Disclosing sponsored Instagram posts: the role of material connection with the brand and message-sidedness when disclosing covert advertising

Abstract

Regulation prescribes that sponsored social media posts should clearly disclose their material connection with brands. However, research on the impact of such disclosures is limited. This study used an experimental 4 × 2 between-subjects design (N = 414), reflecting different types of material connections between the influencer and the brand and two kinds of message sidedness, to investigate how the sponsorship disclosure affects consumers' responses to sponsored Instagram posts. Findings show that including a sponsorship disclosure (compared to no disclosure) negatively affects brand attitude through enhanced ad recognition, which activates ad skepticism, which, in turn, negatively affects the influencer's credibility. Further, results show a significant moderated mediation effect in that source's credibility and, consequently, brand attitude was only negatively affected when the influencer used a one-sided message and not when the message was two-sided. Also, influencers who post genuine product recommendations and thus have no commercial relationship with the brand, do well by explicitly mentioning this. Iincluding a statement that a post is not sponsored, rather than leaving thisit unclear whether their post is sponsored, may generate more positive brand responses through lowered ad recognition and skepticism.

Keywords:

[Influencer marketing](https://www.tandfonline.com/keyword/Influencer+marketing) [Instagram](https://www.tandfonline.com/keyword/Instagram) [sponsorship disclosure](https://www.tandfonline.com/keyword/sponsorship+disclosure) [message sidedness](https://www.tandfonline.com/keyword/message+sidedness)

Introduction

The proliferation of digital advertisements has encouraged consumers to ignore ads or avoid them by using technology such as ad blockers. This practice has significantly eroded the value of traditional brand-driven advertisements (Petty and Andrews [Citation2008](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Kelley, Kerr, and Drennan [Citation2010](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Consumers are empowered to avoid unwanted advertising, and they aim to decide for themselves which information, commercial or not, is needed and used in their decision-making process. At the same time, consumers are well-informed that traditional advertisements only provide arguments that put the promoted products in a favorable light, reducing their credibility (De Veirman, Cauberghe, and Hudders [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Fransen et al. [Citation2015](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Therefore, they value and trust the opinions of peers more, which is generally defined as (electronic) word-of-mouth (eWOM), and use these opinions to guide their purchase decisions. This eWOM is perceived to be more genuine and unbiased and is widely available online (e.g. online review platforms as TripAdvisor or Yelp) and on social media (e.g. Facebook, Instagram, or Twitter), in particular (Hennig-Thurau et al. [Citation2004](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Schindler and Bickart [Citation2005](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). As awareness has been raised about the value and persuasiveness of eWOM among advertisers, eliciting eWOM has become an important marketing strategy (Goldsmith and Clark [Citation2008](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)).

One way to do so is to utilize influencers to endorse brands via eWOM on social media (De Veirman, Cauberghe, and Hudders [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Influential social media users with numerous followers typically receive products for free (i.e. material compensation) or are being paid (i.e. financial compensation) to include and recommend brands on their social media profiles and, in this way, shape their followers’ opinions (De Veirman, Cauberghe, and Hudders [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Phua, Jin, and Kim [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). These sponsored posts can be considered a form of native advertising, defined as ‘any paid advertising that takes the specific form and appearance of editorial content from the publisher itself’ (Wojdynski and Evans [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Indeed, sponsored Instagram posts mimic and blend with organic, non-sponsored posts, appearing in users’ news feeds without interrupting their social media experience, unlike non-integrated social media ads (Abidin [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Wojdynski and Evans [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); De Veirman, Cauberghe, and Hudders [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Moreover, influencers may remain vague about their commercial relationship with the sponsoring brand. Therefore, along with the emergence and popularity of sponsored social media posts, there is a growing concern that consumers might not recognize these sponsored posts as paid ads but rather as highly credible word-of-mouth endorsements, which could lead to deceptive persuasion (Kaikati and Kaikati [Citation2004](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Fransen et al. [Citation2015](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Evans et al. [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); De Veirman, Cauberghe, and Hudders [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Evans et al. [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Boerman, Van Reijmersdal, and Neijens [Citation2015](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). As a result, a clear and prominent disclosure of their commercial nature is recommended to comply with The Federal Trade Commission’s (FTC) guides concerning native advertising (2015) and EU rules applicable to online native advertising [Interactive Advertising Bureau (IAB) [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)].

These disclosures may trigger consumers’ ability to recognize the commercial content and subsequently activate a critical reflection of the post, skills that have been defined as advertising literacy (Hudders et al. [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Indeed, prior studies found that a clear disclosure is necessary to trigger advertising recognition, which, in turn, may reduce resistance to ad persuasion. Evans et al. ([Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) recently investigated the impact of disclosure language in sponsored Instagram posts and found that a clear disclosure (‘PaidAd’ or ‘Sponsored’), produced more advertising recognition compared to a vague abbreviation (‘SP’) or no disclosure. A clear disclosure had a positive effect on advertising recognition and disclosure memory, which could negatively impact brand attitudes and users’ willingness to share a post or advertisement. Similarly, Wojdynski and Evans ([Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) found that using ‘sponsored’ or ‘advertising’ in sponsored news stories online led to greater advertising recognition than nebulous disclosure language, which negatively affected brand attitudes. The same tendency was discovered in blogs, where van Reijmersdal et al. ([Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) found that consumers’ attitudes regarding the product being reviewed and likelihood to purchase were lowered as a result of increased advertising literacy in response to clear disclosures. Our study builds on these findings and investigates the role of disclosing the type of commercial relationship between the influencer and the brand (i.e. financial versus material compensation) in sponsored posts and compares it with a non-sponsorship disclosure and a non-disclosed post. In particular, we inquire into how differently disclosed sponsored Instagram posts affect brand attitude. Moreover, we investigate whether and how the content of a (sponsored) post, more specifically message sidedness, impacts consumers’ responses to sponsorship disclosures.

Although disclosures are indispensable in a transparent and ethical advertising policy, advertisers (and influencers) may be reluctant to use them, as most previous research shows that disclosures negatively affect brand attitudes and even influencer evaluations. Accordingly, the current study will examine whether message sidedness may counter the negative impact of advertising disclosures on brand evaluations. Although consumers assign greater weight to negative information in their decision making, two-sided messages may turn out positive for the sponsoring brand (Shoham, Moldovan, and Steinhart [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). This is because message sidedness may reassure consumers that the influencer is credible because a more nuanced view of the product has been given (Uribe, Buzeta, and Velásquez [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Eisend [Citation2006](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108), [Citation2007](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). This is of particular interest as advertising disclosures may challenge credibility perceptions and, consequently, attitudes toward the sponsoring brand (Friestad and Wright [Citation1994](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Campbell and Kirmani [Citation2008](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Obermiller and Spangenberg [Citation1998](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); van Reijmersdal, Neijens, and Smit [Citation2010](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)).

