagram influencer brand posts, drawing on the persuasion knowledge model (Friestad and Wright 1994), reactance theory (Brehm 1966; Brehm 1989), and the literature on ad recognition and disclosures in native advertising. A between-subject experiment was conducted, in which participants were randomly assigned to one of four conditions [disclosure language conditions: control/no disclosure, the letters “SP” (used to indicate sponsored content in a post), “Sponsored,” and “Paid Ad”], and asked to rate a brand advertised by an influencer on Instagram based on post-exposure ad recognition, brand attitude, purchase intention, and intention to spread eWOM.

LITERATURE REVIEW

Persuasion Knowledge Model

Individuals learn to approach different types of information through experience. On this basis, Friestad and Wright (1994) proposed that consumers’ experience with various persuasive messages helps him or her to develop an understanding and awareness of persuasive intent in the marketplace. The Persuasion Knowledge Model (PKM) provides a conceptual understanding of how consumers understand and respond to persuasive messages. Persuasion knowledge is defined as the knowledge that “enables them (consumers) to recognize, analyze, interpret, evaluate and remember persuasion attempts and to select and execute coping tactics believed to be effective and appropriate” (Friestad and Wright 1994, p. 3). Accordingly, individuals learn over time from experience (Friestad and Wright 1994) what constitutes persuasive communication, and how to appropriately carry out coping strategies designed to defend against the persuasive episode (Wright, Friestad and Boush 2005). The consequence of recognition of

the content (i.e. a persuasive episode) as advertising entails the use of coping strategies such as heightened skepticism, resistance, and counter-arguing, which in turn, have the potential to negatively affect brand and advertising related attitudes as well as behavioral intent (Nelson, Wood and Paek 2009).

Native Advertising and the Function of Disclosures

Prior studies posit that persuasive intent in non-traditional advertising formats, such as social media campaigns, is less recognizable than in traditional commercials (Van Reijmersdal, Smit and Neijens 2010; Van Noort, Antheunis and Van Reijmersdal 2012). Advertising executions in social media that are often shared or recommended by strong ties in the user's network, such as family, friends, and peers, may increase the appeal of the advertising message, and thus subsequently impact advertising related attitudes, brand attitudes and behavioral intent in a positive manner (Van Noort et al. 2012). However, conflicting results also warn that social media users are less patient with advertising whenever they perceive the advertisement's persuasive intent (Bang and Lee 2016; International Data Corporation 2008). Individuals may feel higher irritation when commercial content appears with no social connection (Elission et al. 2007).

In attempt to persuade consumers without triggering advertising recognition and associated coping mechanisms that include resistance and skepticism, advertisers have increasingly incorporated into their strategies the use of "native advertising," which minimizes advertising's interruption of social media usage (Lee, Kim and Ham 2016). Native advertising is a method of digital advertising that looks very similar to news articles or content already that

exists online (FTC 2015). It is narrowly defined as a paid form of advertising whose appearance is often in the form of editorial content from the publisher (Wojdyski and Evans 2016), or broadly defined as a various type of branded content that is similar to the format or design of the platform (Interactive Advertising Bureau 2013; Maetto and Zotto 2015). Both definitions of native advertising share a fundamental commonality in that the format of native advertising should be similar to its surrounding media content (Lee et al. 2016). Due to the obfuscation of the advertising and editorial or entertainment content, there are concerns that native advertising effectiveness is based on viewers' lack of awareness or understanding that it is advertising to begin with (Wojdyski and Evans 2016; FTC 2013b; FTC 2015). Thus, the covert nature of native advertising might prevent consumers from recognizing it as advertising and applying subsequent coping mechanisms.

The Federal Trade Commission workshop on native advertising in 2013 (FTC 2013b) and subsequent guidelines for recommended best practices in 2015 (FTC 2015) addressed whether consumers could recognize native content as advertising and how best to employ labels and visual cues to differentiate editorial content from commercial or advertising content. These labels or cues, which are referred to as disclosures, are designed to clearly identify the persuasion attempt of an advertisement and protect consumers from being deceived or misled (Hoy and Andrews 2004). Effective and clear disclosures should make the nature of the persuasive message and the intention behind the message clear to the consumer and in turn, aid consumers in thinking what the message is trying to accomplish (Rozendaal et al. 2011). The role of disclosure effectiveness in the context of native advertising plays a very important role in regards to consumer understanding and recognition of the content as advertising because oftentimes the

presence of a disclosure is the only piece of information that delineates the communication as an advertisement.

The Effect of Disclosure Presence on Advertising Recognition

The PKM posits that individuals will process a message differently when they perceive a message to be persuasive in nature. In other words, persuasion knowledge may not be activated when consumers do not recognize that the message is an advertisement (Boerman, Van Reijmersdal, and Neijens 2015a). An effective advertising disclosure can facilitate recognition of the content as advertising and thus trigger consumers' previously acquired persuasion knowledge and coping mechanisms. Research indicates that the presence of a disclosure can positively affect advertising recognition (i.e. conceptual persuasion knowledge) across variety of advertising formats, including advergames (Evans and Hoy 2016; Van Reijmersdal et al. 2015), product placement in television (Boerman et al. 2012; 2013; 2014; 2015a; 2015b; Campbell, Mohr, and Verlegh 2013; Tessitore and Geuens 2013), sponsored radio programs (Wei, Fisher and Main 2008), online sponsored news stories (Wojdyski and Evans 2016), and sponsored blogs (Carr and Hayes 2013; Van Reijmersdal et al. 2016)

Overall, prior research in both traditional and non-traditional media contexts indicate a positive relationship between disclosure presence and advertising recognition (i.e. conceptual persuasion knowledge). However, attempts to empirically examine this relationship in the context of social media influencer advertising executions are lacking. Henceforth, we predict that consumers who are exposed to an advertising disclosure will have more information to determine whether or not the communication qualifies as an advertisement and thus have a higher chance of

successful ad recognition. Therefore, we hypothesize that exposure to any advertising disclosure will lead better recognition of advertising.

