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ADVERTISING RECOGNITION AND PERSUASION IN THE CONTEXT OF

SPONSORED INFLUENCER CONTENT: EFFECTS OF DISCLOSURE

PROMINENCE, MESSAGE INVOLVEMENT, AND PERSUASION KNOWLEDGE

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ABSTRACT

This dissertation presents the results of an investigation of the effects of sponsorship disclosure, message involvement, and persuasion knowledge on people's recognition of sponsored influencer content and subsequent persuasion outcomes. An online experiment (N = 296) was conducted with a 2 (disclosure prominence: prominent vs. subtle) x 2 (message involvement: high vs. low) x 2 (persuasion knowledge: high vs. low) between-subjects factorial design.

Results revealed that higher levels of disclosure prominence resulted in enhanced advertising recognition. Specifically, the participants who took part in this study were more likely to recognize the commercial intent of a sponsored Instagram post when a prominent disclosure was displayed than when a subtle disclosure was utilized. In addition, levels of persuasion knowledge were positively associated with advertising recognition. Participants who were presented with information regarding sponsored influencer content were more likely to perceive the post as advertising compared to those who were not given such information. In contrast, data results could not support a significant main effect of message involvement on advertising recognition.

Findings also showed a significant interaction effect between disclosure prominence and message involvement on advertising recognition. Specifically, participants in the high-involvement condition were adept at recognizing the post as advertising, independent of the degree of disclosure prominence. In contrast, under the condition of low involvement, participants exposed to a prominent disclosure reported greater ad recognition than those exposed to a subtle disclosure. Additionally, the interaction of disclosure prominence and

persuasion knowledge on ad recognition was also significant. When information regarding sponsored influencer content was present, participants performed equally well on ad recognition in the prominent- and subtle-disclosure conditions. However, when the information was absent, participants had difficulty detecting advertising when the disclosure was not visible.

Finally, the study showed that for people who had a low level of message involvement or a low level of persuasion knowledge, prominent disclosures enhanced advertising recognition, which elicited counterarguing and ultimately resulted in lower message attitude, brand attitude, and purchase intention. On the other hand, results suggested that when participants perceived the use of sponsored content as highly acceptable, their ad responses were equally favorable—regardless of whether or not they detected the sponsored post. In other words, higher levels of perceived ad appropriateness effectively reduced the negative effects of ad recognition on persuasion outcomes. Implications for theory, methodology, and practice are discussed.

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Chapter 1

INTRODUCTION

Being a social media influencer is becoming a viable career choice for some in this current environment of increasing online interactions. Influencers earn income at varying levels by creating and posting sponsored content to promote a brand or its products/services (Conklin, 2020). As one form of native advertising, sponsored influencer content looks very similar to other unpaid content posted on the influencer's social media feed. Because of this camouflage technique, it can be hard for consumers to detect the commercial nature of sponsored influencer content. In response to this issue, the Federal Trade Commission therefore published disclosure guidelines for social media influencers, suggesting that as long as endorsers have a material connection with a brand, they are expected to disclose the partnership (FTC, 2019).

The first goal of this quantitative study was to examine the level to which disclosure prominence could be positively associated with advertising recognition in the context of sponsored influencer content on Instagram. To date, it is still uncertain whether presenting a disclosure can help consumers distinguish sponsored posts from non-commercial posts. Some studies suggest that labeling does not help (e.g., Kim et al., 2001). In contrast, others indicate that presenting a disclosure at the opening of a sponsored TV program is more effective than presenting it at the end (e.g., Boerman et al., 2014).

Second, this study examined conditions by which disclosure prominence affects recognition of advertising. While prior studies have explored the main effects of advertising disclosure, little is known about whether an individual's involvement level and knowledge of

persuasion tactics impact their recognition of advertising. Importantly, both these factors could have significant implications for message effectiveness.

According to persuasion research, involvement and knowledge can determine the amount of cognitive effort individuals put into information processing (Petty & Cacioppo, 1986). The term *message involvement* refers to the extent to which people perceive a message as relevant and important (Apsler & Sears, 1968). People with high levels of message involvement are motivated to read the sponsored post carefully and thus are more likely to notice the disclosure. However, when people are less involved, they are less likely to pay attention to the post and recognize its commercial purpose.

Like message involvement, persuasion knowledge is likely to affect advertising recognition. *Persuasion knowledge* refers to consumers' general ideas of how marketing and selling tactics function (Ham et al., 2015). This study operationalized persuasion knowledge as consumers' knowledge of sponsored influencer content and its related advertising techniques. People with high levels of persuasion knowledge are more likely to detect and understand sponsored content in comparison to those who lack such knowledge (Nelson et al., 2009). Additionally, when native advertising knowledge is primed, consumers are very likely to recognize the native news article as advertising (Wu et al., 2016).

Third, this study investigated if and how message involvement and persuasion knowledge moderated the indirect effects of disclosure prominence on persuasion outcomes through advertising recognition and counterarguing. A higher level of disclosure prominence makes it easier for consumers to recognize sponsored content. Recognizing advertising could make consumers process the sponsored message in a biased manner, thereby providing counterarguments against unwanted persuasion attempts. Counterarguing eventually leads to

negative attitudes and purchase intentions (see Boerman et al., 2014; van Reijmersdal et al., 2016).

Message involvement could play a moderating role in this relationship. According to Petty et al. (1994), a forewarning of persuasive intent can distort people's opinions. People who attuned to the persuasive intent of the message tend to generate unfavorable thoughts and negative attitudes. The relationship between forewarning and persuasion is particularly pronounced with people who are high in involvement (see Petty & Cacioppo, 1979a; Chen et al., 1992). Moreover, people high in persuasion knowledge will react more negatively to sponsored content. Hwang and Jeong (2016) found that sponsorship disclosure was more likely to generate negative source evaluation among people who had high skepticism of advertising messages, relative to low ad skepticism.

Last but not least, the study examined if perceived ad appropriateness moderated the effect of advertising recognition on persuasion outcomes. *Advertising appropriateness* refers to consumers' affective evaluations of persuasion tactics, i.e., whether people think of the persuasion tactic as ethical and appropriate (Boerman et al., 2012). According to Evans and Park (2015), if an individual is having an enjoyable experience playing a game, recognizing embedded sponsored content does not necessarily cause a negative shift in attitudes toward that product or service. Wei et al. (2008) found that when participants perceived it as acceptable to have a given brand pay for product promotion on a TV show, they were less likely to have a negative brand response, even though they were warned about the sponsored nature of the show. Thus, it is reasonable to posit that in the context of sponsored influencer content, higher levels of perceived ad appropriateness could minimize the negative impact of advertising recognition on attitudinal change.

To test these ideas, I conducted an online experiment involving a 2 (disclosure prominence: prominent vs. subtle) x 2 (message involvement: high vs. low) x 2 (persuasion knowledge: high vs. low) between-subjects factorial design. Chapter 2 provides a review of the literature on the conceptual background for this investigation and the foundation on which the research hypotheses are based. This study's hypotheses and research questions are summarized in Chapter 3, while Chapter 4, the methodology section, presents detailed information about stimuli design, experimental procedures, and measurement approach. The results of this investigation are presented in Chapter 5. The theoretical and practical implications of the study are discussed in Chapter 6 based on data results.

Chapter 2

LITERATURE REVIEW

Camouflage Techniques of Native Advertising

Native advertising is a popular format of modern advertising that frequently appears on websites and social media platforms. The term *native advertising* is defined as "paid ads that are so cohesive with the page content, assimilated into the design, and consistent with the platform behavior" (Interactive Advertising Bureau, 2019, p. 11). For instance, on the main page of *The New York Times*, some articles are labeled as *Paid Post*. These articles are, in fact, created by advertisers, and they look similar to the surrounding news and editorials. In addition to advertisers and brand studios, influencers and bloggers are content creators of native advertising. Sponsored influencer content is characterized as a form of native advertising (Evans et al., 2017; Van Dam & Van Reijmersdal, 2019), in that it conveys the style and aesthetics of the influencer (Sirrah, 2019).

Although the terms *native advertising* and *sponsored content* are often used interchangeably, native advertising is regarded as the broader of the two concepts (Santerralli, 2019). Specifically, native advertising includes in-feed sponsored content, paid search units, recommendation widgets, and in-content ads (IAB, 2019). Wojdynski and Evans (2019) proposed the term *covert advertising* to describe all branded content advertised in a stealthy way. Native advertising, influencer marketing, and product placement can all be deemed as covert advertising (Wojdynski & Evans, 2019).

Camouflage is the main technique employed in native advertising. The camouflage strategy, which has been used in the advertising industry for decades, involves the stealthy

placement of branded content into television shows or movies so that audiences do not realize that an advertiser is trying to sell them something (Cowley & Barron, 2008). If the advertising purpose is revealed, consumers would perceive the message as less credible (McAllister, 1995). Derived from traditional media forms, the camouflage strategy has been successfully applied to modern advertising and has become a key characteristic of native advertising.

Native advertising can be highly effective thanks to its camouflage technique. First of all, sponsored content resembles the form and style of the non-commercial content in which it appears (FTC, 2015), which increases the difficulty in recognizing it as a paid ad. Tutaj and van Reijmersdal (2012) showed that in comparison to banner ads, people were less likely to recognize native content as advertising. Another advantage of native advertising is that it tends to be unobtrusive; the in-feed native posts are seamlessly integrated with non-sponsored posts, precluding them from interrupting the user experience (Santerralli, 2019). A study using the latest eye-tracking technology showed that users gave an almost equal amount of attention to native and unpaid messages (*Native Ads vs. Banner Ads*, 2019).

In contrast, the covert advertising tactic has sparked controversy and criticism. According to McAllister (1995), the ethical concern associated with camouflaged ads is deception. Taylor (2017, p. 207) referred to native advertising as "a black sheep of the marketing family" in that it intentionally hides persuasive attempts and misleads consumers into thinking they are viewing something organic. To ensure that consumers can easily notice and understand the commercial nature of native ads, the FTC (2015) called for clear and prominent disclosures displayed in sponsored content.

Sponsorship Disclosure

In recent years, the Federal Trade Commission has been working on regulating deceptive and non-transparent acts of native advertising. Researchers suggest that sponsorship needs to be revealed so that the public can be aware that certain media content is sponsored in nature (Cain, 2011). As long as a product or service is promoted with compensation to the platforms or endorsers, a clear and prominent disclosure should be used to make the sponsorship known (FTC, 2019). Specifically, a disclosure is expected to reveal the brand or organization that pays for the sponsored content.

So, who is typically in charge of making such disclosures? If a brand pays Facebook for the placement of branded posts, Facebook takes the responsibility of making the disclosure. Apart from paying media outlets, brands compensate third-party individuals for promoting their products. For instance, YouTubers often create and publish sponsored content on their channels. In such cases, the content creator will take full responsibility for ensuring that consumers can recognize native ads (FTC, 2015).

Labeling is a commonly used solution to sponsorship disclosure. Social media platforms and news websites have their standardized labeling policies. For instance, BuzzFeed labels branded content as *promoted by* and presents the brand's name underneath the label. In addition, disclosure can be displayed in the form of one-sentence statements. Social media influencers or bloggers usually place a short statement (e.g., *This post was sponsored by xxx.*) at the top or bottom of their sponsored content, notifying audiences that the content is paid (see Hwang & Jeong, 2016). On social media platforms, endorsers use hashtags *#ad* or *#sponsored* as their disclosure (e.g., Kim & Song, 2018).

In November 2019, FTC released disclosure guidelines targeting social media influencers, instructing them how to disclose sponsorship properly. For instance, influencers can use hashtags as disclosure, but not in connection with ambiguous terms, such as *#SP* (meaning *sponsored*) and *#collab* (meaning *collaboration*) (FTC, 2019). Consumers might not understand these abbreviations even though they are visible. Besides, it is not recommended that the hashtag disclosure and other hashtags are placed together, as the effectiveness of advertising disclosure could be undermined (FTC, 2019).

Disclosure Effects on Advertising Recognition

The results are mixed as to whether labeling on sponsored content can enhance ad recognition. Evans et al. (2018) showed that displaying a text disclosure did not help their study's participants identify the sponsored YouTube video with advertising. Similarly, Kim et al. (2001) indicated that their disclosure-present and disclosure-absent groups did not produce significantly different scores on disclosure notice. In fact, there were very few participants seeing the label in either group. This low rate of disclosure notice was also reported in other empirical studies (e.g., Amazeen & Wojdynski, 2018; Boerman et al., 2017).

Nevertheless, some studies have provided evidence that presenting an advertising disclosure can enhance ad recognition. For instance, Matthes and Naderer (2016) demonstrated that disclosure placement increased people's awareness of the video content's commercial purpose. Boerman et al. (2012) found that the disclosure-present groups in their study were more likely to recognize sponsored television content as advertising than the disclosure-absent group; the researchers also reported that no significant differences could be

confirmed between presenting the disclosure for three seconds and presenting the disclosure for six seconds.

In recent years, a number of studies have been conducted to determine which kinds of labels are sufficiently clear to disclose sponsorship in native ads. A paper by Wojdynski (2016) examined word clarity and logo presence, demonstrating that presenting the brand's logo and using a larger font size for the label made the disclosure more noticeable. Evans et al. (2017) indicated that in comparison to *SP*, the disclosure language *Paid Ad* was more explicit in the context of sponsored influencer content. Similarly, An et al. (2018) concluded that confusing language undermines the effectiveness of labeling.