The obtained novel insights advance our theoretical understanding of how the disclosure of covert advertising tactics affects consumer responses and the role of advertising literacy in this process. Furthermore, they provide insights into the consequences of the FTC guidelines, which state that influencers should clearly and conspicuously disclose any ‘material connection’ with advertisers, which is mostly monetary payment or free product (FTC [Citation2015](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Moreover, findings on message sidedness are particularly important, as there has been little research to date about its impact in covert advertising formats, while the impact of message sidedness in traditional advertising has been widely investigated. Furthermore, while the link between two-sidedness and source credibility has been well established, it is more tenuous whether this link may also restore perceptions of credibility and, consequently, brand attitudes and evaluations when they have been challenged by a disclosure indicating that the message is, in fact, an ad (Eisend [Citation2006](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). To conclude, our study is the first to investigate the impact of explicitly disclosing non-sponsorship in social media posts, a hashtag that yields almost 200,000 search results on Instagram, alone.

We conducted an experimental study based on a 4 × 2 between-subjects design (sponsorship disclosure: material compensation versus financial compensation versus not sponsored versus no disclosure × message sidedness: one-sided versus two-sided) among Instagram users to test our hypotheses.

We focused on Instagram, as this is currently the most used platform for influencer marketing [World Federation of Advertisers (WFA) 2018]. In 2017, there were 14.5 million brand-sponsored influencer posts on Instagram, and this number is expected to double by 2019 (Statista [Citation2018a](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Moreover, now that Instagram officially has more than 1 billion monthly active users, the need for proper disclosure of Instagram influencer marketing is more relevant than ever.

Theoretical background and hypothesis development

Figure 1 presents our conceptual model. We focus on how different sponsorship disclosure types affect attitudes toward a brand, which is consumers’ overall evaluation of a brand (Wu and Wang [Citation2011](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) and is a primary element of customer-based equity (Lane and Jacobson [Citation1995](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Morgan and Hunt [Citation1994](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Because it is an important predictor of consumer behavior and brand preference, in particular, reinforcing brand attitude has been recognized as one of the most essential marketing objectives (Wu and Wang [Citation2011](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Moreover, we take into account the possible moderating effect of message sidedness.

The aim of this study is fourfold: first, we aim to unravel the process through which sponsorship disclosures (#sponsored) are likely to affect consumers’ evaluations of the influencer and brand attitudes. Second, we will take a closer look at influencer posts about genuine product recommendations and investigate whether consumer responses differ when the influencer explicitly mentions he or she is not sponsored compared to when a post does not include any disclosure. Third, we investigate the role of disclosing the type of material connection (i.e. material versus financial compensation disclosure) and compare it to a non-sponsorship disclosure. To conclude, we will take into account the moderating impact of message sidedness.

The effects of advertising disclosures in sponsored social media posts

Digital advertising is often fully integrated into media content, disguising its commercial nature (Hudders et al. [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). For instance, sponsored social media posts resemble genuine posts and are difficult to identify as commercial content. Accordingly, product recommendations posted by influencers are perceived to be authentic, honest, and sincere recommendations from influential people who are perceived to be experts in the field (De Veirman, Cauberghe, and Hudders [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). These recommendations are therefore much more persuasive than brand-generated messages, which are perceived as being biased (Bickart and Schindler [Citation2001](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)).

According to FTC guidelines (FTC [Citation2015](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) and EU legislation (IAB 2006), consumers have the right to know when they are exposed to commercial content. This knowledge will help them to cope with persuasion critically. Following the persuasion knowledge model (Friestad and Wright [Citation1994](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)), when people recognize a persuasive attempt, they can use their knowledge about persuasion to process the attempt critically and decide either to be persuaded or to resist the persuasion. More specifically, all individuals’ knowledge and skills, specifically regarding advertising, can be defined as advertising literacy (Hudders et al. [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). The phrase refers to individuals’ capacity to recognize advertising, understand its persuasive intent, and have insight into persuasive tactics. In addition, it refers to individuals’ knowledge about detecting and controlling emotions that are aroused by advertisements and their ability to evaluate ads on perceived fairness and appropriateness (Hudders et al. [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). This knowledge, which should be activated when confronted with an advertising message, helps an individual to process the advertising critically. An important precondition for the proper activation of this knowledge is that people are aware that they have been confronted with advertising. This awareness is, however, difficult when exposed to covert or native advertising that resembles editorial content. Clear advertising disclosure should, therefore, help consumers recognize the commercial nature of a sponsored post and cope with persuasion (e.g. Boerman, van Reijmersdal, and Neijens [Citation2012](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); van Reijmersdal et al. [Citation2015](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108), [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)).

Indeed, recent research suggests that sponsorship disclosures may help individuals recognize the commercial intent of a sponsored social media post (Boerman, Willemsen, and Van der Aa [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Evans et al. [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). When consumers are made aware of the persuasive nature of a message through disclosure, resistance to the persuasion attempt is likely to occur (Main, Dahl, and Darke [Citation2007](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). As a result, critical feelings such as ad skepticism may be instigated (Boerman, Van Reijmersdal, and Neijens [Citation2012](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Rozendaal, Buijzen, and Valkenburg [Citation2011](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). The latter is supported by reactance theory (Brehm and Brehm [Citation1981](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)), which suggests that consumers do not want to be manipulated and attach great importance to their autonomy and independence. When consumers become aware of a persuasion attempt, for instance by disclosing sponsorship, they develop reactance, as they feel threatened in their freedom to make their own decisions. Therefore, disclosing sponsorship may negatively affect brand responses through a critical reflection on the ad (e.g. Campbell, Mohr, and Verlegh [Citation2013](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Wojdynski and Evans [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); van Reijmersdal et al. [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)).

Two studies have investigated whether sponsorship disclosure can make sponsored social media posts more transparent. In particular, Boerman, Willemsen, and Van Der Aa ([Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) found that a ‘sponsored’ disclosure added to a sponsored Facebook post from a celebrity increased individuals’ ability to identify this post as advertising. This label, in turn, negatively affected eWOM intentions through decreased trust in the message. Similarly, Evans et al. ([Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) found that including disclosure in the form of a hashtag ‘#sponsored’ in the caption of a sponsored post on Instagram is effective in increasing consumers’ recognition of the post as advertising. This label also lowered brand attitudes and users’ willingness to share the post.

When consumers encounter a social media post that displays a brand, they may draw upon their advertising literacy to evaluate the influencer’s underlying motives for incorporating a certain brand in an Instagram post. Inferences of ulterior motives may result in less favorable evaluations of the influencer (Vonk [Citation1998](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108), Campbell and Kirmani [Citation2000](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). When a sponsorship disclosure is included, any suspicion of ulterior motives turns into certainty. A sponsorship disclosure leaves no doubt about the reason why an influencer depicts a brand in a social media post. An advertising disclosure may therefore lead consumers to think that the influencer is biased, which may negatively impact the influencer’s credibility (Hwang and Jeong [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Uribe, Buzeta, and Velásquez [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) and consequently result in decreasing attitudes towards the brand (Friestad and Wright [Citation1994](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Campbell and Kirmani [Citation2008](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Obermiller and Spangenberg [Citation1998](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); van Reijmersdal, Neijens, and Smit [Citation2010](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). For instance, Uribe, Buzeta, and Velásquez ([Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) found that explicitly disclosing a blog’s intent to advertise negatively impacted the perceived source’s credibility and intentions. Similar, Janssen, van Sprang, and Fransen ([Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) recently found that the negative effects of disclosures in sponsored blogs on brand attitude and purchase intention could be explained by a decrease in the perceived credibility of the influencer. Therefore, we posit that when a sponsorship disclosure is included in a sponsored social media post, it will likely instigate consumers to question the influencer’s credibility and, consequently, negatively affect their attitudes toward the sponsoring brand.