H1: Exposure to an advertising disclosure will lead to higher advertising recognition compared to no advertising disclosure.

The Effects of Disclosure Language on Advertising Recognition, Attitudes, and Behavioral Intent

Advertising disclosure research has focused on disclosure characteristics such as position, duration, timing, and language. (Boerman et al. 2015a; FTC 2013a; FTC 2015; Wojdyski and Evans 2016). Instead of attempting to address the effectiveness of several disclosure characteristics, we chose to focus on language as a single mechanism that could effectively convey the advertising nature of a sponsored Instagram influencer post.

Research indicates that disclosures can influence affective, cognitive, and behavioral outcomes in varying capacities. Studies that have investigated the impact of disclosures indicate a significant negative effect on brand related attitudes (Boerman et al. 2012; 2014; 2015a; Campbell et al. 2013; Wei et al. 2008; Wojdyski and Evans 2016), purchase intention (Tessitore and Geuens 2013), brand memory and recall (Boerman et al 2012; 2014; Wood et al. 2008), online sharing intention (Lee et al. 2016), and credibility perceptions (Wojdyski and Evans 2016).

We posit that advertising disclosure language in Instagram influencer posts that convey the paid nature of the communication and delineate the content as advertising will negatively

affect attitudinal and behavioral outcomes. More specifically, we posit that the use of certain disclosure language that better delineates the post as advertising (e.g. “Paid Ad” or “Sponsored”) will result in more negative attitudinal and behavioral outcomes compared to no disclosure (e.g. control condition) or disclosure language that uses unclear or ambiguous terminology (e.g. “SP”). Consumers who are cued into the fact that the Instagram post is advertising may be likely activate persuasion knowledge structures that elicit defensive coping mechanisms (Freistad and Wright 1994) such as skepticism, resistance, or counter arguing which could have a detrimental effect on downstream attitudes and behavior (Shrum et al. 2012). Our second hypothesis is as follows:

H2: Use of “Paid Ad” and “Sponsored” wording in disclosure conditions will lead to (a) more negative attitudes, (b) lower purchase intention, and (c) lower intention to spread eWOM compared to “SP” and control disclosure conditions.

While several studies examining the impact of disclosure characteristics on advertising recognition have focused on timing (Boerman et al. 2014; 2015; Campbell et al. 2013) and duration (Boerman et al. 2012), research assessing effectiveness of advertising disclosure language on advertising recognition has been relatively sparse. Results of these studies indicate that the inclusion of disclosure labels featuring clear language such as “advertisement” or “sponsored” result in higher advertising recognition, compared to more ambiguous language such as “presented by” or “Brand Voice” (Wojdyski and Evans 2016). Other studies that manipulated disclosure language cues have incorporated product placement labels (“PP”) (Boerman et al. 2015a; Tessitore and Geuns 2013) as well as the brand name in the disclosure

(Van Reijmersdal et al. 2015). Findings indicate that disclosures featuring information or language that delineates the advertising content from the editorial or entertainment content (e.g. “PP” logo) lead to better advertising recognition (Boerman et al. 2015a; Tessitore and Geuns 2013). However, using PP labels alone were only effective when consumers were provided with informational and verbal training of what PP stood for – “Product Placement” (Tessitore and Geuns 2013). Additionally, when there is a brand identified in the disclosure (e.g. “This game contains advertising by [BRAND]”) consumers are afforded more information about the nature of the paid relationship between the sponsor and the content producer and henceforth may better recognize the message as advertising (Van Reijmersdal et al. 2015).

According to the above evidence, as well as FTC recommendations (FTC 2015), the use of disclosure language that clearly conveys both the paid nature of the communication and delineates the content as different or separate from editorial or non-commercial content may lead to better advertising recognition. Disclosure language such as “SP”, an abbreviation of “Sponsored”, would likely require either training or an *a priori* understanding of the term’s meaning for viewers’ to interpret an Instagram influencer post as advertising (c.f. Tessitore and Geuns 2013). Therefore, it is predicted that clearer disclosure language such as “Paid Ad” or “Sponsored” will result in better advertising recognition of an Instagram influencer post compared to ambiguous language like “SP”.

H3: Use of “Paid Ad” and “Sponsored” wording in disclosure conditions will lead to higher advertising recognition than “SP”.

The Mediating Effect of Advertising Recognition and Disclosure Memory

Under circumstances where the nature of the advertising is unclear, advertising disclosures can help consumers understand that a message is advertising (Cain 2011). In other words, effective advertising disclosures can communicate to the consumer the commercial intent of the content (Hoy and Andrews 2004), which may lead the viewer to realize the presence of advertising and activate their persuasion knowledge. According to the PKM, advertising recognition activates persuasion knowledge and triggers the use of various coping mechanisms, which can subsequently affect attitudinal and behavioral outcomes.

Reactance theory is a social psychological theory that accounts for how individuals react when they feel that their freedom for a specific behavior that they would like to engage in is threatened (Brehm 1989). Previous studies have assumed that “people tend to resist persuasion attempts when they recognize them as such” (Petty and Cacioppo 1977; Van Reijmersdal et al. 2016). Research indicates that consumers who recognize advertising in sponsored blogs use cognitive reactance strategies and counter-arguing which subsequently impact brand related affect and intentions. Specifically, the use of advertising disclosures in sponsored posts led to increased advertising recognition, which in turn led people to react and present more negative brand attitudes (Van Reijmersdal et al. 2016). Overall, research indicates that counter-arguing caused by resistance strategies is a product of the effect of an advertising disclosure on advertising recognition, which in turn can decrease persuasive outcomes, negatively influence consumers’ brand attitudes, and lower behavioral intention with respect to sharing the content or

purchasing the brand (Boerman et al. 2015a; Wojdyski and Evans 2016; van Reijmersdal et al. 2016).