The position of a disclosure also matters, although the findings associated with this factor are inconsistent. Boerman et al. (2014) showed that compared to displaying the disclosure at the end of sponsored content, presenting the disclosure at the top was more effective. In contrast, Wojdynski and Evans (2016) reported that most of their study's participants failed to notice the disclosure—regardless of whether it appeared before the article's headline or after the last paragraph of the article. One possible explanation for this inconsistency is that Boerman et al. (2014) used statement disclosures, while Wojdynski and Evans (2016) used labels. Moreover, a one-sentence statement is longer and thereby more visible than a one- or two-word label. Indeed, empirical evidence indicates that it is somewhat easy to miss a disclosure label unless placed in a highly conspicuous position, such as in the middle of a native article (Wojdynski & Evans, 2016).

Overall, prominent disclosures are more noticeable than subtle ones. When the advertising message is visibly marked, consumers can easily distinguish it from regular editorials. In the absence of conspicuous disclosures, however, their recognition of

advertising is reduced. As an immediate outcome of the placement and format of disclosures, advertising recognition could affect how consumers interpret sponsored content. The following section will review existing theories of persuasion processing and explore how they are deployed, with the goal of elucidating how individuals process native advertising.

Persuasion Processing in Advertising

When it comes to persuasion processing in advertising, it is essential to mention the Elaboration Likelihood Model (ELM; Petty & Cacioppo, 1981). The ELM explains how attitudes are shaped by persuasive information. The theory presumes that individuals are exposed to thousands of messages every day via media outlets. But due to limited time and energy, they are unable to generate thoughtful consideration of every single message they consume (Petty et al., 1994). Sometimes viewers will direct significant cognitive effort into message scrutinization; at other times, it can be quite the opposite. The ELM suggests two distinct routes to attitude change: the central and peripheral routes (Petty & Cacioppo, 1986).

Specifically, when people have a strong motivation or ability to think, they take the central route whereby they thoughtfully scrutinize the information (Petty & Cacioppo, 1986). However, when the elaboration motivation or ability is weak, people put less cognitive effort into message examination, which leads to peripheral information processing (Petty & Cacioppo, 1986). In terms of persistence, an attitudinal change resulting from the central route can be enduring and hard to be modified. Conversely, attitudes formed through the peripheral process are more ephemeral and easily swayed (Petty & Wegner, 1999).

In the central route, content-related variables such as argument quality and argument strength represent powerful factors for influencing attitude change (Petty & Cacioppo, 1986).

Strong arguments perform better than their weak counterparts because people pay more attention to the message; they efficiently understand the compelling points in the strong argument and detect flaws in the weak one (Petty et al., 1994). When the peripheral route is taken, however, attitudinal change is not impacted by argument quality, but instead by heuristics such as perceived bandwagon support (i.e., *I like this product because many others seem to like it*) and source attractiveness (see Petty et al., 2009, for a review).

The Role of Forewarning

Elaboration likelihood refers to the probability of engaging in either deep or shallow information processing. Researchers focus on not only the level of elaboration (i.e., high vs. low) but also on its objectivity (i.e., objective vs. biased). Most often, researchers believe that persuasion information is processed in an objective fashion; indeed, "people are motivated to hold correct attitudes" is one of the postulates of the ELM (Petty & Wegner, 1999, p. 44).

However, some variables, such as forewarning, could distort viewers' thinking and lead to biased information processing (Petty et al., 1994). Prior studies have examined the association between forewarning and resistance to persuasion. For instance, Petty and Cacioppo (1979a) warned participants of a message's persuasive intent before stimuli viewing, seeking to determine whether forewarning biased their elaboration. They found that warned participants were less likely to agree with the arguments presented in the message than those who did not know the message's persuasive purpose (Petty & Cacioppo, 1979a). The effect of the position of a forewarning message has also been investigated. Kiesler and Kiesler (1964) suggested that warning a viewer of promotional intent reduced persuasion

only when it was given before exposure to the message. In contrast, it had no impact on resistance if participants were exposed to the notice after viewing the message.

Chen et al. (1992) looked at forewarning of message topics. Their study examined whether the influence of argument quality on persuasion varied as a function of forewarning and personal involvement. Results showed that when participants were highly involved and unwarned, they relied on argument quality to make the judgment (Chen et al., 1992). At this point, people objectively processed information. However, when participants were highly involved and warned, strong message claims were no longer as compelling. Instead, highly engaged participants generated reactance and disagreed with the claims presented in the message, regardless of argument quality (Chen et al., 1992). Like forewarning of intent, disclosing the commercial nature of a message may lead to resistance. When people come to the realization that the sponsored message is advertising, their conceptual persuasion knowledge could be activated, which in turn provokes counterarguing and negative attitudes.

Advertising Recognition and Resistance

Generally, native advertising processing starts with whether viewers actually do recognize the commercial nature of a native message. According to the Persuasion Knowledge Model (PKM, Friestad & Wright, 1994), when consumers are aware of an advertiser's marketing or advertising motives, in most cases their persuasion knowledge is evoked. Some scholars operationalize the activation of conceptual persuasion knowledge as advertising recognition (e.g., Boerman et al., 2012), which refers to the extent to which people are aware of the advertising nature of sponsored content.

With respect to its consequence, advertising recognition can influence the way consumers process and respond to advertising messages. Shrum et al. (2012) suggested that when persuasion knowledge was slightly activated, people engaged in the peripheral route of information processing. However, people with full activation of persuasion knowledge were resistant to persuasion techniques. Existing studies have shown that warning of persuasive intent is associated with persuasion rejection (e.g., Petty & Cacioppo, 1977). When people successfully distinguish advertising messages from non-sponsored editorials, they tend to respond with psychological reactance (Wojdynski & Evans, 2019).

Psychological reactance pertains to freedom elimination and restoration (Brehm & Brehm, 1981). The freedom to choose what to believe and what to do is essential to the public. When freedom is restricted, people elicit reactance in order to restore their freedom. For instance, if a university were to suggest banning all smoking on campus, students who perceived this directive as a threat to their freedom would feel uncomfortable and resist this proposal. The reactance theory has been used to examine consumer responses to native advertising. For instance, Lee, Kim, and Ham (2016) demonstrated that when consumers felt they were being disrupted by native ads, they were likely to generate reactance because the intrusive ads were viewed as a threat to their freedom.

Likewise, researchers have indicated that due to the activation of persuasion knowledge such as advertising recognition, consumers may employ resistance strategies against unwanted persuasion attempts (Friestad & Wright, 1994). This resistance in turn leads to negative attitudes and behavioral intentions. For example, when consumers are told that a product is quantity-limited and only available for a short time, some of them may identify the selling intent behind the information—to enhance their perceived unavailability

value of the product. Once consumers understand what the marketers want from them, they use coping skills to defend themselves against the marketing tactic.

There are several strategies for coping with persuasion attempts. Contesting is one common strategy used to resist undesirable persuasion (Fransen et al., 2015). Contesting is operationalized as counterarguing, i.e., the number of rebuttals people generate to resist the arguments obtained in the message (Fransen et al., 2015). Specifically, when people detect the persuasive intent of sponsored content, they tend to carefully scrutinize the communication and come up with counterarguments to resist it. Another possible coping behavior is avoidance; people simply decide to ignore the advertising message rather than put any cognitive effort into processing it (Fransen et al., 2015). As a result, people who use the avoidance strategy are less likely to agree with beliefs promoted in the message (Wojdynski & Evans, 2019).

In summary, the persuasion processing of native advertising consists of several paths. First, consumers detect the commercial nature of native ads. Their recognition of advertising then provokes biased processing of advertising messages, i.e., generating counterarguments against persuasion attempts. Counterarguing eventually leads to negative attitudes and behavioral intentions.

Disclosure Effects on Advertising Effectiveness

Prior studies have examined how sponsorship disclosure affects a consumer's reaction to sponsored content, with some discussing the direct effect of disclosure placement on persuasion consequences. For instance, Kim and Song (2018) revealed that when a sponsored post did not display a hashtag disclosure, participants treated it as an unpaid post

and generated positive attitudes toward the brand advertised in the post. Similarly, Hwang and Jeong (2016) showed that the message attitudes of their disclosure-absent group were more favorable than those of their disclosure-present counterparts. However, within advertising disclosure conditions, an honest and explicit disclosure resulted in more positive persuasion than an implicit disclosure (Hwang & Jeong, 2016). A recent work by Janssen and Fransen (2019) showed that higher levels of disclosure explicitness improved purchase intention; in other words, participants who viewed the explicit disclosure evidenced a greater intent to purchase the product than those who viewed the implicit disclosure.

When it comes to the indirect effects of advertising disclosure on persuasion, advertising recognition and resistance play mediating roles in this relationship. Prior studies have provided evidence that presenting a disclosure is favorable to recognizing native content as advertising, which in turn triggers consumer resistance and ultimately results in negative attitudes and behavioral intentions. For instance, van Reijmersdal et al. (2015) investigated the effects of disclosure placement in the context of sponsored video games and whether those effects varied by the mood of gamers. The researchers showed that the disclosure-present condition (in comparison to the disclosure-absent condition) was more likely to evoke persuasion knowledge and generate negative attitudes toward the brand and toward the game among gamers in a positive mood versus those feeling more negative. Additionally, van Reijmersdal et al. (2016) linked the PKM with reactance theories. In particular, they found that compared to those exposed to unlabeled sponsored content, participants in the disclosure condition were more likely to identify the sponsored blog post as advertising. The activation of advertising schema thereby triggered counterarguing and anger and finally led to negative attitudes toward the brand.

As we can see, existing studies have focused on the effects of disclosure placement on native advertising processing—many of which have implemented circumstances in which the disclosure is either present or absent. In the real world, however, the FTC has emphasized that sponsored content must be labeled. There is a diminished significance in examining the non-disclosure situation as it is not legitimate. Instead, it is more meaningful to determine whether disclosing the sponsorship in a prominent versus subtle form can affect a consumer's response to sponsored content. This study, therefore, focused on disclosure prominence and its impact on advertising recognition and subsequently on persuasion effect.

Variables that Moderate the Disclosure Effect

The effect of sponsorship disclosure is likely to vary under different circumstances. According to Petty and Cacioppo (1986), one's level of thinking engagement is influenced by motivation and ability. Factors such as involvement affect the extent to which individuals are motivated to process the information, while prior knowledge influences their ability level to interpret the message (Petty et al., 2009). Most relevant to the present research are message involvement and persuasion knowledge. This study was developed to investigate how the two factors can moderate the effect of disclosure prominence on native advertising processing.

Message Involvement

The term *involvement* is operationalized as the extent to which a product/issue is perceived as relevant and vital (Petty & Cacioppo, 1979b; Petty et al., 1983). Typically, researchers manipulate this variable by making participants read a short statement before stimuli viewing. In the case of a study that includes high-involvement participants, they

would be instructed to decide on a product or issue—while also informed that their decision

will have significant consequences. For instance, Petty and Cacioppo (1979b) manipulated

issue involvement by informing their high-involvement group that a policy change would

take effect at their university. The purpose was to increase participants' perceived relevance

of the issue. In contrast, the low-involvement group was told that the policy change would

take effect at an unfamiliar university. Regarding the manipulation check, participants were

asked to self-report the degree to which they felt involved while reading the policy-related

message (Petty & Cacioppo, 1979b).

Involvement could be either enduring or situational. Enduring involvement is affected

by individual characteristics (Zaichkowsky, 1986). The degree of involvement with an object

appears to be based upon "inherent needs, values and interests" (Zaichkowsky, 1985, p.

342). For instance, a cycling athlete may have a high involvement with bicycle products, and

this involvement could exist for a long time as it is based on his/her occupation. However,

when people are motivated by temporary needs and objectives, their involvement is

situational. For instance, a person needing to purchase new headphones is likely to find this

product category of interest prior to the purchase; after the purchase, however, the

consumer's perceived relevance of headphone products will decrease significantly (Richins

& Bloch, 1986).

As one form of involvement, message involvement is defined as "the motivational

state of an individual induced by a particular advertising stimulus or situation." (Laczniak et

al., 1989, p. 30). Regarding the manipulation of message involvement, Laczniak et al. (1989)

created a printed booklet, into which they inserted experimental ads into editorial articles.

Participants in the high-involvement group were told to read the ads carefully and to evaluate

the advertised brands later, whereas the low-involvement group was asked to review the whole booklet, inclusive of the ads and editorial articles. The purpose was to distract the low-involvement group's attention away from the ads.

Involvement can serve as a motivation factor in the process of persuasion (Petty & Cacioppo, 1986). Involvement determines the extent to which individuals are motivated to elaborate on the information. According to prior research in persuasion, when people have a high perceived relevance of an issue, they are willing to carefully examine message claims (Petty et al., 1983). In particular, Petty et al. (1983) looked at how involvement influenced people's responses to persuasive information. Participants in the high-involvement condition were told that they had to make a decision about a product after viewing; they were also informed that the product would be launched in their city. As expected, results showed under high involvement, the strong-argument group created positive evaluations of the product, while the weak-argument group produced negative thoughts. Participants low in message involvement tended to be affected by the endorser's popularity, but indifferent to the effects of argument quality.