Drawing on the persuasion knowledge model (Friestad and Wright [Citation1994](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) and reactance theory (Brehm and Brehm [Citation1981](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)), we propose that sponsorship disclosure is likely to help consumers in detecting the commercial nature of a sponsored Instagram post. The realization that an Instagram post has a commercial purpose will activate a skeptical evaluation of the post, which will lower the influencer’s credibility and ultimately result in a negative evaluation of the brand. Accordingly, we suggest a sequential mediation path explaining the effects of a sponsorship disclosure on brand attitudes through ad recognition, ad skepticism, and source credibility:

Hypothesis 1: A disclosed sponsored Instagram post will lead to lower brand attitudes compared to a non-disclosed Instagram post through enhanced ad recognition, activating ad skepticism, and lowering perceptions of influencer credibility.

The effects of explicitly disclosing non-sponsored influencer posts

Due to the increase of sponsored influencer posts on Instagram, influencers tend to explicitly mention if a post including a brand is a genuine recommendation by including the hashtag #notsponsored. This non-sponsorship disclosure serves as a cue that confirms the Instagram post is an expression of genuine liking of the brand and the influencer has altruistic motives in sharing opinions with his or her followers. In other words, if consumers infer that the influencer has no commercial motive, they are likely to curtail their use of advertising literacy because it does not apply to the situation (Friestad and Wright [Citation1994](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). This difference can be explained by Kelley’s ([Citation1973](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) attribution theory, which holds that consumers’ idea of why someone is sharing a message influences how the message is received. A non-sponsorship disclosure leaves no doubt about the influencer’s true intentions and will, therefore, most likely be perceived as highly credible eWOM, which may induce more positive reactions toward the brand compared to a non-disclosed post, which makes possible brand interference unclear (Campbell and Kirmani [Citation2008](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Therefore, we expect that:

Hypothesis 2: A non-sponsorship disclosure in an Instagram post will lead to higher brand attitudes compared to a non-disclosed Instagram post. We expect this effect to be sequentially mediated by lowered ad recognition and ad skepticism and higher perceptions of source credibility.

The role of the material connection between the influencer and the brand

Influencers should clearly and conspicuously disclose their material connection with brands (FTC 2017). In practice, material connections may include either monetary payment or free product samples. As explained previously, advertising literacy can be used to evaluate an influencer’s motives behind including a brand in a post (Campbell and Kirmani [Citation2000](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). However, we suggest that effects could also vary based on the type of compensation. In particular, we compare consumers’ influencer and brand evaluations when the influencer discloses being paid by a brand to include products in their social media posts versus receiving free products. We compare both to posts in which the influencer explicitly disclosed that a recommendation was not sponsored.

Both forms of disclosed compensation will lead to lower brand attitudes compared to the non-sponsorship disclosure due to higher ad recognition, which activates ad skepticism. However, we expect that the honesty of an influencer might be perceived differently. When influencers are financially compensated, consumers will likely perceive the post as ‘bought’ by the brand, whereas when the influencer was given a free product, they tend to perceive it as a product trial. An influencer who is being paid to recommend a brand on social media may be less likely to express an honest opinion about the product and, therefore, be positively biased. As a result, consumers might feel misled (Campbell and Kirmani [Citation2000](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). When an influencer is sent a free product, the brand has no guaranteed exposure nor control over the content of the sponsored post. If an influencer chooses to endorse a brand, his or her followers tend to believe that the influencer genuinely wants to share an opinion about the brand, because the post would not exist, otherwise. This is known as the correspondence bias (Gilbert and Malone [Citation1995](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)), which is the tendency to assume that a person’s behavior is a true reflection of their underlying dispositions (beliefs and opinions), when, in fact, their behavior could be explained entirely by situational factors, e.g. when the influencer is gifted a free product. Therefore, we expect that material compensation will have a significantly less negative impact on both the influencer and the brand than financial compensation.

Hypothesis 3: Both a disclosure indicating financial compensation and material compensation will lead to lower brand attitudes through increased ad recognition, ad skepticism, and lower source credibility compared to a non-sponsorship disclosure. However, the negative effects will be less significant in the case of material compensation compared to financial compensation.

The moderating role of message sidedness

Research on how the content of a sponsored social media post affects its effectiveness is mainly absent. However, we expect that the content may impact the effects of sponsorship disclosure. In particular, we expect that a disclosure of sponsorship may affect consumers’ attitudes differently in one-sided messages than they do in two-sided messages. Message sidedness refers to the content of the propositions within a persuasive appeal. When an influencer only highlights the positive aspects of a product without mentioning any disadvantages, this is a one-sided message. When he or she chooses to highlight both positive and negative aspects of the product, a two-sided message is used (Winter and Krämer [Citation2012](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Previous research in the context of sponsored blogs proposed that two-sided messages enhance the credibility of the endorser (Huang and Lin [Citation2009](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Uribe, Buzeta, and Velásquez [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108), Janssen, van Sprang, and Fransen [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). The inclusion of negative information in the message may make people believe the influencer is more genuine and honest as he or she discusses not only the overt positive facets of the product (Crowley and Hoyer [Citation1994](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Eisend [Citation2007](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). This phenomenon can be linked to the discounting principle of attribution theory, which states that ‘the role of a given cause in producing a given effect is discounted if other plausible causes are also present’ (Kelley [Citation1973](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108), 113). When an Instagram post has a sponsorship disclosure, consumers will attribute the sponsored post to persuasive motives. However, consumers’ attribution to the given cause (i.e. the influencer was compensated for including the brand in a post) will be weakened, and, consequently, persuasion motives will be discounted if other plausible causes are also present. By using a two-sided message, a second plausible cause is introduced, which is the influencer has altruistic motives and genuinely wants to share opinions with other consumers. In this sense, adding both positive and negative arguments serves as validation that the influencer is an authentic consumer who actually tried the product and is not merely interested in (financial) compensation in return for the promotion (Schindler and Bickart [Citation2005](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). These perceptions of honesty can mitigate adverse effects on source credibility and message attitudes due to sponsorship disclosures (Carr and Hayes [Citation2014](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Hwang and Jeong [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). For instance, Hwang and Jeong ([Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) found that including a sponsorship disclosure in a blog post had negative effects on source credibility perceptions and message attitudes. However, these negative effects were not present when the blogger emphasized that although the blog was sponsored, he or she was sharing personal and honest opinions. In a similar vein, Uribe, Buzeta, and Velásquez ([Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) found that when a blog included an advertorial label, a two-sided message was perceived as more credible than a one-sided one. Hence, we expect that using two-sided messages in a sponsored Instagram post may reduce the negative impact of sponsorship disclosure.