When Instagram users recognize sponsored advertising by an individual endorser on Instagram as a threat to their choice of freedom, this can induce reactance coping for consuming the undesirable persuasion attempt. Recognizing that influencer content on Instagram is in fact advertising can evoke reactance and negatively affect attitudes and behavioral intention. However, given that Instagram influencer advertising is a relatively new phenomenon as is the implementation of disclosures therein, consumers may not be fully aware that such disclosure practices even exist. Based on the novelty hypothesis, when consumers are not familiar with the use of disclosures on Instagram influencer advertising posts, disclosures may stand out and attract attention (Lang, Potter, and Bolls 1999), which in turn may “enhance processing and memory” (Boerman et al. 2015b, p. 580).

Therefore, the potential negative mediating effect of advertising recognition on consumer attitudes and behavioral intention may be enhanced in situations where the consumer remembers the presence of a disclosure. According to Friestad and Wright’s (1994) change of meaning principle, viewers may only fully realize that the Instagram influencer advertising post is a persuasive attempt when a disclosure is encoded in memory. In other words, the transition from a naïve consumer to one that is knowledgeable of the agent’s (i.e. the influencer) motives and tactics may occur in situations where advertising recognition and disclosure memory complement one another. In this regard, consumers’ attendance to and retrospective memory of a disclosure, in combination with their recognition of the content as advertising may impact

subsequent attitudes and behavioral intention in a negative manner. Therefore, we predict that the effect of disclosure language on attitudes toward the brand, purchase intent, and intention to spread eWOM will be mediated by the recognition of the Instagram post as an ad, conditional upon participants' memory of a disclosure (see Figure 1).

H4: The effect of disclosure language on (a) attitudes toward the brand, (b) purchase intent, and (c) intention to spread eWOM will be mediated by advertising recognition under conditions where the viewer reports memory of a disclosure.

METHOD

Pretests

To control for the possibility that existing brand attitudes might impact our hypothesized relationships, we conducted a pretest using 10 popular brands (Subway, Starbucks, Coca Cola, Dr. Pepper, McDonalds, Taco Bell, Converse, Dunkin Donuts, Old Navy, and Chick-Fil-A) with the goal of finding a brand that elicited neutral brand attitudes. Using a university research pool 102 students (16.7% male) answered questions gauging brand attitudes about the 10 brands. Of the 10 brands, Dunkin Donuts ($M = 4.11$, $SD = .87$) exhibited the most neutral brand attitude.

The second pretest was conducted to control for the possibility that a particular influencer on Instagram would elicit overly positive likeability. Therefore, five Instagram images of young women with Dunkin Donuts coffee were pretested for Influencer likability, with the goal of finding an influencer that elicited neutral likability. Using a university research pool 146 students

(17.1% male) answered questions gauging influencer likability. Of the five images, the one selected for the main study exhibited the most neutral likability score ($M = 5.01$, $SD = 1.09$).

Participants and Study Design

Two hundred and thirty eight students were recruited from a university research pool to participate in the study in exchange for extra credit. Of the original 238 students, one reported that he/she did not see the stimuli; therefore they were removed from subsequent analysis. The final sample ($N = 237$) was 18.1% male, 98.7% were Instagram account owners, 76.4% were white, with an age range of 18 to 28.

Participants were given a short study description and link posted to receive more information about the study. Once clicked, the link took the participants to a secure online questionnaire provided through Qualtrics. Participants were randomly assigned to one of four disclosure language conditions [control/no disclosure, the letters “SP” (used to indicate sponsored content in a post), “Sponsored,” and “Paid Ad”]. Participants were then asked to view their respective stimuli, and then answer questions regarding the stimuli.

Stimulus Materials

Based on the pretests, four different stimuli were created (see Appendix). The four stimuli were identical except for presence and variation in disclosures. According to recent FTC guidance (FTC 2015) on disclosures in native advertising, as well as existing practices, when a disclosure was included it was in a different color than the rest of the content and was paired with a # (i.e. hashtag).

Measures

Advertising recognition. Participants were asked to answer a single item measure using a 7-point Likert scale (1 = *strongly disagree*, 7 = *strongly agree*) to “indicate the extent in which you thought the Instagram post was advertising” (M = 4.97, SD = 1.63) (Boerman et al. 2012).

Disclosure memory. Participants were asked to provide an open-ended response to “why did you or did you not think the post was advertising” (Wojdyski and Evans 2016). Participants responses were dichotomously coded as 1) did report that there was a disclosure present or 0) did not report that there was a disclosure present (Boerman et al. 2015b)

Attitude toward the brand. Participants were asked, “How did you feel about the brand advertised” using six questions: Unappealing /Appealing, Unpleasant /Pleasant, Boring /Interesting, Dislike /Like, Negative /Positive, and Bad /Good (Bruner and Kumar 1999). Items used a 7-point semantic differential scale (M = 5.78, SD = 1.56, $\alpha = .953$).

Purchase intention. Participants’ purchase intention (Baker and Churchill 1977) was measured by asking the following questions, “I would like to try this brand,” “I would buy other products of this brand,” “I would buy this product if I happened to see the brand,” and “I would actively seek out this product in a store in order to purchase it.” All items used a 7-point Likert scale (1 = *strongly disagree*, 7 = *strongly agree*) (M = 4.55, SD = 1.38, $\alpha = .874$).

Intention to spread eWOM. Participants’ intention to spread eWOM (Sohn 2009) was measured by asking the following questions, “I am interested in sharing this post with my friends on Instagram,” “I am interested in sharing my experience with this brand with my friends on

Instagram,” I am willing to spread word-of-mouth about this brand on my Instagram page,” and “I am willing to share this brand’s posts on my Instagram profile.” All items used a 7-point Likert scale (1 = *strongly disagree*, 7 = *strongly agree*) ($M = 2.53$, $SD = 1.26$, $\alpha = .902$).

Confound variables. Social media use ($M = 4.35$, $SD = 1.17$, $\alpha = .835$), social media intensity ($M = 5.38$, $SD = 1.42$, $\alpha = .903$), influencer credibility ($M = 4.06$, $SD = 0.67$, $\alpha = .930$), and endorser-ad congruence ($M = 5.38$, $SD = 1.21$, $\alpha = .937$), were included as potential confounding variables to test whether Instagram based behaviors and influencer based perceptions inherently differed between disclosure language conditions.