Involvement is positively correlated with message attention: the more involved people are, the more attention they are likely to allocate to the message (Celsi & Olson, 1988). Thus, it appears that having a strong motivation to read messages is favorable to advertising recognition. Wojdynski and Evans (2019) proposed that highly involved people were more likely to pay attention to the native message and recognize its commercial motives relative to those low in involvement.

In addition, some studies have raised the possibility that message involvement moderates the impact of sponsorship disclosure on advertising recognition and persuasion.

For instance, Petty and Cacioppo (1979a) revealed that under high involvement, people who were informed about the persuasive intent were less likely to agree with claims presented in the message than those who did not know the persuasive intent. Under low involvement, the forewarned group was not significantly different than the unwarned group in terms of recall and persuasion. These results imply that while forewarning made the processing prejudiced, involvement determined the extent of effort individuals had to put into critical response-generation (Petty & Wegner, 1999).

Persuasion Knowledge

Persuasion knowledge refers to "what people believe about how to persuade others and what they believe is known by others about how to persuade" (Friestad & Wright, 1994, p. 3). Consumers have general ideas about marketers' persuasion tactics and how they work (Campbell & Kirmani, 2008). A consumer exposed to advertising messages will vary in their understanding of an advertiser's marketing objectives and how they attempt to accomplish. According to Friestad and Wright (1994), persuasion knowledge is accumulated through personal experiences, education, conversations with others, media exposure to persuasive messages, and so forth. For instance, people who have sales experience may be more sensitive to selling tactics and likely detect a marketer's persuasion attempts in comparison to those who have never worked in the marketplace. Persuasion knowledge is viewed as one aspect of consumer self-confidence (Bearden et al., 2001). Some consumers are more confident about their understanding of how persuasion tactics operate, whereas others report a lack of such understanding.

In this study, persuasion knowledge was conceptualized as consumers' knowledge of sponsored influencer content and its related advertising techniques. People with a high level of persuasion knowledge know better about how to react and cope with covert advertising. Ahluwalia and Burnkrant (2004) found that people who reported a high score on persuasion knowledge paid closer attention to the arguments presented in the advertisement. Wojdynski and Evans (2019) pointed out that personal persuasion knowledge could help consumers detect persuasive intent. For instance, an individual's level of understanding of covert advertising tactics could account for why some people are more adept than others at recognizing sponsored content—even under the same disclosure conditions.

Educating consumers about sponsored content is an effective approach to enhance advertising awareness. Wu et al. (2016) provided empirical evidence that when a participant's knowledge of native advertising was enhanced, they were more likely to recognize the native article as a paid ad. In their study, the researchers manipulated native advertising knowledge via cognitive priming, whereby participants were instructed to read a short message of native advertising before viewing the native article. Their findings showed that compared to the control group, the primed group was more likely to recognize the article's advertising nature and understand its persuasive intent.

Nelson et al. (2009) examined the interaction effects of persuasion knowledge and advertising disclosure. Participants with a high level of persuasion knowledge were more likely to perceive the commercial nature of video news releases compared to those with a low level of persuasion knowledge. Moreover, the persuasion knowledge effect was elevated with participants in the disclosure-present condition.

Enhanced persuasion knowledge is a form of forewarning that negatively impacts persuasion outcomes (Friestad & Wright, 1994). A study by Yoo (2009) revealed that participants who were educated about persuasion tactics performed better on detecting the paid search ads, and they were less likely to click the sponsored hyperlink compared to the control group. Similarly, Campbell and Kirmani (2000) reported that when a salesperson's selling motives were present, participants who were primed about persuasion knowledge were more likely to question the salesperson's sincerity in comparison to those in the not-primed condition.

In short, it is clear that the disclosure effect on advertising recognition and persuasion can be moderated by an individual's allocation of cognitive effort. To date, only a few studies have examined the interaction of disclosure presence and cognitive capacity. For instance, Janssen et al. (2016) showed that when the disclosure was displayed, participants who were required to multitask were less likely to generate resistance to the product placement compared to those who were not depleted of self-control (i.e., having enough motivation and ability to cope with the persuasion attempt).

No known studies have yet looked at disclosure prominence and its interaction with message involvement and persuasion knowledge. When the disclosure is prominent, people could easily recognize sponsored content as advertising, independent of their degree of involvement and persuasion knowledge. But when the disclosure is subtle (which is more the norm in practice), people's level of message involvement and persuasion knowledge could play important roles. Consumers who have a high level of involvement with the message or who are knowledgeable about sponsored content are very likely to understand the

commercial purpose of sponsored posts—even in instances when the disclosure is not prominent.

Advertising Appropriateness

As discussed above, advertising recognition generally leads to negative reactions (Campbell & Kirmani, 2008). Amazeen and Wojdynski (2018) recently reported that when participants identified a native article's commercial nature, they were prone to have negative perceptions of the news publisher. However, the unfavorable consequences of ad recognition can be attenuated under certain circumstances. For instance, if consumers enjoy or learn something useful from the sponsored media content, they may not mind that a portion of the content is advertising (Evans & Park, 2015). Additionally, if consumers perceive the paid search ads as acceptable, understanding the persuasion attempt does not necessarily lead to negative responses (Yoo, 2009).

Advertising appropriateness is characterized as an affective evaluation of advertising (Boerman et al., 2012). This term refers to the degree to which consumers think of the advertising technique as ethical and appropriate (Friestad & Wright, 1994). Consumers routinely judge whether a persuasion tactic is suitable (Friestad & Wright, 1994). For example, if an advertisement featuring fear appeal is perceived as unacceptable, the fear appeal could reduce the ad's effectiveness.

A similar concept is called inferences of manipulative intent, which is conceptualized as "consumer inferences that the advertiser is attempting to persuade by inappropriate, unfair, or manipulative means" (Campbell, 1995, p. 228). Existing literature has shown that when people perceive a native ad as manipulative and inappropriate, they tend to react negatively

to it. For instance, Kim and Song (2018) found that people exposed to a sponsored post containing personal opinions about the product were more likely to sense manipulative intent than those exposed to a sponsored post that included promotional information. Their inferences of manipulative intent subsequently led to a negative attitude toward the brand and low intention to click the purchase link.

Advertising appropriateness can attenuate the negative effect of ad recognition on persuasion outcomes. A work by Wei et al. (2008) found that when participants perceived this behavior as acceptable, they were less likely to evaluate the brand negatively—even though they had recognized the paid partnership between the brand and the TV show. Thus, there is a good possibility that when the advertising intent is detected, people with high perceived acceptance of sponsored influencer content develop more favorable attitudes than those with low perceived ad acceptance.

Chapter 3

HYPOTHESE

Based on the literature discussed in Chapter 2, it is evident that in the context of native advertising, disclosure prominence is positively associated with advertising recognition. The more prominent the label, the more likely people are to recognize the commercial purpose of sponsored content. In addition to advertising disclosure, people's level of message involvement and level of persuasion knowledge is likely to impact their recognition of advertising. People under high involvement pay more attention to the message and are more likely to think about the message carefully compared to those under low involvement (Celsi & Olson, 1988; Petty et al., 1983). Therefore, when the disclosure is prominent, people may have no trouble distinguishing native ads from unpaid editorials, regardless of their level of involvement. However, when the disclosure is subtle, message involvement can make a difference in recognition of advertising. Compared to highly involved people, those under low involvement are less likely to detect the sponsored content's commercial intent.

Similar to message involvement, persuasion knowledge may play a moderating role in the relationship between disclosure prominence and advertising recognition. A person's increased knowledge of sponsored content could greatly help them recognize and understand covert advertising tactics (Nelson et al., 2009). This advertising literacy is especially pivotal when subtle disclosures are used in sponsored content.

What, then, is the consequence of detecting sponsored content? As an immediate outcome of sponsorship disclosure, advertising recognition indicates the level of activation of

persuasion knowledge schema (Evans & Park, 2015). The activated schema can impact the way people process advertising messages (Shrum et al., 2012). According to Friestad & Wright (1994), consumers whose persuasion knowledge is evoked tend to employ resistance strategies to cope with the advertiser's persuasion attempts. Thus, when people detect the commercial nature of sponsored content, they are likely to generate counterarguments against the message and provoke negative attitudes and purchase intentions. On the other hand, if viewers perceive the use of covert advertising as appropriate, their recognition of advertising may not necessarily reduce persuasion.

Based on this summary of the literature, I therefore propose the following hypotheses and research questions.

H1: Participants in the prominent-disclosure condition will report greater advertising recognition than those in the subtle-disclosure condition.

H2: Participants in the high-message-involvement condition will report greater advertising recognition than those in the low-message-involvement condition.

H3: Participants in the high-persuasion-knowledge condition will report greater advertising recognition than those in the low-persuasion-knowledge condition.

H4: There will be a two-way interaction effect between disclosure prominence and message involvement on advertising recognition such that: Only for the low-message-involvement group, the prominent disclosure will result in greater advertising recognition than the subtle disclosure.

H5: There will be a two-way interaction effect between disclosure prominence and persuasion knowledge on advertising recognition such that: Only for the low-persuasion-

knowledge group, the prominent disclosure will result in greater advertising recognition than the subtle disclosure.

H6: Message involvement will moderate the indirect effects of disclosure prominence on persuasion outcomes via advertising recognition and counterarguing such that: Only for the low-message-involvement group, a higher level of disclosure prominence will enhance advertising recognition, which will trigger counterarguing and ultimately lead to lower (a) message attitude, (b) brand attitude, and (c) purchase intention.

H7: Persuasion knowledge will moderate the indirect effects of disclosure prominence on persuasion outcomes via advertising recognition and counterarguing such that: Only for the low-persuasion-knowledge group, a higher level of disclosure prominence will enhance advertising recognition, which will trigger counterarguing and ultimately lead to lower (a) message attitude, (b) brand attitude, and (c) purchase intention.

H8: The effect of advertising recognition on (a) massage attitude, (b) brand attitude, and (c) purchase intention will be moderated by perceived ad appropriateness.

Prior research has not yet examined the three-way interaction effect between disclosure prominence, message involvement, and persuasion knowledge. I therefore propose the following research question:

RQ1: Will there be a three-way interaction effect between disclosure prominence, massage involvement, and persuasion knowledge on advertising recognition?

Chapter 4

METHOD

To test the proposed hypotheses and explore the research question, I conducted an experiment with a 2 (disclosure prominence: prominent vs. subtle) x 2 (message involvement: high vs. low) x 2 (persuasion knowledge: high vs. low) between-subjects factorial design.

Participants

The study implemented several inclusion and exclusion criteria while recruiting participants. First, participants had to be 18 years of age or older. The principal reason for this requirement is that an adolescent's knowledge of persuasion tactics is not sufficiently well developed compared to adults (Rozendaal et al., 2010). To avoid confounding effects resulting from the age difference, only adults could take part. Second, participants were expected to read and write English fluently, given that all the experimental materials and the questionnaire were written in English. In terms of exclusion criteria, participants who had participated in the dissertation pretests had no access to the main experiment.

A total of 296 participants from Amazon Mechanical Turk completed the study. Each participant was given $1.5 compensation, plus $0.5 bonus. The average age of participants was 38.28 ($SD = 11.18$). Their ages ranged from 22 to 72 years. There were 131 women (44.3%), 162 men (54.7%), 1 respondent (.3%) indicating *other*, and 2 respondents (.7%) preferring not to answer the gender question. For ethnicity, 228 respondents identified themselves as Caucasian (77%), 22 as African American (7.4%), 21 as Asian/Pacific Island

(7.1%), 15 as Latino/Hispanic (5.1%), and 1 as Native American (.3%). A total of 9

individuals checked *other* (3.0%): two of them self-described as African American and

Caucasian, one as Asian and white, and six as multiracial. For income, 37 (12.5%)

respondents' 2019 annual household income was less than $25,000; 93 (31.4%) reported a

family earning between $25,000 to $50,000; 80 (27%) reported income of $50,000 to

$75,000; 47 (15.9%) reported income of $75,000 to &100,000; 29 (9.8%) reported income of

$100,000 to $150,000; 7 (2.4%) reported income of $150,000 to $200,000; and 3 (1.0%)

reported earnings above $200,000.

Procedure

The experiment was conducted via an online survey, which took approximately 20

minutes to complete. Participants entered into the Qualtrics-based study by clicking a survey

link. Participants first read a consent form, which included a short introduction of the study,

the inclusion criteria, voluntary rights, and the researcher's contact information. Only those

who agreed to give consent were able to participate in the study. Once the permission was

received, participants were randomly assigned to one of the eight conditions. Specifically,

they first read a short message that was created to manipulate their knowledge of sponsored

influencer content. Then participants were asked to answer a multiple-choice question for

attention check. Those who answered incorrectly were not able to continue the survey.

Next, participants were exposed to a statement intended to manipulate their level of

message involvement. After that, participants were instructed to view a webpage designed to

manipulate sponsorship disclosure. To be specific, participants were instructed to click a web

link, and the webpage was opened in a new window. After finishing viewing, they needed to

click the *I've finished* button at the bottom of the webpage; they were then redirected to

another page that presented a code. Participants had to remember this code and then returned

to the survey window. The purpose of setting a code here was to make sure participants did

click the web link and view the webpage. Participants who inputted the correct code in the

survey window were able to move on to the post-questionnaire. After completing the

questionnaire, participants were thanked and given a secrete key, which they would need to

receive the HIT payment and bonus.