Hypothesis 4: When an influencer uses a one-sided message in a sponsored post, the indirect negative effect of a sponsorship disclosure on brand attitude, through the perceived credibility of the influencer, is more likely to occur compared to when an influencer uses a two-sided message in a sponsored post.

We expect that message sidedness will work in similar ways for financial versus material compensation sponsorship disclosures; in that, two-sided messages reduce the negative impact of sponsorship disclosures through increased perceptions of the credibility of influencers. When an influencer is financially motivated, consumers assume that the sponsored post typically has more positive information about the brand, whereas an influencer who received free products will likely be perceived as less biased (Lu, Chang, and Chang 2014). Therefore, following attribution theory, we expect that negative effects might be stronger for sponsored posts indicating financial compensation. (Winter et al. [Citation2015](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) One-sided messages, on the other hand, confirm consumers’ expectation of influencer bias and a distorted evaluation of the product and may further strengthen the negative impact of a financial compensation sponsorship disclosure.

Hypothesis 5: The impact of a financial compensation sponsorship disclosure (versus non-sponsorship disclosure) on brand attitude through influencer credibility will be stronger when the brand post displays one-sided messages than when it displays two-sided messages. These effects will be weaker on a material compensation sponsorship disclosure.

Method

Experimental design and procedure

We conducted an experiment based on a 4 × 2 between-subjects design (sponsorship disclosure: material compensation versus financial compensation versus not sponsored versus no disclosure × message sidedness: one- versus two-sided). After reading a short introduction text, participants were asked if they have an Instagram account, as this was a criterion for inclusion in the sample. If they did not, they were directed to the end of the survey. Hereafter, participants’ age and gender were questioned, after which the experiment started.

Participants were randomly exposed to one of the conditions. They were asked to imagine they were scrolling through their Instagram feed and came across a post by an influencer they follow. This post contained an endorsement for a fictitious brand and contained different types of disclosures and either one-sided or two-sided arguments. They were asked to have a good look at the Instagram post and afterward, participants completed a questionnaire. First, the dependent variable, brand attitude, was included, after which the mediating variables, namely source credibility, ad recognition, and ad skepticism were questioned. Hereafter, the manipulation checks were included, followed by questioning participants’ involvement with a healthy lifestyle which is considered as a covariate in the analyses.

Stimulus material

An Instagram post of a fictitious influencer was created, using both a male and female version (Stephan/Stephanie Jones). The gender of the influencer has been matched to the gender of respondents to make sure that men were only exposed to the male influencer and women were only exposed to the female influencer. The two versions have been merged in the analyses. The post was created using Adobe Photoshop software. It was designed to resemble an authentic Instagram post appearing in the news feed of an Instagram user, consisting of a picture of a product and a picture caption. The post pictured energy bars from an unknown brand, ‘Innerme’ (Figure 2).

Sponsorship disclosure was manipulated by adding four different types of sponsorship disclosures in the picture caption indicating either material, financial, or no compensation or not disclosed (see Table 1 for an overview of the manipulations). Next, message sidedness was manipulated by adding a short review of the product depicted in the Instagram post below the picture. This description consisted of positive product features (one-sided message) or both positive and negative product features (two-sided message). In particular, the one-sided message stated, ‘Snacktime! These #innerme energybars are my absolute favorite. Sure they’ll give you the energy you need!’ While the two-sided message stated, ‘Snacktime! These #innerme energybars are my absolute favorite. Although they contain quite some sugar, sure they’ll give you the energy you need!’

A pretest among an Amazon Mechanical Turk sample (N = 167, 107 females, meanage = 31.83 years, SDage = 7.09) was conducted to check manipulations of message sidedness and the type of material connection between the influencer and the brand and to measure disclosure recognition. To check manipulations of sidedness, a multiple choice question, asking what kind of information the influencer included in his or her Instagram post (‘Only arguments in favor of Innerme’ or ‘Both arguments favoring and disfavoring Innerme’) was used. To check manipulations of the type of material connection between the influencer and the brand, three items measured on a seven-point Likert scale were used. Disclosure recognition was measured by asking participants ‘Which of the following text entries did you notice in Stephen Jones’s Instagram post?’ Participants could choose one option from a list of possible disclosures. A detailed overview of the used measurement scales can be found in [‘Methodological details’ Appendix](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108" \l "app1). The detailed results are shown in Table 2. In particular, results show that 85.4% of the respondents could correctly recognize the disclosure type in the no disclosure condition while 14.6% could not (z = 6.4, p<.001). In the not sponsored disclosure condition, 70% of the respondents correctly recognized the disclosure while 30% did not (z = 3.6, p<.001). Although respondents seemed to have more difficulties in recognizing the correct disclosure type in the material and financial compensation conditions, further analyses show that respondents indicated more often that the influencer received financial compensation in the financial compensation condition (M = 4.16) compared to the material compensation condition (M = 3.15, p<.001). Regarding perceived message sidedness, results reveal that 97.6% of respondents correctly indicated that the post contained only arguments in favor of the brand in the one-sided condition, while 2.4% of the respondents failed the manipulation check (z = 12.3, p<.001). The manipulation of the two-sided condition was less successful, as 66.3% of the respondents indicated that the post contained both arguments against and arguments in favor of the brand in the two-sided condition, while 33.7% of the respondents did not notice (z = 4.2, p <.001).

Measures

To check manipulations of sidedness, participants’ perceptions about the Instagram post were questioned with three items measured on a seven-point Likert scale (‘The Instagram post only gives opinions in favor of Innerme’, ‘The Instagram post gives both opinions in favor as arguments against Innerme’, and ‘The information in the Instagram post is balanced’). To check manipulations of the type of material connection between the influencer and the brand and disclosure recognition, the same scales as in the pretest were used.

Dependent and mediating variables were measured with validated scales, measured on seven-point Likert scales. Brand attitude (ab) was measured with five items (Spears and Singh [Citation2004](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108), M = 4.47, SD = 1.42, α = 0.96). Credibility of the influencer was measured with Ohanian’s source credibility scale (1990, M = 4.23, SD = 1.13, α = 0.96) consisting of 14 items. Advertising recognition was measured with three items reflecting participants’ ability to recognize advertising (‘The Instagram post …is adverting’, ‘…contains advertising’, and ‘…is commercial’), adapted from van Reijmersdal et al. ([Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108), M = 5.69, SD = 1.30, α = 0.86). Ad skepticism was measured with four items [‘I think the Instagram post tells the truth’ (reversed item), ‘I don’t believe what the influencer wrote in the Instagram post’, ‘I can learn real product information from this Instagram post’ (reversed item), and ‘After reading this Instagram post, I have been accurately informed about the product information’ (reversed item)] from Lu, Chang, and Chang (2014, M = 4.15, SD = 1.35, α = 0.85). Involvement with a healthy lifestyle was included as a covariate in the analyses and was measured with the following two items: ‘A healthy lifestyle is important to me’ and ‘Information about a healthy lifestyle interests me’ (Van Reijmersdal, Neijens, and Smit [Citation2010](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108), M = 5.72, SD = 1.02, r = 0.721, p<.001). A detailed overview of the used measurement scales can be found in [‘Methodological details’ Appendix](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108" \l "app1).