RESULTS

Confound Checks

A series of confound checks were performed to see whether differences in dependent measures were a result of inherent differences between conditions. A series of one-way ANOVAs and χ^2 indicated no significant relationship between disclosure language conditions and influencer credibility ($F(3, 233) = .111$, $p = .953$), social media use ($F(3, 233) = 1.43$, $p = .236$), social media intensity ($F(3, 233) = 1.52$, $p = .209$), endorser ad-congruence ($F(3, 233) = .789$, $p = .501$), gender ($\chi^2(3) = 3.95$, $p = .267$), race ($\chi^2(3) = 21.09$, $p = .134$), and Instagram account ownership ($\chi^2(3) = .512$, $p = .916$).

The Effect of Disclosure Presence on Advertising Recognition

To test the effect of disclosure presence on advertising recognition an independent samples t-tests was run in SPSS. A significant difference in advertising recognition was found

between those exposed to no disclosure (i.e. control) ($M = 4.36$, $SD = 1.54$) and those exposed to any disclosure ($M = 5.08$, $SD = 1.61$); $t(234) = -2.38$, $p = .018$. This result supports H1.

The Effects of Disclosure Language on Advertising Recognition, Attitudes, and Behavioral Intent

In order to test H2, three separate one-way ANOVAs were run to test the effect of disclosure language on attitude toward the brand, purchase intention, and intention to spread eWOM. Of the three separate analyses, results (see Table 1) indicated a significant difference in attitude toward the brand based on disclosure language, $F(3, 232) = 4.18$, $p < .01$, $\eta^2 = .05$. Post hoc pairwise comparison using Bonferroni correction indicated significant differences between the control ($M = 6.35$) and Sponsored ($M = 5.58$) conditions. All other analyses indicated no significant differences in purchase intention or sharing intention based on disclosure language. These results do not support H2.

A one-way ANOVA was used to test H3. Results indicate a significant difference in advertising recognition based on disclosure language, $F(3, 232) = 5.83$, $p < .01$, $\eta^2 = .07$ (see Table 1). Post hoc pairwise comparison using Bonferroni correction indicated significant differences between the SP ($M = 4.70$; $SD = 1.57$) and Paid Ad ($M = 5.58$; $SD = 1.46$) conditions but not the Sponsored ($M = 4.95$; $SD = 1.68$) and SP ($M = 4.70$; $SD = 1.57$) conditions. These results partially support H3

The Mediating Effect of Advertising Recognition and Disclosure Memory

To test the hypothesized mediating effect of advertising recognition and disclosure memory on attitude toward the brand, purchase intention, and intention to spread eWOM, three separate mediation analyses were run using model 14 of Hayes (2012) PROCESS macro in SPSS. All analyses used 5,000 bootstrap samples to estimate the bias-corrected bootstrap confidence intervals (see Figure 1). Because the Paid Ad disclosure language condition exhibited the strongest positive effect on advertising recognition in prior analyses for H3, disclosure language was dummy coded such that Sponsored and SP conditions were combined and served as the referent category for the Paid Ad condition.

The results indicated that, compared to both Sponsored and SP conditions the Paid Ad condition significantly increased advertising recognition ($b = .76$, boot SE = .22, 95% BCBCI [.3126, 1.205], $p < .01$). However, advertising recognition alone did not have a significant negative effect on attitude toward the brand ($b = .09$, boot SE = .08, 95% BCBCI [-.0673, .2469], $p = .261$), purchase intention ($b = .04$, boot SE = .07, 95% BCBCI [-.1003, .1852], $p = .558$), or intention to spread eWOM ($b = .02$, boot SE = .07, 95% BCBCI [-.1141, .1487], $p = .795$). When disclosure memory was included as a moderator there was an interaction with advertising recognition that exerted a significant negative effect on attitude toward the brand ($b = -.56$, boot SE = .16, 95% BCBCI [-.8864, -.2334], $p < .001$), intention to spread eWOM ($b = -.38$, boot SE = .17, 95% BCBCI [-.7117, -.0494], $p < .05$), and a marginally significant negative effect on purchase intention ($b = -.36$, boot SE = .19, 95% BCBCI [-.7465, .0246], $p < .10$).

Results indicated a significant conditional indirect effect of disclosure language on attitude toward the brand ($b = -.36$, boot SE = .15, 95% BCBCI [-.6940, -.1064]) when participants remembered a disclosure in the Instagram post (index of moderated mediation = $-.42$, boot SE = .17, 95% BCBCI [-.8224, -.1469]). Additionally, there was a significant conditional indirect effect of disclosure language on intention to spread eWOM ($b = -.28$, boot SE = .14, 95% BCBCI [-.6056, -.0577]) when participants remembered a disclosure in the Instagram post (index of moderated mediation = $-.29$, boot SE = .15, 95% BCBCI [-.6665, -.0597]). As hypothesized, disclosure language does have an indirect effect on brand attitude and sharing intention that is mediated by advertising recognition conditional on participants' disclosure memory. These findings support H4a and H4c but do not support H4b.

DISCUSSION

Spurred by the recent influx of influencer advertising and the lack of empirical evidence concerning the effectiveness of disclosure characteristics in improving consumer understanding, this study sought to understand how the presence and variation in disclosure language in Instagram influencer posts affect consumers' ability to recognize the content as advertising. Furthermore, as posited by persuasion knowledge and reactance theories (Brehm 1966; Friestad and Wright 1994), we also examined the subsequent impact of advertising recognition and disclosure memory on attitude toward the brand, purchase intention, and intention to spread eWOM.