Stimuli

Since the sponsored Instagram post was about promoting a product, I first conducted

a pretest to select the product category. The advertised product was expected to be

moderately relevant or important—for instance, small kitchen appliances. People know the

existence of these product classes in everyday life but may never spend much time thinking

about them. Also, the ideal product category was expected to have low brand sensitivity (the

scale was adopted from Odin et al., 2001), given that the study would use an unfamiliar

brand name for the advertised product. Pretest 1 had 19 participants who were asked to report

their perceived relevance of several product classes: coffee makers, microwaves, personal

blenders, wireless headphones, fitness trackers, and Wi-Fi routers. The results showed that

out of the six product classes, personal blenders received a modest score on product

involvement ($M = 4.03$, $SD = 2.01$) and brand sensitivity ($M = 3.05$, $SD = 2.01$). Therefore,

the product category advertised in the sponsored post was a personal blender.

Pretest 2 was conducted to select the brand name. Like other studies (e.g., Seo et al.,

2018; Boerman et al., 2012), I expected the brand name to be new and unknown. Since the

unknown brand was unfamiliar to participants, potential third variables such as brand familiarity and existing brand attitudes would not be a concern. I initially selected several brands whose blender products barely received reviews on Amazon. In Pretest 2, 39 participants were recruited and asked if they had ever heard about these brand names: Ergo Chef, My Juicer, Kenwood, Joyoung, and Thritop. The results showed that 7 participants had heard about My Juicer, 6 participants checked the box of Ergo Chef, 2 participants selected Joyoung, and only 1 participant had heard about Kenwood and Thritop. On Instagram, no information about Thritop was found, but there were ten thousand posts under the hashtag #kenwood. Therefore, the study selected Thritop as the brand name. With the product category and brand name finalized, I was then able to create the sponsored post for experimental use.

The sponsored post had all elements an Instagram post is supposed to include, such as a username, an image, and a body text. Specifically, "morganlnyyy" was presented as the Instagrammer's username. The single image showed a personal blender's travel cup filling up with smoothie ingredients. For the written message of the post, the Instagrammer shared a smoothie recipe and talked about the desirable blender she was using to make smoothies. The blender brand was mentioned in the text.

To ensure external validity, the sponsored post was displayed alongside two regular posts on the Instagram feed, which provided participants with a relatively real experience. One of the regular posts (i.e., quote post) consisted of a positive quote image, an inspirational message, and several hashtags in the body text. Another regular post (i.e., landscape post) consisted of a natural landscape image, one short sentence, and few hashtags in the body text.

Regarding the post sequence, the quote post was displayed at the top, followed by the sponsored post and the landscape post. See Appendix B for a stimulus.

Disclosure prominence. To improve external validity, this study manipulated disclosure prominence based on the FTC's (2019) disclosure guidelines for social media influencers. In the subtle-disclosure condition, a hashtag #sponsored was placed at the end of the sponsored post and integrated into a number of other hashtags, e.g., #smoothierecipes, #healthyeating, #refreshdrinks, etc. In the prominent-disclosure condition, a statement disclosure, i.e., *Thanks to @thritop for sponsoring this post*, was added and displayed at the beginning of the body text. Except for the statement placement, there was no difference between the subtle- and prominent-disclosure conditions (see Appendix B for the disclosure manipulation).

Message involvement. Adopted from Laczniak et al. (1989), this study manipulated message involvement by altering the level of situational involvement with the sponsored post. In the low-involvement group, participants were simply told to go through the Instagram page as they normally would when surfing on social media (Karson & Korgaonkar, 2001). In the high-involvement group, participants were told to read the smoothie post (i.e., sponsored post) carefully, and informed that their opinions about the post would be very important. In addition, participants in the high-involvement group were told that if they provided a high-quality evaluation, they would earn a bonus after the survey (see Appendix B for the involvement manipulation). The reward idea was inspired by Andrews and Durvasula (1991), who informed their study's high-involvement group that if they carefully reviewed the advertising message they would be invited to a follow-up interview.

Other scholars (e.g., Park et al., 2007) used free gifts as a reward to improve participants' motivation to respond to the stimulus.

Persuasion knowledge. The level of persuasion knowledge was manipulated by presenting information regarding sponsored influencer content. To achieve it, I used a similar procedure by Wu et al. (2016), asking participants to read a short message that introduced sponsored influencer content and its persuasive techniques, which was intended to increase their persuasion knowledge of sponsored content. The message content was modified from Boerman et al. (2018) and Santerralli (2019). The low-persuasion-knowledge group (also called the control group) was asked to read an organic food message of equal length. The message was extracted from an article entitled "Organic Production/Organic Food: Information Access Tools," published in the National Agricultural Library in the U.S. Department of Agriculture (Gold, n.d.). Both groups were told that this procedure was performed to test their English proficiency (see Appendix B for the persuasion knowledge manipulation).

Manipulation Checks

Before conducting the main experiment, two additional pretests (i.e., Pretest 3 & 4) were conducted to check the manipulations. Results from Pretest 3 showed that the manipulation for message involvement was not adequate; accordingly, I then modified the experimental materials and conducted Pretest 4 to recheck the manipulation. This time the manipulation checks for message involvement, disclosure prominence, and persuasion knowledge were successful (see Appendix A for more information about Pretest 3 & 4).

To ensure the accuracy of the experiment, I rechecked the manipulations in the main experiment. In particular, I checked the disclosure manipulation by asking participants the degree to which they thought the disclosure was noticeable with three possible response statements: "The sponsorship disclosure was clearly visible to me," "The sponsorship disclosure was placed in a prominent position," and "The post explicitly said it was sponsored." The answer options ranged from *strongly disagree* (1) to *strongly agree* (7). The scale revealed good reliability with Cronbach's α = .95, M = 3.92, SD = 2.24.

Regarding the manipulation check of message involvement, participants self-reported the extent to which they paid attention to the sponsored post (i.e., smoothie post) on a 7-point Likert scale ranging from *strongly disagree* (1) to *strongly agree* (7). Four items were adopted and modified from Karson and Korgaonkar (2001) and Ye (2015): "I carefully read the body text of the smoothie post," "I spent a lot of time reading the smoothie post," "I paid close attention to the body text of the smoothie post," and "I skimmed through the body text of the smoothie post (reverse-coded)." The scale revealed good reliability with Cronbach's α = .92, M = 5.22, SD = 1.69.

The effectiveness of persuasion knowledge manipulation was examined by measuring the extent to which participants were knowledgeable about sponsored influencer content and its advertising techniques. Three items were borrowed from Boerman et al. (2018): "Brands try to influence me by hiding the commercial purpose of showing the brand," "Brands try to influence me by making sure the post does not look like advertising," and "Brands try to influence me by placing the brand in a context that people like." The answer options ranged from *strongly disagree* (1) to *strongly agree* (7). The scale revealed acceptable reliability with Cronbach's α = .78, M = 5.59, SD = 1.26.

Attention Checks

Several attention checks were used in this experiment. First, when participants finished reading the short message in which persuasion knowledge was manipulated, they were asked the following question: *What did the message you just read talk about?* Participants in the high-persuasion-knowledge condition passed the attention check if they selected the answer of *sponsored content*. Participants in the low-persuasion-knowledge condition passed the attention check if selecting the answer: *organic food*. Second, after participants went through the Instagram page, they were given a code and asked to input it in the survey window. If they entered the correct code, they passed the attention check and were able to continue the survey. The last attention check happened right after the code input. Participants were asked the following question: *On the Instagram page you have just viewed, was there a post about smoothies?* They passed the attention check if selecting the *yes* option. If they indicated not seeing the smoothie post, they skipped to the end of the survey.

Measures

Advertising recognition, counterarguing, and ad appropriateness were measured with seven-point Likert scales, ranging from *strongly disagree* (1) to *strongly agree* (7). Message attitude, brand attitude, purchase intention, and product involvement were measured using seven-point bipolar scales.

Advertising recognition. It was measured by asking participants the extent to which they detect and understand the commercial nature of the post. Following Zhu and Tan (2007) and Boerman et al. (2014), this study used three items including: "The post had a commercial

purpose," "The post contained sponsored content," and "The post creator got paid to mention a brand," Cronbach's α = .92, M = 5.43, SD = 1.65.

Counterarguing. The variable was operationalized as the extent to which participants generate counterarguments toward the post. It was assessed using four items from Nabi et al. (2007): While reading the post, "I found myself actively agreeing with points made in the message (reverse-coded)," "I found myself actively disagreeing with the message," "I was looking for flaws in the message's arguments," and "It was easy to agree with the arguments made in the message (reverse-coded)," Cronbach's α = .76, M = 3.03, SD = 1.43.

Ad appropriateness. To assess the extent to which participants perceive the use of sponsored content as appropriate, a two-item scale was adopted and modified from Wei et al. (2008). Specifically, participants were asked to indicate the degree to which they agree/disagree with the two statements: While reading the post, "it was acceptable to me if the brand paid to be mentioned" and "it was appropriate to me if the post was sponsored by the brand," Cronbach's α = .91, M = 5.06, SD = 1.61.

Message attitude. Participants' attitude toward the post was assessed using three pairs of bipolar adjectives: "Unfavorable/Favorable," "Negative/Positive," and "Good/Bad (reverse-coded)," Cronbach's α = .93, M = 5.23, SD = 1.55.

Brand attitude. The measure of brand attitude was borrowed from Spears and Singh (2004). Participants were asked to indicate their feelings about the brand mentioned in the post. The evaluation was made between "Unappealing" and "Appealing," "Bad" and "Good," "Unpleasant" and "Pleasant," "Unfavorable" and "Favorable," Cronbach's α = .98, M = 4.62, SD = 1.33.

Purchase intention. Participants were asked to answer the question i.e., "How likely would it be for you to buy the product mentioned in the post?" The likelihood of purchasing the advertised product was assessed using three pairs of contrasting adjectives, which were developed by Yi (1990): "Unlikely/Likely," "Impossible /Possible," and "Improbable/Probable," Cronbach's α = .95, M = 4.64, SD = 1.33.

Product involvement. This variable was controlled in this study. Product involvement was operationalized as perceived relevance of the product category. Participants indicated the degree to which the blender was relevant or important to them in daily life. Zaichkowsky (1994)'s four semantic differential scales were employed here: "Unimportant/Important," "Irrelevant/Relevant," "Means nothing/Means a lot to me," and "Not needed/Needed," Cronbach's α = .97, M = 4.28, SD = 1.83.

Question Order

The methodology for this investigation involved checking the message involvement manipulation directly after participants viewed the Instagram page. According to Perdue and Summers (1986), these types of questions require a timely response since participants may not accurately remember the amount of time they spent reading the post if it is measured after dependent variables.

Next, message attitude and counterarguing were assessed, followed by questions addressing brand attitude and purchase intention. According to McFarland (1981), specific items should follow general questions. Compared to message-related outcomes, questions focused on brand attitude and purchase intention were more specific as the brand was mentioned in the message. Importantly, if brand attitude questions are measured first, they

may unintentionally reveal the appearance of a brand in the post, which could bias answers to message attitude questions.

      After persuasion outcomes, the study assessed advertising recognition and ad appropriateness, followed by manipulation checks of persuasion knowledge and disclosure prominence. Since the questions measuring these constructs may affect the responses of participants, they should be displayed as late as possible. According to Boerman et al. (2017), items of persuasion knowledge could, to some degree, imply the commercial intent of the sponsored post. If they are measured prior to persuasion outcome questions, it could affect the cognitive processing of later items (Dillman et al., 2014).

Chapter 5

RESULTS

Table 1 displays the zero-order correlations among all measured variables. Table 2 shows the means and standard deviation scores for dependent variables by experimental conditions.

Manipulation Checks

A series of independent-samples t-tests were performed to check the manipulations of disclosure prominence, massage involvement, and persuasion knowledge. Results confirmed that all manipulations were successful. Specifically, participants in the prominent-disclosure condition were more likely to perceive the disclosure as visible ($M = 4.92$, $SD = 2.18$), relative to those in the subtle-disclosure condition ($M = 2.87$, $SD = 1.76$), $t(287) = -8.95$, $p < .001$. In addition, participants in the high-message-involvement condition reported significantly higher scores on attention to the experimental post ($M = 5.68$, $SD = 1.57$) compared to those in the low-message-involvement condition ($M = 4.82$, $SD = 1.70$), $t(294) = -4.51$, $p < .001$. Finally, participants who read information regarding sponsored influencer content had a better understanding of this type of advertising ($M = 5.74$, $SD = 1.16$) than those who read information unrelated to sponsored influencer content ($M = 5.43$, $SD = 1.34$), $t(294) = -2.15$, $p < .05$.