Participants

There were 414 US-based participants recruited from Amazon’s Mechanical Turk who completed the study (229 females, Mage = 32.57 years, SDage = 8.29) in return for a small fee. Precisely, 59 responses were deleted from the data file, as these participants failed to answer one or more control questions correctly. This exclusion leaves 355 participants (195 females, Mage = 32.66 years, SDage = 8.29).

Statistical analyses

We first report the results of a correlational analysis to examine the correlations between the mediating and dependent variables. Next, we use the PROCESS macro (Hayes, [Citation2018](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108), v.3, 5000 bootstrap resamples, 95% confidence interval) to conduct sequential mediation and moderated sequential analyses to test the effects of adding a sponsorship disclosure to a branded Instagram post on brand attitudes and the moderating effects of message sidedness. In particular, we compare the effects of three different types of sponsorship disclosures, supplemented with a control condition without sponsorship disclosure. We report the results in different steps, comparing different sets of disclosures, in line with the hypotheses proposed in the theoretical framework. First, we compare the non-disclosed post (coded as 0) with the sponsorship disclosure posts (coded as 1) in which we merged the material and financial compensation conditions (N = 266). Second, we compare the non-disclosed post (coded as 0) with the non-sponsorship disclosure (coded as 1) (N = 178). Third, we compare the non-sponsorship disclosure (coded as 0) with the material compensation (coded as 1) and the financial compensation (coded as 2) disclosure using a multi-categorical mediation and moderation analysis (N = 266). In all analyses, involvement with a healthy lifestyle was included as a covariate as it was found to be significantly related to brand attitude (r = 0.16, p<.001). The detailed results of the analyses can be found in [‘Methodological details’ Appendix](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108" \l "app1).

Results

Table 3 provides an overview of the hypotheses and the results, along with information on whether each hypothesis is supported or not. In addition, Figure 3 represents the corrected model illustrating significant and insignificant paths.

Manipulation checks

First, manipulation checks revealed a successful manipulation of the independent variables. A detailed overview of the manipulation check results can be found in Table 4. First, results show that most participants correctly classified the disclosure type. Results reveal that 80.9% of respondents in the no disclosure condition (z = 8.9, p<.001), 76.4% of respondents in the non-sponsored condition (z = 7.0, p<.001), 63.5% of respondents in the material compensation condition (z = 3.7, p<.001), and 70.7% of respondents in the financial compensation condition (z = 5.6, p<.001) correctly recognized the sponsorship disclosure. In Table 4, an overview can be found of results on participants’ perceptions of material versus financial compensation the influencer received from the brand.

Concerning message sidedness, results reveal that respondents perceived significantly more arguments in favor of the brand in the one-sided condition (Mone-sided = 6.13, SDone-sided = 0.98, Mtwo-sided = 4.42, SDtwo-sided = 1.83; t (353) = 10.92, p<.001), while respondents perceived significantly more arguments that were balanced (Mone-sided = 2.19, SDone-sided = 1.55, Mtwo-sided = 4.13, SDtwo-sided = 1.85; t (353) =  −10.70, p<.001) and both against and in favor of the brand (Mone-sided = 3.01, SDone-sided = 1.63, Mtwo-sided = 4.09, SDtwo-sided = 1.65; t (353) =  −6.20, p<.001) in the two-sided condition.

Correlation analysis

First, we checked for correlations between the mediating variables ad recognition, ad skepticism and source credibility and the dependent variable brand attitude. All variables significantly correlated at the 0.01 level. Ad recognition was positively correlated with ad skepticism (r = 0.40) and negatively with source credibility (r =  −0.24) and brand attitude (r =  −0.26). Ad skepticism was negatively correlated with source credibility (r =  −0.72) and brand attitude (r =  −0.68). To conclude, source credibility and brand attitude were positively correlated (r = 0.73).

Sequential mediation analyses to test the mediating role of ad recognition, ad skepticism, and source credibility

Comparing no disclosure with the #sponsored condition

First of all, a sequential mediation analysis (PROCESS model 6) with the disclosure condition as an independent variable, advertising recognition, ad skepticism, and source credibility as mediators, brand attitude as a dependent variable, and involvement with a healthy lifestyle as a covariate showed a significant indirect effect from the presence of a disclosure on brand attitude through advertising recognition, ad skepticism, and source credibility (ab = −0.05, SE = 0.03, 95% CI = [−0.12; −0.01]). A sponsorship disclosure increased ad recognition (a1 = 0.31, SE = 0.13, p = .02), which, in turn, led to higher ad skepticism (d21 = 0.48, SE = 0.07, p<.001) and negatively affected source credibility (d32 = −0.63, SE = 0.04, p<.001), which was positively related with brand attitude (b3 = 0.58, SE = 0.07, p<.001). The analyses additionally revealed a sequential mediation through ad recognition and ad skepticism only (ab = −0.05, SE = 0.03, 95% CI = [−0.12; −0.00]). Ad skepticism had a negative effect on brand attitude (b2 = −0.36, SE = 0.07, p<.001). No significant indirect effects appeared through ad recognition only (ab = −0.01, SE = 0.02, 95% CI = [−0.05; 0.03]), nor through ad skepticism only (ab = −0.02; SE = 0.06, 95% CI = [−0.16; 0.09]), nor through source credibility only (ab = −0.07, SE = 0.06, 95% CI = [−0.20; 0.04]). In conclusion, there was no significant net direct effect of the presence of a disclosure on brand attitude (c′ = 0.06, SE = 0.12, p = .61). These results support Hypothesis 1 (Figure 4).