Implications

As hypothesized, our results indicate that the presence of a disclosure, regardless of the variation in language, produced more advertising recognition compared to no disclosure. On a more granular level, the presence of a disclosure that featured “Paid Ad” language was more effective than language using “SP” and no disclosure but was not more effective than a disclosure that used “Sponsored” language. As evidenced by the absence of a direct effect of disclosure language on attitudes and intention, it appeared that the variance in our dependent measures was a result of consumers’ ability to recognize the Instagram post as advertising. In other words, consumers who are presented with a disclosure using “Paid Ad” language reported a significantly higher level of advertising recognition. However, as predicted, this level of advertising recognition alone did not account for a significant indirect effect of language on attitudes or behavioral intent. When consumers reported seeing a disclosure (e.g. disclosure memory), in combination with their associated advertising recognition score, the interaction produced a significant negative conditional indirect effect of disclosure language on attitude toward brand and intention to spread eWOM but not purchase intention. Therefore, it appears that under circumstances when the consumer understands that the Instagram post is advertising, and they also remember a disclosure in that content, there is a significant negative impact on attitudes and intention to spread eWOM.

Our findings offer both theoretical and managerial implications for the use of disclosures in a specific and growing form of native advertising – influencer advertising. On one hand, our findings corroborate previous research that examined the effectiveness of disclosure

characteristics on advertising recognition (Boerman et al. 2015a; Wojdyski and Evans 2016). When disclosure language clearly conveys the paid relationship between the producer (i.e. influencer) and sponsor (i.e. brand), the persuasive nature of the message, and the intention of the communicator, consumers are given crucial information which they can use to interpret the nature of the communication and then activate persuasion knowledge (Friesatd and Wright 1994). As our findings indicate, disclosure language featuring “Paid Ad” appears to convey to the consumer that the content is in fact advertising. As demonstrated in other native advertising contexts where disclosure language was manipulated (FTC 2015; Wojdyski and Evans 2016), our study offers further evidence that disclosure effectiveness, with specific regard to advertising recognition, is strongly related to language clarity.

However, all findings in the current study did not necessarily conform to prior theory. In particular, the supposed direct effect of disclosure language on attitudes and intention were lacking in general. Given that, in comparison to more traditional advertising executions, native advertising is designed to covertly embed brand or sponsor information with less call to action (IAB 2013) it is theoretically appropriate that the effects of disclosure language on brand attitude and intention to spread eWOM were largely mediated by the interaction of advertising recognition and disclosure memory. This effect succinctly demonstrates that the potential returns on attitudes and behavioral intention for native advertising, and influencer advertising in particular, may not be a result of the advertising’s inherent quality of content but rather consumers’ propensity for advertising recognition and disclosure memory. As demonstrated in this study, an effective route to improve advertising recognition is by including a disclosure with language clearly conveying the nature of the message.

Managers and practitioners that use or are considering using influencer advertising as a strategy will need to conform to the recent FTC (2015) guidelines that require paid influencers to disclose that their content is in fact advertising. While the findings of the current study suggest language that uses “Paid Ad” is the most effective at increasing advertising recognition and disclosure identification, such a requirement comes with a risk of degrading downstream attitudes and intentions. Based on the findings presented here and continued pressure from the FTC and other regulatory entities, managers and practitioners face the increasingly complicated task of navigating how to best satisfy calls to improve consumer understanding and protection while providing clients with a return on their investment.

Limitations and Future Research

It is important to note that the current study is not without some limitations. While our student sample represents a population that heavily uses Instagram it is unknown whether their responses are different from other non-student populations. Future studies may explore whether such potential differences actually exist. An opportunity for future research relates to the decision to pretest for brand attitude and influencer likability. Because we did not directly compare or manipulate brands and influencers in the main study it is possible that advertising recognition, attitudes, and behavioral intention could vary with regard to a different brand or influencer. Future research might examine the impact of different brands, influencers, and disclosure characteristics on advertising recognition, disclosure memory, attitudes and intention.

While the current findings offer insight into how consumers process disclosure information in the context of a specific form of native advertising, future research might test additional

language or placement variations in other influencer contexts like blogs (van Reijmersdal et al. 2016) or other social media platforms (Lee et al. 2016). It is possible that the effectiveness of the study's current language manipulation is specific to Instagram. Other future research executions may also examine the differential effects of disclosure characteristics placed in celebrity posts compared to micro-influencer posts. It may be the case that consumers process celebrity influencer content differently than non-celebrity influencer content and such differences might impact advertising recognition, attitudes, and intention. Further still, considering that several recent studies have demonstrated the negative effect of advertising recognition on attitudes and behavioral intention (Boerman et al. 2015; Wojdyski and Evans 2016), research that examines how to mitigate the negative impact of advertising recognition on these downstream measures (Wojdyski, Evans and Hoy 2016) while maintaining efforts at increasing consumer understanding and recognition, could offer new insights with regard to information processing theories and could provide managers and practitioners a tool to bridge the gap between pressures from regulators and the industry.

Conclusion

Influencer advertising represents a growing area that offers fast, targeted access to engaged audiences that is less expensive than traditional advertising. While profitable and popular, there exists criticism that much of the practice's success is not because the content is inherently better, but because consumers don't aptly understand that what they are seeing is advertising. Including labels or disclosures that effectively convey the nature of the message to the consumer is necessary for producing informed consumers especially when the paid nature of the message is

obfuscated. However, the lack of empirical evidence has left questions unanswered as to how one can effectively inform consumers about the nature of the influencer advertising to which they are exposed. This study confirms prior theory and indicates that disclosures using clear language have a positive impact on advertising recognition and disclosure memory, which in turn can negatively impact attitudes and behavioral intention.

REFERENCES

Baker, Michael J. and Gilbert A. Churchill Jr. (1977). "The Impact of Physically Attractive Models on Advertising Evaluations." *Journal of Marketing Research*, 14 (4), 538--55.

Bang, Hye Jin and Wei-Na Lee (2016), "Consumer Response to Ads in Social Network Sites: an Exploration into the Role of Ad Location and Path," *Journal of Current Issues & Research in Advertising*, 37 (1), 1--14.

Boerman, Sophie C., Eva A. Reijmersdal, and Peter C. Neijens (2012), "Sponsorship Disclosure: Effects of Duration on Persuasion Knowledge and Brand Responses," *Journal of Communication*, 62 (6), 1047--64.