Table 1. Zero-Order Correlations Among Measured Variables

	1	2	3	4	5	6	7	8	9	10
1. Disclosure Prominence (mc)										
2. Message Involvement (mc)	.14*									
3. Persuasion Knowledge (mc)	-.00	.08								
4. Advertising Recognition	.47**	.14*	.28**							
5. Counterarguing	-.01	-.17**	.26**	.26**						
6. Ad Appropriateness	.18**	.05	-.21**	.00	-.50**					
7. Message Attitude	.08	.26**	-.24**	-.29**	-.74**	.49**				
8. Brand Attitude	.23**	.25**	-.18**	-.14*	-.47**	.47**	.60**			
9. Purchase Intention	.22**	.25**	-.17**	-.14*	-.47**	.47**	.60**	.99**		
10. Product Involvement	.11	.28**	-.08	-.09	-.38**	.27**	.46**	.47**	.47**	

Note. *p < .05, **p < .01, ***p <.001
mc = manipulation check

Table 2. Means and Standard Deviations for Dependent Variables by Experimental Conditions

	Prominent disclosure				Subtle disclosure			
	High involvement		Low involvement		High involvement		Low involvement	
	High PK	Low PK	High PK	Low PK	High PK	Low PK	High PK	Low PK
N	38	39	34	41	37	25	39	43
Advertising Recognition	5.88 (1.26)	5.67 (1.48)	6.22 (.96)	5.88 (.98)	5.89 (1.37)	4.88 (2.08)	5.47 (1.40)	3.67 (1.94)
Counterarguing	3.24 (1.39)	3.26 (1.67)	2.88 (1.40)	2.99 (1.32)	3.45 (1.65)	2.85 (1.40)	2.74 (1.23)	2.81 (1.30)
Message Attitude	4.94 (1.62)	5.11 (1.57)	5.50 (1.54)	5.22 (1.56)	4.86 (1.78)	5.59 (1.48)	5.27 (1.27)	5.46 (1.52)
Brand Attitude	4.60 (1.28)	4.50 (1.43)	4.77 (1.38)	4.49 (1.35)	4.69 (1.40)	5.01 (1.33)	4.51 (1.27)	4.59 (1.23)
Purchase Intention	4.61 (1.27)	4.52 (1.45)	4.77 (1.40)	4.52 (1.36)	4.71 (1.41)	5.01 (1.31)	4.53 (1.27)	4.59 (1.24)

Note. Cell numbers are means and standard deviations (in parentheses) for each experimental condition.
PK = persuasion knowledge

Hypotheses Testing

To test Hypotheses 1 to 5 and answer RQ1, a three-way ANCOVA was conducted to examine advertising recognition as a function of disclosure prominence, message involvement, and persuasion knowledge, controlling for product involvement.

H1 predicted that participants in the prominent-disclosure condition would report greater advertising recognition than those in the subtle-disclosure condition. The analysis revealed a significant main effect for disclosure prominence on advertising recognition, $F(1, 287) = 28.53$, $p < .001$, partial $\eta^2 = .09$. The prominent-disclosure group ($M = 5.90$, $SE = .12$) reported significantly higher scores on advertising recognition, relative to the subtle-disclosure group ($M = 4.98$, $SE = .12$). Thus, H1 was supported.

H2 predicted that participants in the high-message-involvement condition would report greater advertising recognition than those in the low-message-involvement condition. Results demonstrated that the main effect of message involvement on advertising recognition was not significant, $F(1, 287) = 2.57$, $p = .11$, partial $\eta^2 = .01$. Participants under high involvement ($M = 5.58$, $SE = .13$) reported greater advertising recognition than those under low involvement ($M = 5.31$, $SE = .12$), but it was not statistically significant. H2 was not supported.

H3 predicted that participants in the high-persuasion-knowledge condition would report greater advertising recognition than those in the low-persuasion-knowledge condition. The analysis revealed a significant main effect of persuasion knowledge on advertising recognition, $F(1, 287) = 23.50$, $p < .001$, partial $\eta^2 = .08$. In particular, participants who read information regarding sponsored influencer content ($M = 5.86$, $SE = .12$) reported

significantly more recognition of advertising than those in the control group ($M = 5.03$, SE = .12). Therefore, H3 was supported.

H4 predicted that there would be a two-way interaction effect between disclosure prominence and message involvement on advertising recognition. Results showed that the interaction effect between disclosure prominence and message involvement was significant, $F(1, 287) = 9.92$, $p < .01$, partial $\eta^2 = .03$. As shown in Figure 1, the ratings of participants under high involvement did not significantly differ as a function of disclosure prominence. However, participants under low involvement reported significantly greater advertising recognition in the prominent-disclosure condition ($M = 6.04$, $SE = .17$) compared to the subtle-disclosure condition ($M = 4.58$, $SE = .16$). Therefore, H4 was supported.
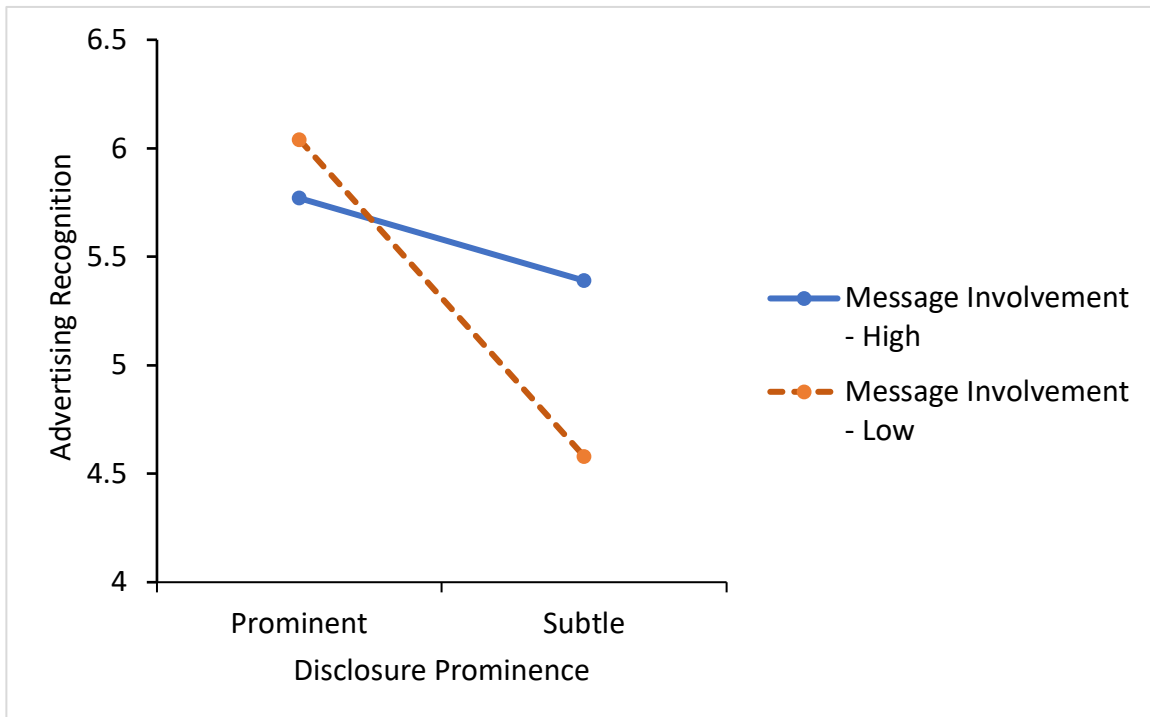

Figure 1. Significant interaction effect between disclosure prominence and message involvement on advertising recognition

H5 predicted that there would be a two-way interaction effect between disclosure prominence and persuasion knowledge on advertising recognition. A significant interaction effect was found, $F(1, 287) = 10.75$, $p < .001$, partial $\eta^2 = .04$. As shown in Figure 2, when participants' persuasion knowledge was enhanced, they performed almost equally well on advertising recognition in both the prominent- and subtle-disclosure conditions. However, when their persuasion knowledge was not enhanced, participants reported significantly greater recognition of advertising in the prominent-disclosure condition ($M = 5.77$, $SE = .16$) compared to the subtle-disclosure condition ($M = 4.29$, $SE = .18$). Therefore, H5 was supported.
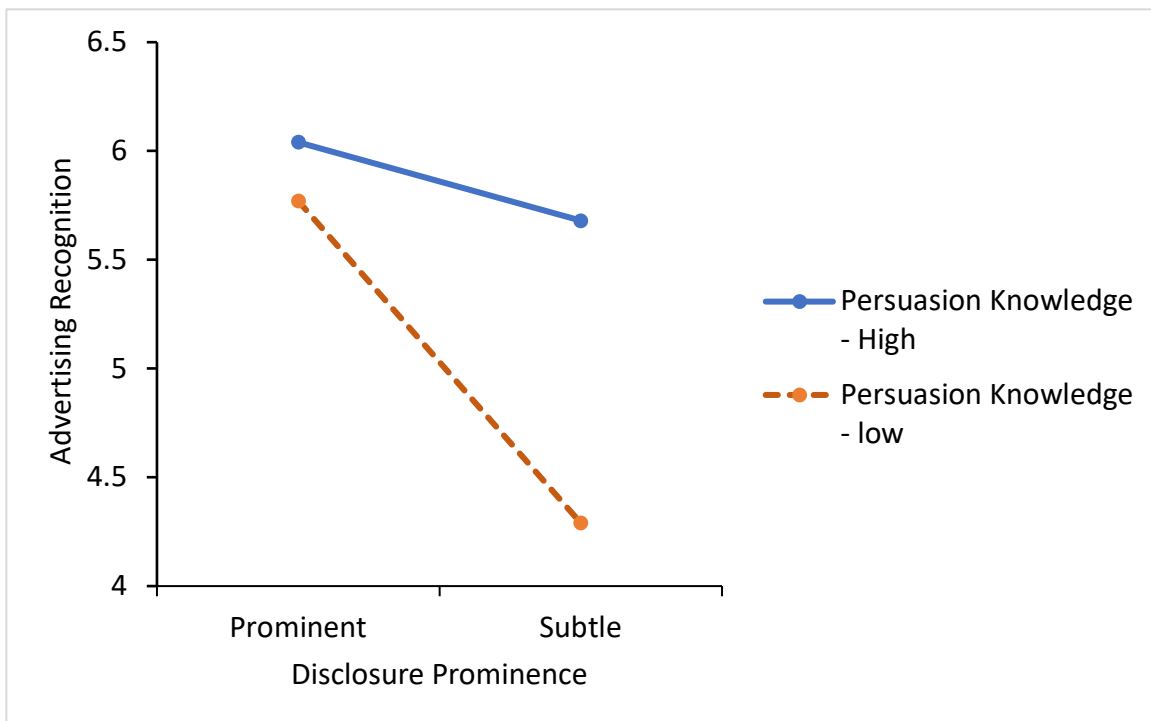

Figure 2. Significant interaction effect between disclosure prominence and persuasion knowledge on advertising recognition

RQ1 asked if there would be a three-way interaction effect between disclosure prominence, massage involvement, and persuasion knowledge on advertising recognition. Results showed that the three-way interaction effect was not significant, $F(1, 287) = .91$, $p = .34$, partial $\eta^2 = .00$.

H6 predicted that only for the low-message-involvement group, a higher level of disclosure prominence would enhance advertising recognition, which would trigger counterarguing and ultimately lead to lower (a) message attitude, (b) brand attitude, and (c) purchase intention. To test H6, I employed Model 83 in PROCESS macro (Hayes, 2017), requesting 5,000 samples of bootstrapping and 95% confidence intervals. The model was performed with disclosure prominence as the independent variable, message involvement as the moderator, advertising recognition as the first mediator, and counterarguing as the second mediator. As Figure 3-5 illustrates, there were significant indirect effects of disclosure prominence on each of the three dependent variables through advertising recognition and counterarguing when levels of message involvement differed. In particular, among participants under low involvement, prominent disclosures induced a significantly higher level of advertising recognition than subtle disclosures, which elicited counterarguing and subsequently resulted in lower message attitude, brand attitude, and purchase intention. As expected, the serial indirect effects did not occur among participants under high involvement (see Table 3). Therefore, H6(a), H6(b) and H6(c) were supported.