Comparing no disclosure with the #notsponsored condition

Next, we compared the effects of explicit disclosure that a post was not sponsored with the control condition in a serial mediation analysis (PROCESS model 6) with the disclosure condition as an independent variable, advertising recognition, ad skepticism, and source credibility as mediators, brand attitude as a dependent variable, and involvement with a healthy lifestyle as a covariate. Results showed a significant indirect effect from the presence of a disclosure on brand attitude through advertising literacy and, sequentially, skepticism and source credibility (ab = 0.27, SE = 0.07, 95% CI = [0.14; 0.42]), confirming Hypothesis 2. Ad recognition was lower when participants were exposed to an Instagram post that explicitly mentioned that it was not sponsored (a1 = −1.09, SE = 0.20, p<.001), which, in turn, had a positive effect on skepticism (d21 = 0.50, SE = 0.07, p<.001). Increased skepticism, consequently, appeared to negatively affect source credibility (d32 = −0.64, SE = 0.04, p<.001), which was positively related to brand attitude (b3 = 0.76, SE = 0.09, p<.001). The analyses also revealed a significant indirect effect from explicitly mentioning a post was not sponsored on brand attitude through ad recognition and ad skepticism (ab = 0.12, SE = 0.05, 95% CI = [0.04; 0.23]). Ad skepticism negatively affected brand attitude (b2 = −0.23, SE = 0.08, p<.001). Similar to the first analyses, no significant indirect effects appeared through ad recognition only (ab = 0.08, SE = 0.06, 95% CI = [−0.04; 0.18]). However, a significant indirect effect through ad skepticism only (ab = −0.11, SE = 0.06, 95% CI = [−0.25; −0.02]) was found. There was no significant indirect effect from the presence of a disclosure on brand attitude through source credibility only (ab = −0.12, SE = 0.09, 95% CI = [−0.30; 0.05]). Further, there was no significant net direct effect of the presence of a disclosure on brand attitude (c′ = −0.03, SE = 0.14, p = .82) (Figure 5).

Comparing the #notsponsored, #sponsored material compensation, and #sponsored financial compensation conditions

Next, we compare posts that explicitly mentioned compensation (either material or financial) to the explicitly not sponsored post. First, a multi-categorical serial mediation analysis (PROCESS model 6) was used, with the connection to the brand as an independent variable, ad recognition, ad skepticism, and source credibility as mediators, brand attitude as a dependent variable, and involvement with a healthy lifestyle as a covariate. Results showed a significant negative indirect effect from the connection to the brand on brand attitude through ad recognition, ad skepticism, and credibility, sequentially, when comparing the material compensation condition to the not sponsored condition and when comparing the financial compensation condition to the not sponsored condition (abmat. comp. =  −0.26, SE = 0.07, 95% CI = [−0.42; −0.14]; abfin. comp. =  −0.21, SE = 0.06, 95% CI = [−0.34; −0.11]). Compared to an explicit disclosure of non-sponsorship, both material compensation (a1 = 1.57, SE = 0.18, p<.001) and financial compensation (a1 = 1.27, SE = 0.17, p<.001) conditions led to higher ad recognition, leading to more ad skepticism (d21 = 0.46, SE = 0.06, p<.001) and negatively affecting source credibility (d32 = −.60, SE = .04, p<.001), which was positively related with brand attitude (b3 = 0.61, SE = 0.07, p<.001). Although there appeared to be no significant difference between the impact of paid and gift conditions on ad recognition, a comparison of the standardized indirect effects showed that the negative indirect effects on brand attitude were stronger when comparing the material compensation disclosure with the non-sponsorship disclosure (ab = −0.19, SE = 0.05, 95% CI = [−0.30; −0.10]) than when comparing the financial compensation with the non-sponsorship disclosure (ab = −0.15, SE = 0.04, 95% CI = [−0.24; −0.08]). Similar to the previous analyses reported, we also found a sequential mediation through ad recognition and ad skepticism only (abmat. comp. =  −0.24, SE = 0.08, 95% CI = [−0.40; −0.11]; abfin. comp. =  −0.20, SE = 0.07, 95% CI = [−0.34; −0.08]). Ad skepticism negatively affected brand attitude (b2 = −0.34, SE = 0.06, p<.001). No significant indirect effects appeared when comparing the effects of the three disclosure conditions on brand attitude through ad recognition only (abmat. comp. =  −0.03, SE = 0.09, 95% CI = [−0.22; 0.15]; abfin. comp. =  −0.02, SE = 0.07, 95% CI = [−0.17; 0.13]), nor through ad skepticism only (abmat. comp. = 0.12, SE = 0.08, 95% CI = [−0.03; 0.29]; abfin. comp. = 0.12, SE = 0.07, 95% CI = [−0.01; 0.28]), nor through source credibility only (abmat. comp. = 0.06, SE = 0.08, 95% CI = [−0.11; 0.23]; abfin. comp. = 0.02, SE = 0.07, 95% CI = [−0.11; 0.17]). To conclude, there was no significant net direct effect of the presence of a disclosure on brand attitude (c′mat. comp. = 0.12, SE = 0.16, p = .44; c′fin. comp. = 0.01, SE = 0.15, p = .92). Based on these findings, we can partly accept Hypothesis 3, as both types of disclosure negatively affected brand attitudes through ad recognition, ad skepticism, and source credibility. However, disclosing material compensation unexpectedly appeared to be more detrimental in terms of brand attitude than disclosing financial compensation (Figure 6).

Moderated mediation analyses

Comparing no disclosure with the #sponsored condition

First, we conducted a moderated mediation analysis (PROCESS model 7) with message sidedness as a moderator of the effect of the presence of a sponsorship disclosure on brand attitude through source credibility. Involvement with a healthy lifestyle was included as a covariate. The analysis revealed the presence of moderated mediation through source credibility (ab = 0.49, SE = 0.26, 95% CI = [0.00; 1.02]). Next, we further examined the conditional indirect effects of the disclosure condition on brand attitude for one- versus two-sided Instagram posts. Only for one-sided Instagram posts, there was a significant indirect negative effect of the disclosure condition on brand attitude through source credibility (ab = −0.47, SE = 0.18, 95% CI = [−0.82; −0.13]. In contrast, when the Instagram post included a two-sided message, this indirect effect was not significant (ab = 0.02, SE = 0.19, 95% CI = [−0.35; 0.40]). These results support Hypothesis 4. However, interestingly to note, a more detailed analysis of the effects on influencer credibility shows that influencer credibility is not significantly different between disclosed one-sided and two-sided messages (B = −0.19, SE = 0.17, p = .27), while non-disclosed one-sided messages seem to lead to higher credibility ratings compared to two-sided messages (B = −0.75, SE = 0.24, p = .002) (Figure 7).

Comparing the no disclosure with the #notsponsored condition

Next, a moderated mediation analysis (PROCESS model 7) was conducted with message sidedness as a moderator of the effect of a not sponsored disclosure (no disclosure, coded as 0 versus #sponsored, coded as 1) on brand attitude, through source credibility. Involvement with a healthy lifestyle was included as a covariate. The analysis revealed no significant moderated mediation (ab = 0.35, SE = 0.32, 95% CI = [−0.26; 0.98]).

Comparing the #notsponsored, #sponsored material compensation, and #sponsored financial compensation conditions

A multi-categorical moderated mediation analysis (PROCESS model 7) was conducted with message sidedness as a moderator of the effect of connection with the brand (#notsponsored, coded as 0 versus material compensation, coded as 1 versus financial compensation, coded as 2) on brand attitude, through source credibility. Involvement with a healthy lifestyle was included as a covariate. The analysis revealed no presence of moderated mediation when the influencer was given a free product (ab = 0.11, SE = 0.30, 95% CI = [−0.47; 0.68]), nor when the influencer was paid for promoting the brand (ab = 0.23, SE = 0.28, 95% CI = [−0.31; 0.79]). Therefore, we need to reject Hypothesis 5. However, further analyses revealed significantly lower ad recognition when an influencer was paid for endorsing a brand compared to when he or she was given free products when the sponsored post used a two-sided message (Mmat. comp. = 6.29, SDmat. comp. = 0.81; Mfin. comp. = 5.87, SDfin. comp. = 1.11; p = .05). No differences between the two forms of compensation were found when the sponsored post used a one-sided message (Mmat. comp. = 6.24, SDmat. comp. = 0.81; Mfin. comp. = 6.05, SDfin. comp. = 1.04; p = .35).