-----, Eva A. Reijmersdal, and Peter C. Neijens (2013), "Appreciation and effects of sponsorship disclosure," In *Advances in Advertising Research IV: The Changing Roles of Advertising*, Sarah Rosengren, Micael Dahlgren and Shintaro Okazaki, eds Wiesbaden, Germany: Springer Fachmedien Wiesbaden, 273--84.

-----, Eva A. Reijmersdal, and Peter C. Neijens (2014), "Effects of sponsorship disclosure timing on the processing of sponsored content: A study on the effectiveness of European disclosure regulations," *Psychology & Marketing*, 31(3), 214--24.

----- (2015a), "Using Eye Tracking to Understand the Effects of Brand Placement Disclosure Types in Television Programs," *Journal of Advertising*, 44 (3), 196--207.

----- (2015b), "How audience and disclosure characteristics influence memory of sponsorship disclosure," *International Journal of Advertising*, 34 (4), 576--92.

Brehm, Jack W (1966), *A theory of psychological reactance*, England: Oxford.

----- (1989), "Psychological Reactance: Theory and Applications," *Advances in Consumer Research*, 16, 72--75.

Brown, Duncan and Nick Hayes (2008), *Influencer Marketing: Who really influences your customers?:* Routledge.

Bruner, Gordon and Anand Kumar (2000), "Web Commercials and Advertising Hierarchy-of-Effects," *Journal of Advertising Research*, 40 (1/2), 35- 42.

Burgess, Eric (2016), "11 Essential Stats for Influencer Marketing in 2016," <https://www.ion.co/11-essential-stats-for-influencer-marketing-in-2016>

Cain, Rita Marie (2011), "Embedded Advertising on Television: Disclosure, Deception, and Free Speech Rights," *Journal of Public Policy & Marketing*, 30 (2), 226--38.

Campbell, Margaret C., Gina S. Mohr, and Peeter W.J. Verlegh (2013), "Research Article: Can disclosures lead consumers to resist covert persuasion? The important roles of disclosure timing and type of response," *Journal of Consumer Psychology*, 23 (4), 483--95.

Carr, Caleb T., and Rebecca A. Hayes (2014), "The Effect of Disclosure of Third-Party Influence on an Opinion Leader's Credibility and Electronic Word of Mouth in Two-Step Flow," *Journal Of Interactive Advertising*, 14 (1), 38--50

Chu, Shu-Chuan and Yoojung Kim (2011), "Determinants of consumer engagement in electronic word-of-mouth (eWOM) in social networking sites," *International Journal of Advertising*, 30 (1), 47--75.

Djafarova, Elmira and Chloe Rushworth (2017), "Exploring the credibility of online celebrities' Instagram profiles in influencing the purchase decisions of young female users," *Computers in Human Behavior*, 68 1--7.

Ellison, Nicole B., Charles Steinfield, and Cliff Lampe (2007), "The Benefits of Facebook "Friends:" Social Capital and College Students' Use of Online Social Network Sites," *Journal of Computer-Mediated Communication*, 12 (4), 1143--68.

Evans, Nathaniel J. (2014), "Pinpointing Persuasion in Children's Advergimes: Exploring the Relationship Among Parents' Internet Mediation, Marketplace Knowledge, Attitudes, and the Support for Regulation," *Journal of Interactive Advertising*, 14 (2), 73--85.

----- and Dooyeon Park (2015), "Rethinking the Persuasion Knowledge Model: Schematic Antecedents and Associative Outcomes of Persuasion Knowledge Activation for Covert Advertising," *Journal of Current Issues & Research in Advertising*, 36 (2), 157--76.

----- and Mariea Grubbs Hoy (2016), "Parents' Presumed Persuasion Knowledge of Children's Advergimes: The Influence of Disclosure Modality and Cognitive Load," *Journal of Current Issues and Research in Advertising*, 37 (2), 146--64.

Friestad, Marian and Peter Wright (1994), "The Persuasion Knowledge Model: How People Cope with Persuasion Attempts," *Journal of Consumer Research*, 21 (1), 1--31.

Federal Trade Commission (2013a), “.com Disclosures: How to Make Effective Disclosures in Digital Advertising,” http://www.ftc.gov/sites/default/files/attachments/press-releases/ftc_staff-revises-online-advertising-disclosureguidelines/130312dotcomdisclosures.pdf

----- (2013b), “Blurred Lines: Advertising or Content? An FTC Workshop on Native Advertising,” http://www.ftc.gov/system/files/documents/public_events/171321/final_transcript.pdf.

----- (2015), “Native Advertising: A Guide for Businesses,” <https://www.ftc.gov/tips-advice/business-center/guidance/native-advertising-guide-businesses>

Hayes, Andrew F. (2012), “Macro and Script Rules and Frequently Asked Questions,” May 22, 2012, available at <http://www.afhayes.com/macrofaq.html>

Hennig-Thurau, Thorsten, Kevin P. Gwinner, Gianfranco Walsh, and Dwayne D. Gremler (2004), “Electronic word-of-mouth via consumer-opinion platforms: What motivates consumers to articulate themselves on the Internet?” *Journal of Interactive Marketing*, 18 (1), 38--52.

Hubspot (2017), “10 Impressive Examples of Influencer Marketing Campaigns” <https://blog.hubspot.com/marketing/examples-of-influencer-marketing-campaigns#sm.00001x6al5nvagfqayp47jgoeqj8>

Hoy, Mariea Grubbs and Craig J. Andrews (2004), “Adherence of Prime-Time Televised Advertising Disclosures to the ‘Clear and Conspicuous’ Standard:1990 versus 2002,” *Journal of Public Policy and Marketing*, 23 (2), 170–82.

Huffington Post (2016), "How to Make Money on Instagram," http://www.huffingtonpost.com/entry/make-money-on-instagram_us_55ad3ad6e4b0caf721b3624c

IAB (2013), "The Native Advertising Playbook," <http://www.iab.net/media/file/IAB-Native-Advertising-Playbook2.pdf>

International Data Corporation (2008), "Consumer Attitudes About Advertising and the Implications for Advertising on Social Networks," <http://www.slideshare.net/cdangson/social-advertising-research>.