Table 3. Indirect Effects Moderated by Message Involvement

Disclosure Prominence → Advertising Recognition → Counterarguing →	Message Involvement	B	BootSE	95% CI
Message Attitude	Low	-.23	.07	[-.38, -.11]
	High	-.06	.04	[-.15, .02]
Brand Attitude	Low	-.10	.04	[-.18, -.04]
	High	-.03	.02	[-.07, .01]
Purchase Intention	Low	-.10	.04	[-.18, -.05]
	High	-.03	.02	[-.07, .01]

Note. Persuasion knowledge and product involvement were covariates in this analysis.
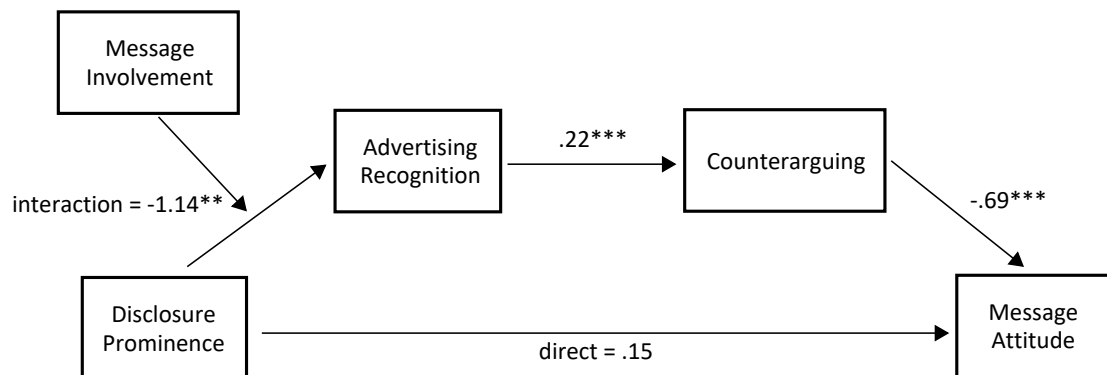
Figure 3. Moderating impact of message involvement on the effect of disclosure prominence on message attitude via advertising recognition and counterarguing. Disclosure prominence was coded as prominent = 1 and subtle = 0; message involvement was coded as high = 1 and low = 0.
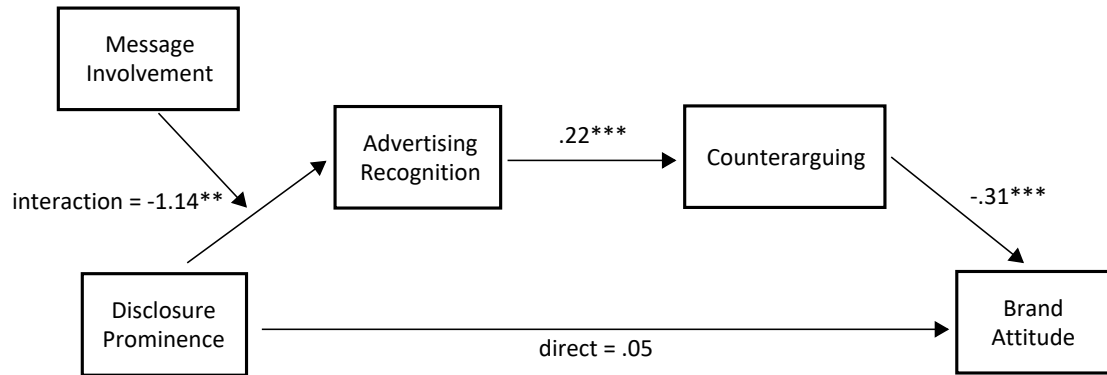
Figure 4. Moderating impact of message involvement on the effect of disclosure prominence on brand attitude via advertising recognition and counterarguing
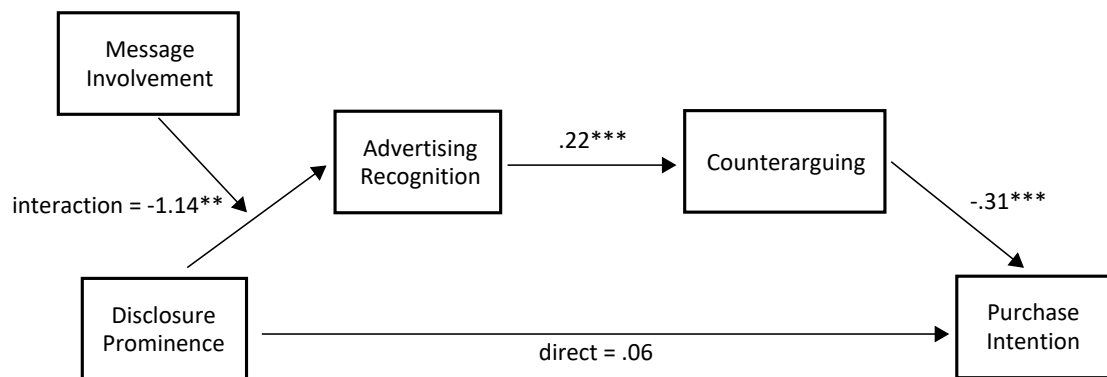

Figure 5. Moderating impact of message involvement on the effect of disclosure prominence on purchase intention via advertising recognition and counterarguing

H7 proposed that only for the low-persuasion-knowledge group, a higher level of disclosure prominence would enhance advertising recognition, which would trigger counterarguing and ultimately lead to lower (a) message attitude, (b) brand attitude, and (c) purchase intention. To test H7, I employed Model 83 in PROCESS macro (Hayes, 2017),

requesting 5000 samples of bootstrapping and 95% confidence intervals. The model was

performed with disclosure prominence as the independent variable, persuasion knowledge as

the moderator, advertising recognition as the first mediator, and counterarguing as the second

mediator. As Figure 6-8 illustrates, there were significant indirect effects of disclosure

prominence on each of the three dependent variables via advertising recognition and

counterarguing when levels of persuasion knowledge differed. In particular, when persuasion

knowledge was not enhanced, prominent disclosures induced a significantly higher level of

advertising recognition than subtle disclosures, which elicited counterarguing and

subsequently resulted in lower message attitude, brand attitude, and purchase intention. As

expected, the indirect effects did not occur when persuasion knowledge was enhanced (see

Table 4). Therefore, H7(a), H7(b) and H7(c) were supported. Note that Table 5 presents all

indices of moderated mediation on each of the dependent variable when the moderator is

message involvement or persuasion knowledge.

Table 4. Indirect Effects Moderated by Persuasion Knowledge

Disclosure Prominence → Advertising Recognition → Counterarguing →	Persuasion Knowledge	*B*	Boot*SE*	95% CI
Message Attitude	Low	-.22	.07	[-.37, -.11]
	High	-.05	.03	[-.11, .01]
Brand Attitude	Low	-.10	.04	[-.18, -.04]
	High	-.02	.02	[-.06, .00]
Purchase Intention	Low	-.10	.04	[-.18, -.04]
	High	-.02	.02	[-.06, .00]

Note. Message involvement and product involvement were covariates in this analysis.

Figure 6. Moderating impact of persuasion knowledge on the effect of disclosure prominence on message attitude via advertising recognition and counterarguing. Disclosure prominence was coded as prominent = 1 and subtle = 0; persuasion knowledge was coded as high = 1 and low = 0.

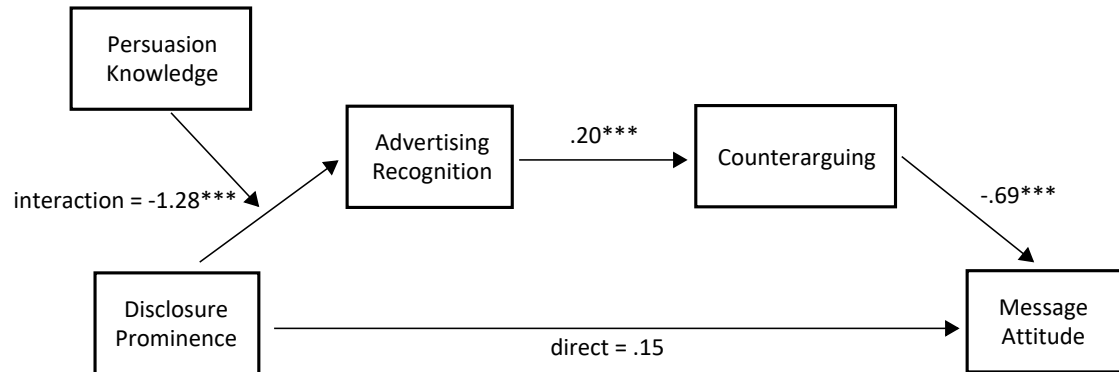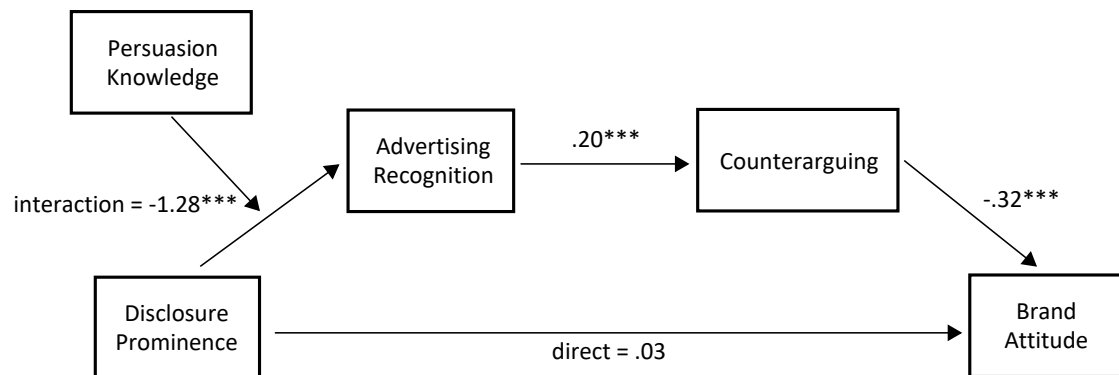

Figure 7. Moderating impact of persuasion knowledge on the effect of disclosure prominence on brand attitude via advertising recognition and counterarguing
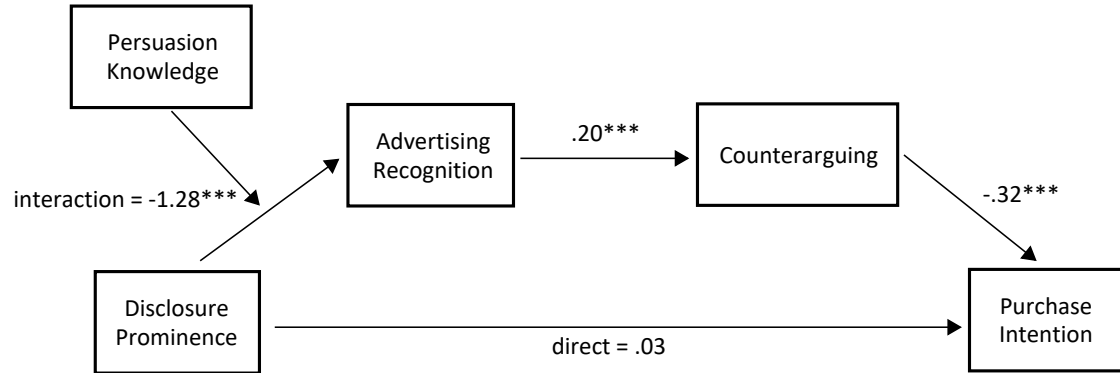
Figure 8. Moderating impact of persuasion knowledge on the effect of disclosure prominence on purchase intention via advertising recognition and counterarguing

Table 5. Indices of Moderated Mediation

Disclosure Prominence → Advertising Recognition → Counterarguing →	Message Involvement	Persuasion Knowledge
Message Attitude	Index = .17, BootSE = .07, 95% CI = [.06, .33]	Index = .17, BootSE = .07, 95% CI = [.06, .32]
Brand Attitude	Index = .08, BootSE = .03, 95% CI = [.02, .16]	Index = .08, BootSE = .03, 95% CI = [.03, .15]
Purchase Intention	Index = .08, BootSE = .03, 95% CI = [.02, .15]	Index = .08, BootSE = .03, 95% CI = [.03, .15]

H8 predicted that the effect of advertising recognition on (a) massage attitude, (b) brand attitude, and (c) purchase intention would be moderated by ad appropriateness[1]. To test H8, Model 1 in PROCESS macro (Hayes, 2017) was performed with advertising recognition

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[1] The variance of ad appropriateness was equal across groups. There was no significant effect of manipulated variables on ad appropriateness.

as the focal IV and ad appropriateness as the moderator. Disclosure prominence, message involvement, persuasion knowledge, and product involvement were all controlled in this model. As usual, the researched requested 5000 samples of bootstrapping and 95% confidence intervals. Results showed a significant interaction effect between advertising recognition and ad appropriateness on each of the three dependent variables: message attitude, brand attitude, and purchase intention (see Table 6). For participants with high perceived ad appropriateness, advertising recognition was not a significant predictor. Nevertheless, for those with medium or low perceived ad appropriateness, greater ad recognition was significantly associated with lesser positive persuasion outcomes (see Table 7). Therefore, H8(a), H8(b), and H8(c) were supported. Figure 9-11 illustrates the moderating effect of ad appropriateness on the relationship between ad recognition and message attitude, brand attitude, and purchase intention, respectively.

Table 6. Testing Moderation Effects of Ad Appropriateness on the Relationship between Advertising Recognition and Dependent Variables

	Message Attitude	Brand Attitude	Purchase Intention
Advertising Recognition (focal IV)	$b = -.58, p < .001$	$b = -.38, p < .01$	$b = -.39, p < .01$
Ad Appropriateness (moderator)	$b = -.00, p = .99$	$b = -.03, p = .85$	$b = -.03, p = .81$
Advertising Recognition x Ad Appropriateness	$b = .07, p < .05$	$b = .06, p < .05$	$b = .06, p < .05$
Model summary	$F(7, 288) = 32.15,$ $R^2 = .44, p < .001$	$F(7, 288) = 24.71,$ $R^2 = .38, p < .001$	$F(7, 288) = 24.61,$ $R^2 = .37, p < .001$

Note. Disclosure Prominence, Message Involvement, Persuasion Knowledge and Product Involvement were covariates in these analyses.