General discussion

Theoretical contributions and future research

This study contributes to the further understanding of the function of disclosures in sponsored Instagram posts as a type of native advertising. First, it was found that disclosing sponsored content, regardless of the type of material connection between the influencer and the brand, activated advertising recognition and resulted in more ad skepticism, which, in turn, negatively affected brand attitude. These results provide further support for previous findings suggesting that adding a sponsorship disclosure helps consumers recognize sponsored posts as advertising, which reduces the effectiveness of the ad (Evans et al. [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Boerman, Willemsen, and Van der Aa [Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Advertising literacy (Friestad and Wright [Citation1994](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) is thus an important underlying mechanism that explains how sponsorship disclosures may induce advertising recognition, which results in coping mechanisms such as heightened skepticism that may negatively affect the effectiveness of sponsored influencer posts (Nelson, Wood, and Paek [Citation2009](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)).

Moreover it was found that in its turn, ad skepticism leads to more negative perceptions of influencer credibility, in line with the recent study by Janssen, van Sprang, and Fransen ([Citation2017](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Consumers tend to believe that influencers are trustworthy sources who express their genuine liking for a brand, which makes them more likely to be persuaded, according to source credibility theory (Erdogan [Citation1999](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Hovland and Weiss [Citation1951](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Ohanian [Citation1991](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). When they are informed about the commercial nature of a post, and consumers understand the true motives of the influencer, they become skeptical, which causes negative responses toward the influencer and, consequently, the brand.

Second, results reveal that it may be beneficial for both influencers and brands to disclose non-sponsored posts clearly. This disclosure not only leads to more positive brand effects but also to more positive evaluations of the influencer, in terms of credibility, compared to a non-disclosed post. At first sight, these results are not in line with the study by Carr and Hayes ([Citation2014](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)), which compared a review including a non-sponsorship disclosure with a non-disclosed review and found no differences in perceived source credibility between both conditions. Our results also revealed no direct impact on source credibility; however, an indirect effect through ad recognition and ad skepticism was found. Therefore, it is important that future research further unravels the importance of such a non-sponsorship disclosure, especially now that sponsored content is a common practice, whereas four years ago Carr and Hayes ([Citation2014](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) assumed that consumers perceive a non-sponsorship disclosure as an unnecessary statement that the blogger is credible.

Third, the current study aimed to investigate whether the type of material connection between the influencer and the brand might impact brand attitude differently. Results show that sponsorship disclosure indicating financial or material compensation led to higher ad recognition compared to a non-sponsorship disclosure. This higher ad recognition led to higher ad skepticism, lower influencer credibility, and lower brand attitude. However, unexpectedly, the difference between a material connection and a non-sponsorship disclosure appeared to be greater than the difference between a financial compensation sponsorship and a non-sponsorship disclosure. Below, we discuss two possible explanations for this finding.

A first explanation can be found in perceptions about the influencer’s transparency. When an influencer honestly discloses that he or she was paid to endorse a brand on social media, consumers are made fully aware of the influencer’s bias and commercial motives. When the influencer states that he or she was given a free product in return for exposure, there is more uncertainty about the influencer’s true motives. That is, the brand may have an agreement with the influencer including free products in return for a recommendation, or the brand may have sent free products to the influencer, hoping that it would be included in social media posts. This result may be in line with the results of Carr and Hayes ([Citation2014](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)), which showed that bloggers were perceived to be less credible when they were more vague about the sponsorship relation compared to when they explicitly disclosed a financial relationship. Thus, it might be that the material compensation sponsorship disclosure was perceived as the influencer being less straightforward than when he or she admitted to receive financial compensation. Therefore, future research should probe for perceptions about the influencer’s honesty and trustworthiness and question to what extent consumers think the brand determined the content of the sponsored post. Moreover, feelings of deception could be an important mediator, explaining the effects of different types of disclosures on attitudes toward both the influencer and the brand. In support of this, recently, Evans, Wojdynski and Hoy (2018) found that the negative impact of covertness of advertising format on attitudes and behavioral intention via advertising recognition could be mitigated by perceptions of sponsorship transparency. Thus, in case of more covert advertising formats, such as sponsored social media posts, being clear about the post’s advertising nature, may result in less feelings of deception and consequently reactance (Evans, Phua, and Grubbs Hoy [Citation2018](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Brehm, [Citation1966](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). It seems that regardless of the type of commercial relationship, being straightforward about the post’s commercial nature and specifically, the form of compensation is important to minimize feelings of deception and consequently negative consumer responses.

A second plausible explanation for the indication that a material compensation disclosure may be more detrimental than we expected at first is that free gifts could trigger feelings of envy among consumers, more than paid brand promotions. An influencer who is paid to promote products may be perceived as being more professional, which may make it more acceptable to consumers. This ambiguity should be addressed in future research by measuring feelings of envy and appropriateness of the compensation method. In general, future research should provide further insights into how to mitigate the negative effects of disclosing a material connection between the influencer and the brand without misleading consumers. Related, examining the difference between disclosures from influencers (e.g. using hashtags, as we examined in our study) versus disclosures added by media platforms (standardized disclosure) could be an interesting future research topic. The source of the disclosure may heavily affect the credibility of an influencer, as he or she is no longer disclosing the sponsored content; rather, an external source does it. This difference may lead to higher feelings of manipulativeness and lead to lower credibility for the advertising message. The use of two-sided messages may be even more important for standardized disclosures.

Fourth, we examined the importance of message framing in a sponsored Instagram post. In particular, we examined how message sidedness affects the effects of sponsorship disclosures. More specifically, negative evaluations of influencer credibility were found to be more likely when a disclosed (compared to a non-disclosed post) Instagram post used a one-sided message to promote the product. When a two-sided message was being used, no significant difference appeared between disclosed and non-disclosed influencer posts, in line with Uribe, Buzeta, and Velásquez ([Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). However, when looking into the results in more detail, they reveal that credibility perceptions are particularly high when the post was one-sided and not disclosed. Influencer credibility ratings of the one-sided disclosed post were at the same level compared to the disclosed and non-disclosed two-sided messages. Contrary to our expectations, two-sided messages that were disclosed did not lead to higher credibility ratings compared to one-sided messages. Accordingly, further research is necessary to examine how discussing both negative and positive product features may serve as a validation cue for the influencer’s honesty (Schindler and Bickart [Citation2005](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). In particular, it remains unclear why an influencer posting a two-sided non-disclosed post is perceived as less credible compared to when he or she posts a one-sided post. This finding is inconsistent with previous research that indicates that sources of two-sided messages are generally perceived as more honest, which benefits the overall credibility of the message (Crowley and Hoyer [Citation1994](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); Eisend [Citation2007](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)).