Jin, Seung-A. Annie and Joe Phua (2014), "Following celebrities' tweets about brands: The impact of Twitter-based electronic word-of-mouth on consumers' source credibility perception, buying intention, and social identification with celebrities," *Journal of Advertising* 43 (2), 181--95.

Kelly, Louise, Gayle Kerr, and Judy Drennan (2010), "Avoidance of Advertising in Social Networking Sites: The Teenage Perspective," *Journal of Interactive Advertising*, 10 (2), 16--27.

Kim, Eunice, Younjun Sung and Hamsu Kang (2014), "Brand followers' retweeting behavior on Twitter: How brand relationships influence brand electronic word-of-mouth," *Computers in Human Behavior*, 37, 18--25.

Lang, Annie, Robert F. Potter, and Paul D. Bolls (1999), "Something for Nothing: Is Visual Encoding Automatic?" *Media Psychology* 1 (2), 145--63.

Lee, Jung Eun and Brandi Watkins (2016), "YouTube vloggers' influence on consumer luxury brand perceptions and intentions," *Journal of Business Research*, 69 (12), 5753--60.

Lee, Joonghwa, Soojung Kim, and Chang-Dae Ham (2016), "A Double-Edged Sword? Predicting Consumers' Attitudes toward and Sharing Intention of Native Advertising on Social Media," *American Behavioral Scientist*, 60 (12), 1425--41.

Lin, Kuan-Yu and Hsi-Peng Lu (2011), "Why People Use Social Networking Sites: An Empirical Study Integrating Network Externalities and Motivation Theory," *Computers in Human Behavior*, 27 (3), 1152--61.

Matteo, Stéphane and Cinzia Dal Zotto (2015), "Native Advertising, or How to Stretch Editorial to Sponsored Content within a Transmedia Branding Era," in *Handbook of Media Branding*, Gabriele Siegert, Kati Forster, Sylvia M. Chan-Olmsted and Mart Ots, eds., Cham, Switzerland: Springer International Publishing, 169--85.

MediaKix (2016), "How do Instagram influencers make Money?" <http://mediakix.com/2016/03/instagram-influencers-making-money/#gs.null>

Nelson, Michelle R., Michelle L. M. Wood, and Hye-Jin Paek (2009), "Increased Persuasion Knowledge of Video News Releases: Audience Beliefs About News and Support for Source Disclosure," *Journal of Mass Media Ethics*, 24 (4), 220--237

New York Times (2016). "Endorsed on Instagram by a Kardashian, but is it love or just an ad?" http://www.nytimes.com/2016/08/30/business/media/instagram-ads-marketing-kardashian.html?_r=0

Petty, Richard E. and John T. Cacioppo (1977), “Forewarning, Cognitive Responding, and Resistance to Persuasion,” *Journal of Personality and Social Psychology*, 35 (9), 645--55.

Phua, Joe, Seung-A Jin, and Jihoon (Jay) Kim (2017), “Gratifications of using Facebook, Twitter, Instagram, or Snapchat to follow Brands: The Moderating Effect of Social Comparison, Trust, Tie Strength, and Network Homophily on Brand Identification, Brand Engagement, Brand Commitment, and Membership Intention,” *Telematics and Informatics*, 34 (1), 412--24.

----- and Sun Joo (Grace) Ahn (2016), “Explicating the “Like” on Facebook Brand Pages: The Effect of Intensity of Facebook Use, Number of Overall “Likes”, and Number of Friends’ “Likes” on Consumers’ Brand Outcomes,” *Journal of Marketing Communications*, 22 (5), 544--59.

Rodgers, Shelly and Esther Thorson (2000), “The interactive advertising model: How users perceive and process online ads,” *Journal of Interactive Advertising*, 1(1), 41--60.

Rogers, Everett M. *Diffusion of innovations*. Simon and Schuster, 2010.

Rozendaal, Esther, Matthew A. Lapierre, Eva A. Van Reijmersdal, and Moniek Buijzen (2011), “Reconsidering Advertising Literacy as a Defense against Advertising Effects,” *Media Psychology*, 14 (4), 333--54.

S̃avulescu, Rodica (2011), “Brand Talk on Facebook—A New Challenge in Marketing Communication,” *Romanian Journal of Communication and Public Relations*, 13 (2), 19--30.

Scott, David M. (2015). *The New Rules of Marketing and PR (5th Edition)*. New York, NY: Wiley.

Shrum, L. J., Min Liu, Mark Nespole and Tina M. Lowrey (2012), "Persuasion in the Marketplace: How Theories of Persuasion Apply to Marketing and Advertising," in *The Persuasion Handbook*, eds. James Dillard & Lijiang Shen, Thousand Oaks, CA: Sage.

Sohn, Dongyoung (2009), "Disentangling the Effects of Social Network Density on Electronic Word-of-Mouth (eWOM) Intention," *Journal of Computer-Mediated Communication*, 14 (2), 352--67.

Statista (2017). "Number of Active Monthly Instagram Users from January 2013 to December 2016," <https://www.statista.com/statistics/253577/number-of-monthly-active-instagram-users/>

Tessitore, Tina and Maggia Geuens (2013), "PP for 'product placement' or 'puzzled public'? The effectiveness of symbols as warnings of product placement and the moderating role of brand recall," *International Journal Of Advertising*, 32 (3), 419--42.

Van Noort, Guda, Marjolijn L. Antheunis, and Eva A. Van Reijmersdal (2012), "Social Connections and the Persuasiveness of Viral Campaigns in Social Network Sites: Persuasive Intent as the Underlying Mechanism," *Journal of Marketing Communications*, 18 (1), 39--53.

Van Reijmersdal, Eva, Edith Smit, and Peter Neijens (2010), "How Media Factors Affect Audience Responses to Brand Placement," *International Journal of Advertising*, 29 (2), 279--301.

-----, Jeroen Jansz, Oscar Peters, and Guda Van Noort (2010), "The Effects of Interactive Brand Placements in Online Games on Children's Cognitive, Affective, and Conative Brand Responses," *Computers in Human Behavior*, 26 (6), 1787--94.