Table 7. Conditional Effects of Advertising Recognition at Values of Ad Appropriateness

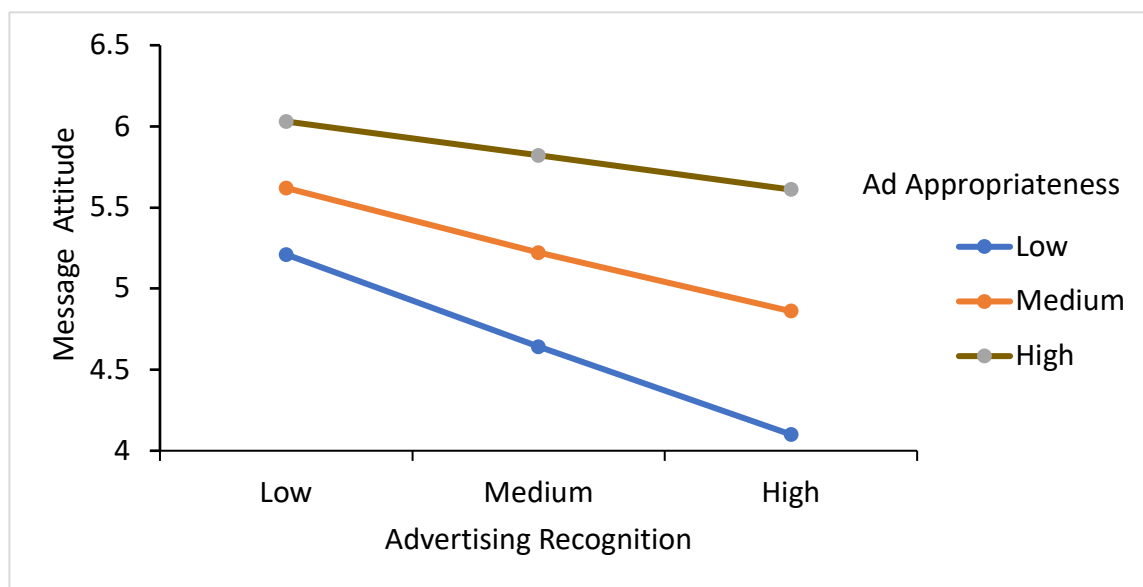| Ad Appropriateness	Message Attitude	Brand Attitude	Purchase Intention
Low (-1 SD)	$b = -.35, p < .001$	$b = -.18, p < .001$	$b = -.18, p < .001$
Medium (at Mean)	$b = -.24, p < .001$	$b = -.09, p < .05$	$b = -.09, p < .05$
High (+ 1SD)	$b = -.13, p = .05$	$b = .01, p = .92$	$b = .01, p = .88$

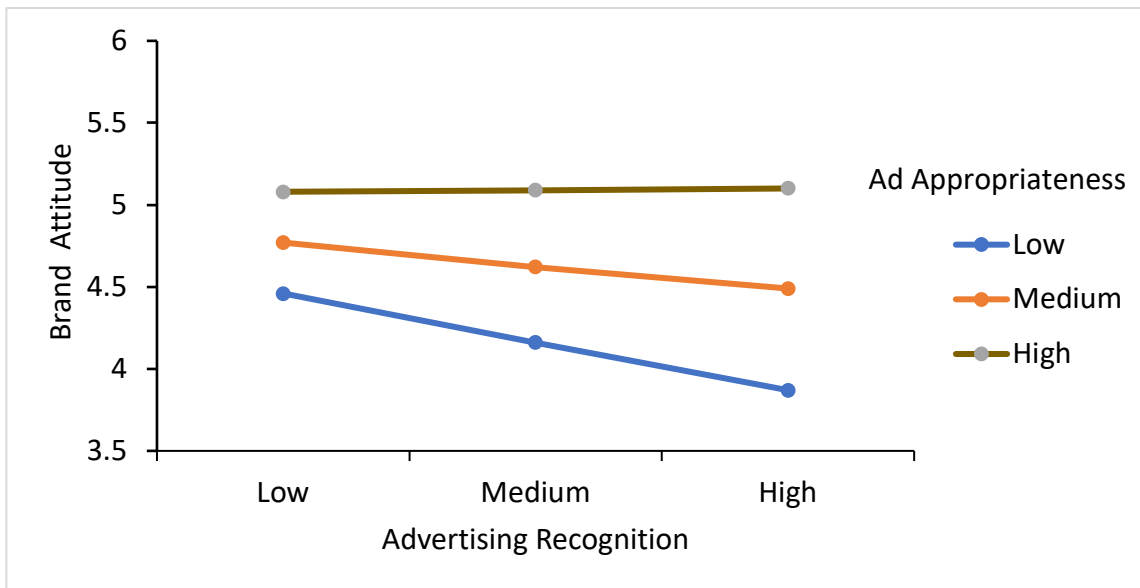Figure 9. Effect of advertising recognition on message attitude moderated by ad appropriateness

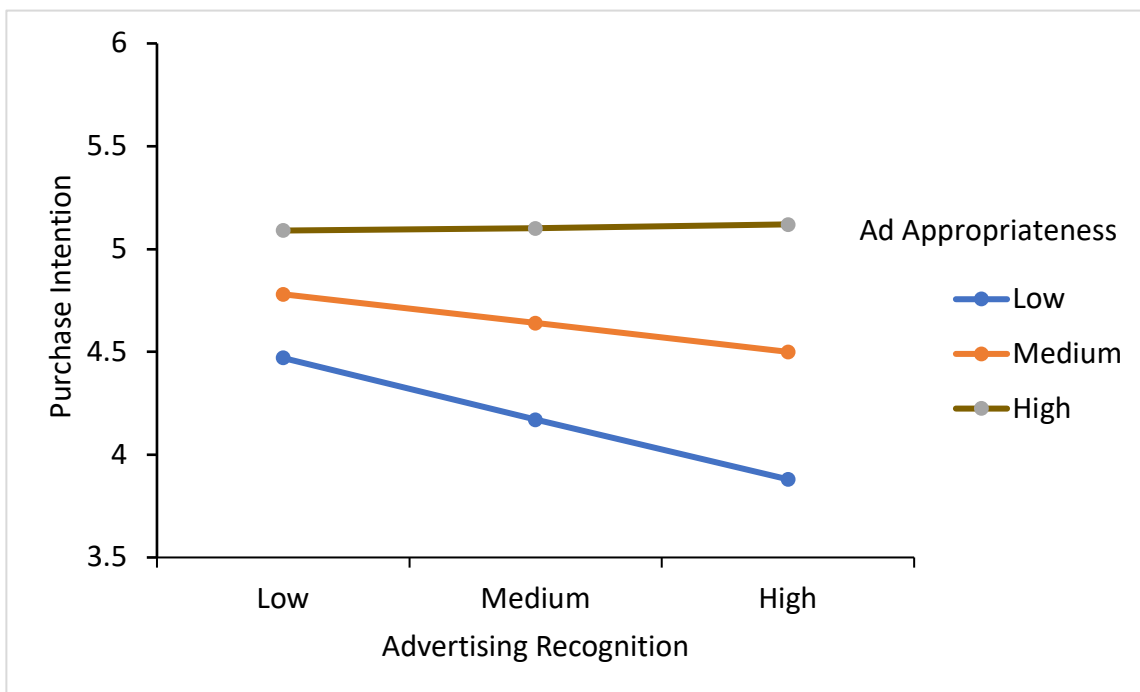Figure 10. Effect of advertising recognition on brand attitude moderated by ad appropriateness

Figure 11. Effect of advertising recognition on purchase intention moderated by ad appropriateness

Chapter 6

DISCUSSION

As detailed by the results provided in Chapter 5, most of the hypotheses were supported. This chapter presents a discussion of this study's findings, as well as the theoretical and practical implications of the data. This chapter concludes with a discussion of the limitations of the study and future directions for research.

As expected, results from this study confirmed that higher levels of disclosure prominence increased advertising recognition. Participants were more likely to recognize the commercial intent of the sponsored Instagram post when a prominent disclosure was displayed, relative to a subtle disclosure. The result suggests that sponsorship disclosure is critical to the recognition of advertising. As mentioned in the literature review, findings are mixed as to whether labeling on sponsored content can enhance advertising recognition. Some studies (e.g., Kim et al., 2001) suggest that presenting a disclosure does not help. However, this dissertation study provides compelling evidence that advertising disclosure can enhance ad recognition when it is presented in a conspicuous form.

In addition to disclosure prominence, persuasion knowledge was found to be positively associated with advertising recognition. Consistent with Wu et al. (2016), my study revealed that participants with a high level of persuasion knowledge were more likely to perceive the Instagram post as sponsored content compared to those with a low level of persuasion knowledge. This finding resonates with the Persuasion Knowledge Model (Friestad & Wright, 1994), which posits that a consumer's personal persuasion knowledge is an advantage in understanding the persuasion tactics of advertisers.

Surprisingly, the findings from this investigation did not confirm a significant main effect of message involvement on advertising recognition. Initially, I predicted that highly involved participants would report higher levels of advertising recognition given that they were motivated to carefully examine the post. Although I suggested this hypothesis based on traditional persuasion theories (e.g., Petty & Cacioppo, 1986), it was unexpectedly rejected. This outcome could be associated with several reasons. First, the manipulation of message involvement might have caused unintended cognitive load differences. Participants in the high-message-involvement condition were asked to read the post carefully and provide a high-quality evaluation. Although this manipulation increased their motivation, it also increased their task burden. According to Yoo (2009), when individuals allocate cognitive resources to a mental task, their ability to distinguish advertising messages from unpaid editorial content is compromised. Likewise, Van den Broeck et al. (2018) showed that when participants in their study had an information-searching task at hand, they were very likely to ignore ads appearing on the platform. Another explanation pertains to the limited power of the study. In fact, results did show a positive correlation between massage involvement and advertising recognition, although it was not statistically significant. Thus, increasing the sample size may make the main effect statistically significant.

Regarding interaction effects on advertising recognition, the findings revealed a significant interaction effect between disclosure prominence and message involvement. In particular, highly involved participants did a good job recognizing the post as advertising, independent of the degree of disclosure prominence. However, in the low-involvement group, those exposed to the prominent disclosure reported greater ad recognition than those exposed to the subtle disclosure. This result is consistent with Wen et al. (2020), who

reported that the impact of disclosure explicitness on persuasion knowledge activation differed as a function of cognitive load. The findings discussed herein again emphasize the need to make conspicuous disclosures as we know that, in reality, most people are simply unable to maintain high involvement with every single message they consume (Petty et al., 1994). When the disclosure is subtle or inconspicuous, people with low motivation are not likely to recognize the commercial nature of the post due to limited cognitive resources. But when the disclosure is clear and noticeable, people can easily recognize native posts as advertising, even when their motivation to think is low.

The interaction effect between disclosure prominence and persuasion knowledge on ad recognition was also significant. When participants were presented with information regarding sponsored influencer content, they performed equally well on ad recognition in the prominent- and subtle-disclosure conditions. However, when the information was absent, they had difficulty detecting advertising when the disclosure was not visible. This finding to some degree resonates with prior studies, such as Nelson (2009), indicating that individuals with increased persuasion knowledge are likely to link a message with advertising only when the source disclosure is present. Without a disclosure, participants tend to view sponsored content as unpaid; as a consequence, their conceptual persuasion knowledge is less likely to be evoked.

Regarding the indirect effects of disclosure prominence on persuasion outcomes, this study's findings demonstrated that for people with a low level of message involvement or a low level of persuasion knowledge, a prominent disclosure enhanced advertising recognition, which elicited counterarguing and ultimately resulted in negative persuasion outcomes. Accordingly, ad recognition represents an essential mediator. Additional findings show that

sponsorship disclosure is not able to directly evoke counterarguing. Consumers' recognition of advertising is a prerequisite for the generation of counterarguments.

In line with van Reijmersdal et al. (2016), the findings from this study show that when people detected the sponsored blog as advertising, they were resistant to persuasion attempts. As the immediate outcome of advertising recognition, counterarguing is one of the strategies consumers used to address persuasion attempts (Friestad & Wright, 1994). However, previous studies have not fully investigated this relationship; instead, they simply looked at the direct relationship between advertising recognition and attitudinal outcomes. In fact, however, investigating the resistance strategies of consumers will help us better understand the psychological mechanisms of how sponsorship disclosure affects the effectiveness of native advertising.

According to this study's findings, the indirect effects of disclosure prominence were moderated by message involvement and persuasion knowledge. Specifically, when respondents were motivated to review the message or when their persuasion knowledge was enhanced, they were very likely to recognize the commercial nature of sponsored content—regardless of whether or not the disclosure was prominent. Therefore, the mediation of disclosure prominence on persuasion outcomes through ad recognition and counterarguing only occurred among people low in message involvement or whose persuasion knowledge was not enhanced.

Another interesting, although anticipated, finding from this investigation pertains to advertising appropriateness. In particular, data suggest that participants' perceived ad appropriateness moderated the impact of ad recognition on attitudinal outcomes and purchase intention. To some degree this finding is consistent with prior studies such as Yoo (2009) and

Wei et al. (2008). Specifically, when participants perceived the use of sponsored content as highly acceptable, their attitudes toward the message or the brand were equally positive—whether they recognized the post's commercial nature or not. In other words, a higher level of ad appropriateness effectively reduced the negative effect of ad recognition on persuasion. However, if their perceived ad appropriateness was low or average, greater ad recognition was associated with greater negative attitudes and purchase intention.

Theoretical Implications

Sponsored influencer content represents one form of native advertising that is becoming more ubiquitous (Evans et al., 2017). However, the disclosure methods used by influencers can be quite different from native content created by advertisers, as each social media influencer will create distinct disclosures for sponsored posts. While prior studies have examined how people process native advertising differently in labeling and non-labeling settings, this study adds to the literature by extending the factors of influence to include disclosure prominence. After all, the FTC (2019) requires endorsers to provide disclosures when they get paid or receive free products from brands for mentioning their products. Accordingly, rather than emphasize disclosure presence or absence, it is important to investigate which types of disclosures can enhance ad recognition.