Practical implications

As influencer marketing has evolved to an exponentially growing marketing tactic, public policy concerns on its persuasiveness and covert nature have been rising. Transparency about the commercial nature of the post has become crucial. Recent guidelines and (self-)regulatory initiatives force influencers to disclose any commercial relationship (FTC [Citation2015](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108); IAB [Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). They emphasize the importance of sponsorship transparency so that consumers are able to differentiate sponsored content from editorial content or genuine (and non-sponsored) product reviews. The current study shows that adding a detailed disclosure in which information is given about the nature of the commercial relationship (either a financial compensation or a free product) helps consumers recognize sponsored influencer posts as advertising. Moreover, the current study shows that disclosures increase the critical processing of influencer posts as ad recognition evoked by a sponsorship disclosure induces ad skepticism, which in turn negatively affects brand responses. Furthermore, it was found that sponsorship disclosures may also affect perceptions of influencer credibility and consequently brand attitudes due to increased ad skepticism following ad recognition. These findings indicate that clear disclosures do not miss their purpose and indeed help consumers recognize sponsored influencer posts as advertising, which may result in increased skepticism and consequently negative outcomes for both the influencer and the brand. However, as also recognized by Reijmersdal et al. ([Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) transparency might be appreciated and recognized by the influencer’s followers in the long run and in the end might soften their resistance. This is also supported by the finding that consumers appreciate a clear non-sponsorship disclosure. As such, the influencer can eliminate any suspicion that consumers may have towards a non-disclosed post. Consumers dislike the feeling of being misled, and a clear non-sponsorship disclosure offers them more certainty about the truthfulness of the product recommendation, as there is no third-party influence.

Concerning the type of compensation method, both a disclosure indicating financial as material compensation negatively affected brand attitudes through ad recognition, ad skepticism, and source credibility. Still and unexpected, disclosing material compensation appeared to be more detrimental in terms of brand attitude than disclosing financial compensation. This might be important for marketers to take into account when deciding on the type of remuneration for influencers.

As negative brand outcomes through perceived credibility of the influencer are more likely to occur when an influencer uses a one-sided message in a sponsored post compared to a two-sided message, influencers using two sided-messages in their sponsored posts seem to be desirable for brands. However, in terms of influencer credibility, the results of this study suggest that including two-sided arguments to a disclosed Instagram post is equally effective compared to one-sided arguments. It seems that, when including a sponsorship disclosure, it does not matter which argument style the influencer uses; however, future research is needed to get more certainty about this.

To conclude, when comparing the two types of compensation methods, it was found that when the influencer used a two-sided message when disclosing financial compensation, this led to significantly lower ad recognition compared to when he or she was given free products while no differences between the two forms of compensation were found when the influencer used a one-sided message. These results suggest that two-sided messages could decrease ad recognition for paid brand endorsements.

Limitations

To conclude, we discuss some limitations of the current study that may provide further guidance for future research. First, we selected one particular type of product, energy bars, which may limit the generalizability of the findings. Results may be different for products which are more expensive (e.g. luxury clothes) or more experiential (e.g. travel). These products may lead to higher feelings of envy and may result in more negative effects when disclosing financial or material compensation. It would be interesting to examine further how the product type impacts the effectiveness of advertising disclosures. Moreover, the used brand stimuli were unknown to respondents to avoid influences of consumers’ established brand knowledge. However, consumers’ familiarity or prior experiences with a product may affect brand evaluations (Hong and Sternthal [Citation2010](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Therefore, future research should investigate whether our findings are generalizable to known brands and whether results differ depending on consumers’ prior brand knowledge. Furthermore, it might be that the energy bars used in the stimuli were not necessarily perceived as healthy by the respondents. Thus, rather than measuring and controlling for involvement with a healthy lifestyle, product involvement might have been a better control measure.

Second, we only examined one particular message strategy, two-sided messages, and we only manipulated the figure caption and not the picture. Adding an element of two-sidedness may more strongly affect consumers compared to manipulating the caption. Pictures may have a more significant impact than message elements. Further research should also examine the impact of other message strategies, as research on how a sponsored influencer post should be designed is quite limited. When consumers encounter a sponsored post, they will most likely rely on cues or heuristics to aid them in their evaluations and decision process (Kardes, Posavac, and Cronley [Citation2004](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). In this sense, the language used in the sponsored post may serve as a cue for an assessment of credibility. For instance, it would be interesting to examine the impact of language elements such as typos and language errors, using foreign languages, slang, or dialects. Moreover, language is particularly important, as consumers should decode and comprehend the post as intended by the influencer (Christiansen and Tax [Citation2000](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)).

A third limitation concerns the manipulation of message sidedness. While the manipulation of the one-sided message was clearly successful, the manipulation of the two-sided message was less clear to respondents. Even though the difference between the respondents who correctly understood the manipulation (66.3%) and respondents who did not (33.7%; z = 4.2, p<.001), proved to be statistically different, it does not convincingly support the conclusion of a successful manipulation. However, as message sidedness is an intrinsic feature of the message, it does not require a manipulation check as argued by O’Keefe ([Citation2003](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Regardless of the respondent’s evaluation, it is an objectively verifiable manipulation. Still, future research might search for better manipulations of two-sidedness. For instance, we assume that the fact that the energy bars contain a lot of sugar might not be perceived as a negative characteristic by some participants. Moreover, the manipulation of sidedness is important; for instance, Hwang and Jeong ([Citation2016](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) blame the lack of a moderating effect of message sidedness on the effect of sponsorship disclosure on an unsuccessful manipulation of two-sidedness.

Fourth, the study did not control for influencer credibility and the influencer used in the study was fictitious and thus unknown to participants. It could be that an influencer’s prior credibility might have an impact on sponsorship disclosure effects such that effects might differ for people who are followers of the influencer and people who have no prior experience with the influencer. For instance, when an influencer is known to post authentic, reliable recommendations and is always clear about his or her commercial partnerships, a clear disclosure might be less detrimental in terms of influencer credibility and brand attitude.

In addition, although Instagram is one of the most popular social network sites worldwide (Statista [Citation2018b](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)) and currently the most used platform for influencer marketing (WFA 2018), only including sponsored Instagram posts in the stimuli limits the applicability of the study results to other platforms and consumers, as Instagram is most popular with younger users below the age of 35 and more used by females than males (Statista [Citation2018b](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108), [Citation2018c](https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1575108)). Moreover, we focused on adult Instagram users; however, the effects may be stronger for youths (between 12 and 18), who are heavy Instagram users and have a lower advertising literacy. Future research should further unravel the effects among a younger audience.

To conclude, a more in-depth analysis of the design of sponsorship disclosures is necessary to be able to formulate guidelines on the design of such disclosures. In sum, the current study provides further evidence for the importance of sponsorship disclosures to disclose sponsored content that is covert and potentially misleading for consumers.