-----, Marieke L. Fransen, Guda van Noort, Suzanna J. Oprea, Lisa Vandeberg, Sanne Reusch, Floor van Lieshout, and Sophie C. Boerman (2016), "Effects of Disclosing Sponsored Content in Blogs: How the Use of Resistance Strategies Mediates Effects on Persuasion," *The American Behavioral Scientist*, 60 (12), 1458--74.

-----, Nienke Lammers, Esther Rozendaal, and Moniek Buijzen (2015), "Disclosing the persuasive nature of advergames: moderation effects of mood on brand responses via persuasion knowledge," *International Journal Of Advertising*, 34 (1), 70--84.

Walters, Kendall (2016). "125+ Essential Social Media Statistics Every Marketer Should Know," <https://blog.hootsuite.com/social-media-statistics-for-social-media-managers/>

Washington Post (2014), "Inside the World of the "Instagrammers," https://www.washingtonpost.com/news/arts-and-entertainment/wp/2014/02/19/inside-the-world-of-the-instagrammers/?utm_term=.101de9b54778

Wei, Mei-Ling, Eileen Fischer, and Kelley J. Main (2008), "An Examination of the Effects of Activating Persuasion Knowledge on Consumer Response to Brands Engaging in Covert Marketing," *Journal of Public Policy & Marketing*, 27 (1), 34--44.

Wendlandt, Mark and Ulf Schrader (2007), "Consumer Reactance against Loyalty Programs," *Journal of Consumer Marketing*, 24 (5), 293--304.

Wojdyski, Bartosz W. and Nathaniel J. Evans (2016), "Going Native: Effects of Disclosure Position and Language on the Recognition and Evaluation of Online Native Advertising," *Journal of Advertising*, 45 (2), 157--68.

-----, Nathaniel J. Evans, and Mariea Grubbs Hoy (2017), "Measuring Sponsorship Transparency in an Era of Native Advertising," *Journal of Consumer Affairs*.

doi:10.1111/joca.12144.

Wood, Michelle L. M., Michelle R. Nelson, Lucy Atkinson, and Julie B. Lane (2008), "Social Utility Theory: Guiding Labeling of VNRs as Ethical and Effective Public Relations," *Journal Of Public Relations Research*, 20 (2), 231--49.

Wright, Peter, Marian Friestad, and David M. Boush (2005), "The Development of Marketplace Persuasion Knowledge in Children, Adolescents, and Young Adults," *Journal of Public Policy & Marketing*, 24 (2), 222--33.

APPENDIX

Disclosure Language Conditions

Control

SP



Sponsored

Paid Ad

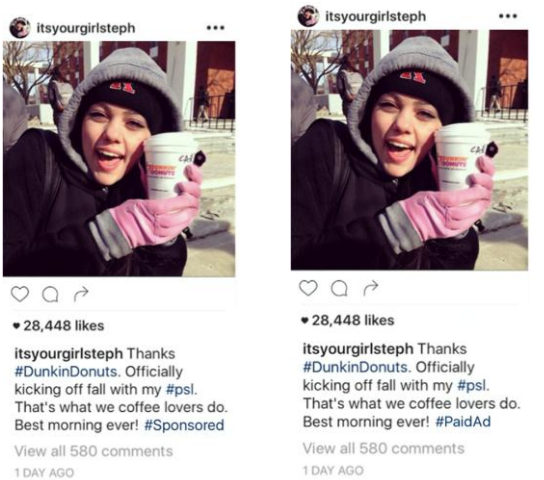


TABLE 1 Descriptive Statistics for Experimental Conditions

Variable	No Disclosure	SP	Sponsored	Paid Ad
Ad recognition	4.35 (1.51) ^a	4.70 (1.57) ^a	4.95 (1.68) ^{ab}	5.58 (1.46) ^b
Disclosure Memory	0 (0.0%)	3 (5.0%)	20 (33.3%)	37 (61.7%)
Brand attitude	6.35 (1.66) ^a	6.02 (1.38) ^{ab}	5.33 (1.42) ^b	5.67 (1.68) ^{ab}
Purchase intent	4.61 (1.44) ^a	4.73 (1.36) ^a	4.26 (1.27) ^a	4.61 (1.46) ^a
Intention to spread eWOM	2.76 (1.43) ^a	2.64 (1.20) ^a	2.42 (1.21) ^a	2.42 (1.26) ^a

Note. Disclosure memory represents the number of participants and percentage of those that reported yes seeing a disclosure in the advertisement; all other variables are continuous. $N = 236$: no disclosure = 33, SP = 69, Sponsored = 65, Paid Ad = 69.

^{a,b,c} Means with a different superscript in the same row differ significantly at $p < .05$.

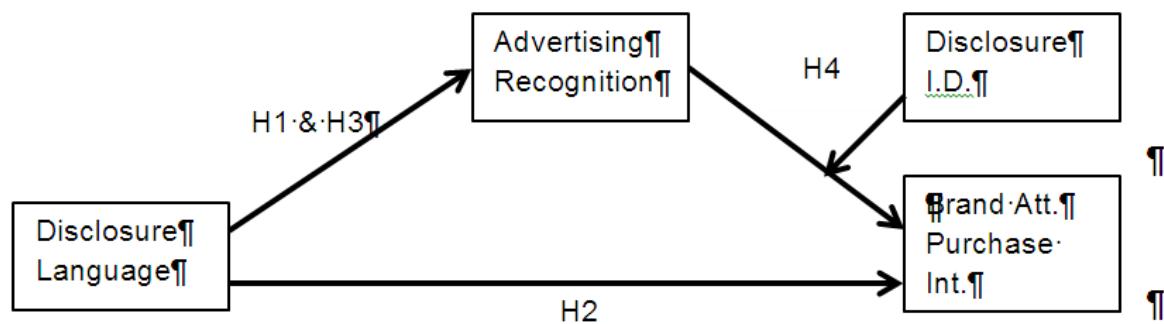


FIG. 1. Hypothesized effects of disclosure language and advertising recognition on attitudes and behavioral intention.