This study investigated the moderating effects of message involvement in the relationship between disclosure prominence and ad recognition. Message involvement is a motivation factor that determines the degree of thinking people allocate to a message. Although it is considered to be a critical antecedent of ad recognition (Wojdynski & Evans, 2019), message involvement has received insufficient attention in the scholarly literature.

The dissertation study helps to fill this gap by examining the effect of message involvement and its interaction with disclosure prominence. It is one of the first to examine the effect of cognitive resource availability on processing sponsored influencer content. It must be stressed, however, that involvement is a broad concept. In addition to message involvement, future studies could explore the effects of other forms of involvement, such as product/issue involvement. Moreover, involvement is both enduring and situational. Thus, future studies could measure involvement as an individual difference factor and examine its impact on native ad effectiveness.

In addition, this study looks at the moderating role of persuasion knowledge. Although priming persuasion knowledge is not new in native advertising (Wu et al., 2016), this dissertation provides new insights into how it interacts with sponsorship disclosure. An interchangeable term for conceptual persuasion knowledge is *advertising literacy*, which refers to a human's ability to recognize, understand, and critically think about advertising messages (Rozendaal et al., 2011). In this study, the persuasion knowledge of participants was manipulated by presenting information regarding sponsored influencer content. Future studies could treat this variable as an individual difference, measuring people's existing knowledge of persuasion tactics.

This study provides a comprehensive understanding of the mechanisms underlying how native ad effectiveness is affected by sponsorship disclosure, with results suggesting that sponsorship disclosure plays a similar role as forewarning, which provokes biased processing. When participants recognized the post's commercial purpose due to prominent disclosures, they generated resistance to persuasion. According to Petty and Wegner (1999), a variable can affect information processing in multiple ways: (1) by influencing the amount

or nature of individuals' elaboration; (2) by serving as a heuristic cue; or (3) by serving as persuasive evidence. Future research could examine these other specific roles played by sponsorship disclosure. For example, a follow-on study could explore if advertising disclosure serves as a peripheral cue in individuals' processing of sponsored content. It is possible that when people perceive the message as highly important, they reply on argument strength to make the judgment—regardless of whether they detect the commercial nature of the post. However, when people are less motivated, the disclosure may lead people to develop negative attitudes in spite of the strong arguments presented in the sponsored post.

People's persuasion knowledge schema is activated when they recognize a sponsored post as advertising. It could also be evoked when they infer the persuasive or manipulative intent of the post. Future research could explore other indicators of persuasion knowledge activation and examine whether they also lead to counterarguing. Additionally, prior studies have looked at the direct effects of ad recognition on attitudinal change without paying attention to consumer coping behaviors. However, we know coping skills to be an indispensable element in the PKM. In addition to counterarguing, therefore, future studies could explore other resistance strategies that consumers use to cope with native advertising, such as ad avoidance.

The study addressed how to minimize the negative consequences resulting from ad recognition. To date, prior studies have barely considered this question. However, if we think about it, advertising does not always lead to negative persuasion effects. For example, a consumer's reaction to a stealthy advertising message could be positive in cases when the individual perceives the use of stealth marketing as being acceptable. Future research, therefore, could think about other factors such as high perceived sponsorship transparency,

positive emotions, etc. For example, when consumers generate positive emotions such as hope after reading the sponsored post, they may not mind that a portion of the post is advertising.

Persuasion knowledge is multidimensional, consisting of conceptual and attitudinal beliefs about advertising tactics. According to Campbell and Kirmani (2008), not only do consumers know how advertising persuasion techniques work, they also have ideas about the appropriateness of these tactics. This experiment manipulated the conceptual dimension of persuasion knowledge and found that increased knowledge of covert advertising tactics led to more ad recognition. In the meantime, this study also measured participants' perceived ad appropriateness and found that it attenuated the negative impact of ad recognition. Results from this study indicate that different components of persuasion knowledge can play different roles in the processing of native advertising: some aspects of persuasion knowledge will elicit reactance, while others will reduce consumer backlash.

Additionally, this study provided valuable methodological takeaways for future research. First, the study manipulated disclosure prominence based on the most recent FTC disclosure guidelines for social media influencers, which greatly improves the external validity of this investigation. Second, this study did not delete participants while checking for disclosure manipulation. In contrast, some previous research (e.g., Boerman et al., 2017) eliminated participants in the disclosure condition who did not remember seeing the disclosure. As a result, over half of the participant data were abandoned after the manipulation check, resulting in their studies being only quasi-experimental. From my point of view, however, there is no need to exclude participants for this reason. Disclosure recall is one of the outcomes caused by disclosure presence; it should not be used for checking for

disclosure manipulation. Besides, I agree with Wojdynski and Evans (2019) who argued that excluding participants who fail to notice a disclosure negatively impacts representative sampling.

Third, in addition to the careful design of the disclosure, the post content should also be crafted carefully. To be specific, the written message of the native post should try not to reveal the persuasive intent explicitly. Otherwise, consumers do not need to rely on the disclosure to recognize advertising at all; they can infer if a post is sponsored or not through the written message (Kim et al., 2001). In this situation, the difficulty of estimating the disclosure effect is likely to be increased. To summarize this point, the written message of the native post should be designed to be as organic as possible; in so doing, the effectiveness of advertising disclosure can be maximally reflected.

Last but not least, this study utilized an Instagram feed to improve the effectiveness of involvement manipulation. In addition to the sponsored post, I presented two regular posts on the Instagram feed. This design decision was intended to achieve the desired low-involvement condition. In contrast, if I had only presented the sponsored post for participants to read, they would have had paid close attention to it regardless of whether they were assigned to the low-involvement or high-involvement condition. However, because I purposefully did not want the low-involvement group to focus only on the sponsored post, I added the two regular posts that would effectively compete for their attention.

Practical Implications

When a hashtag disclosure is placed at the end of a post along with a group of other hashtags, viewers are less likely to detect that disclosure. However, if there is an extra text

disclosure displayed at the beginning of the post, the degree to which a viewer will recognize it as advertising is greatly enhanced. This study suggests that a prominent disclosure is especially important when people have limited cognitive resources to process the sponsored post. To ensure that consumers will more easily distinguish sponsored posts from unpaid posts on social media feeds, the FTC should require endorsers to make disclosures as prominent and explicit as the one used in this study. To my knowledge, many influencers use ambiguous disclosure language (e.g., #sp) that lacks sufficient clarity. Others display the disclosure in a position that is detached from the sponsored content, which is not sufficiently visible and should be changed.

The study suggests that when the disclosure is inconspicuous, people with increased persuasion knowledge are more likely to detect the commercial purpose of the post in comparison to those with a low level of persuasion knowledge. The results detailed herein emphasize the importance of improving the advertising literacy of consumers. It goes without saying that not every influencer will comply with FTC rules and prominently disclose sponsorship as required. We still need to use personal knowledge of advertising to recognize and understand the commercial intent of native advertising. A survey by Farnworth (2014) reported that nearly half of respondents had never heard of the term native advertising— much less understood its meaning. This lack of persuasion knowledge likely makes such individuals less sensitive to sponsored content, as well as more easily persuaded by not understanding its commercial nature. To help consumers make informed decisions, it is critical to educate them about the persuasion tactics and ethical issues of native advertising.

Counterarguing and negative persuasion are typical consequences of ad recognition, which explains why presenting disclosure information is viewed by advertisers as something

undermining ad effectiveness. Disclosure placement increases the probability of people detecting the commercial nature of sponsored content. And when people recognize the message as advertising, the message effectiveness is reduced in most cases. Thus, it is understandable why influencers are less willing to mark sponsorship information as clearly as FTC guidelines require. This study provides influencers with the hope that some factors can attenuate the negative effect of ad recognition. When consumers view the use of native advertising as acceptable, posting sponsored content does not lead to negative outcomes.

Moreover, influencers could minimize negative ad responses by enhancing sponsorship transparency. When a disclosure is prominent and explicit, consumers do not have to spend a great deal of effort inferring the true commercial nature of the content; instead, the transparency of the advertising message is likely to increase both the positive opinions of the influencer and the sponsored message. Although this investigation was not designed to determine this correlation, other existing studies have provided evidence for it. For instance, Campbell et al. (2013) showed that displaying the disclosure before the persuasion appeal produced more positive brand attitudes than displaying it after consumers finish viewing the product placement. In addition, influencers could educate their followers on the persuasion tactics of influencer marketing and native advertising. De Jans et al. (2018) showed that when the advertising knowledge of consumers was derived from a YouTuber's educational vlog, presenting disclosure in sponsored videos generated less negative advertising responses compared to the disclosure-absent condition.

Limitations and Future Research

This study has some limitations that must be noted. The first limitation pertains to sample size. I actively sought to avoid sampling effects (for example, by recruiting adults in all age groups). This study's sample is more representative than those using only college students as participants. However, because of a lack of funding, I was not able to hire more participants from Amazon Mechanical Turk. As mentioned earlier, the use of a smaller sample size could have resulted in the outcome that message involvement did not appear to have a significant main effect on ad recognition. A follow-on study could include more participants to confirm or reject this hypothesis.

Second, the study only used a personal blender as the advertised product in the stimuli. However, social media influencers get paid for promoting a great variety of products and services (e.g., health-related commodities, sports games, music festivals, etc.). Future research could replicate this study using other types of advertised items. For instance, it would be worthwhile to examine if a study promoting something other than a personal blender would result in consistent outcomes.

Third, for this dissertation experiment the sponsored post only covered the positive features of the advertised product. Existing literature has shown that the disclosure effect on persuasion is different depending upon message sidedness (De Veirman & Hudders, 2020). Future research could examine if consumers perceive two-sided sponsored messages as more credible than one-sided messages.

Finally, the advertising disclosure was designed based on the FTC's disclosure guidance. However, the guidelines released by FTC are solely implemented in the United States. In contrast, other countries likely issue different regulations for promoting

endorsement transparency. Future researchers, especially those who investigate this topic in other nations, could follow the local guidelines while making sponsorship disclosures.

Conclusion

Sponsorship disclosure is a unique feature of native advertising. Higher levels of disclosure prominence can no doubt help consumers to distinguish sponsored content from regular editorials. However, advertising disclosure is not the only factor. Its effect on advertising recognition differs depending upon levels of message involvement and persuasion knowledge. Future research should not only focus on sponsorship disclosure but also consider people's allocation of cognitive effort in native advertising processing. In addition, results from this study suggest that ad recognition is a significant indicator of whether native advertising messages are processed in a biased fashion. The more ad recognition consumers generate, the more likely they are to produce counterarguing and negative ad responses. On the other hand, this study confirms that the negative effects of ad recognition can be attenuated under certain circumstances, such as when consumers perceive the use of native advertising as highly appropriate. Social media influencers should follow the FTC guidelines for making advertising disclosures prominent and transparent. In the meantime, they also need to consider how to reduce instances of backlash resulting from ad recognition.

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Appendix A:

Pretest 3 & 4

A total of four pretests were conducted before the main experiment. Pretest 1&2 finalized the product category and the brand name for experimental use. The pretest procedures and results were described in the method section. Pretest 3 was conducted to check the manipulation of message involvement. The pretest recruited 30 participants and randomly assigned them to one of the involvement conditions. Derived from Maheswaran and Sternthal (1990), high involvement was manipulated by telling participants that "they were among a small and select group of people." The low-involvement group was told that "they were among a large number of respondents" and "their individual opinions would remain anonymous." (p. 68). Additionally, the high-involvement group was told that they would receive a bonus if they provide a high-quality evaluation. Unlike what the researcher expected, the results showed that the high-involvement group ($M = 5.97$, $SD = 1.18$) did not spend significantly more time reading the message than the low-involvement group ($M = 5.75$, $SD = 1.05$), $t(28) = -.53$, $p = .60$, indicating that the involvement manipulation was not effective. One possibility is that the stimuli contained only one post. Participants had nothing but the post to read on the Instagram page, so they read the post carefully regardless of their involvement degree. Accordingly, the researcher added two regular posts to the Instagram page so that participants had more information to consume. The revised stimuli and manipulation check questions were employed in Pretest 4 and the main experiment.

Fifty participants were recruited to participate in Pretest 4. Results from a series of independent-samples t-tests showed that the high-involvement group ($M = 5.65$, $SD = 1.32$) paid significantly more attention to the smoothie post than the low-involvement group ($M = 4.18$, $SD = 1.82$), $t(45.60) = -3.27$, $p < .01$. The manipulation check for involvement was successful. The pretest also checked the manipulations of other two manipulated variables: disclosure prominence and persuasion knowledge. The results showed that participants in the high-persuasion-knowledge condition ($M = 5.68$, $SD = .97$) reported higher scores on understanding of persuasion tactics in sponsored content than those in the low-persuasion-knowledge condition ($M = 4.73$, $SD = 1.52$), $t(48) = -2.59$, $p < .05$. Besides, the prominent-

disclosure group ($M = 4.15$, $SD = 2.13$) reported higher scores on perceived disclosure prominence than the subtle-disclosure group ($M = 2.79$, $SD = 1.41$), $t(39.36) = -2.63$, $p < .05$. Thus, the manipulations for persuasion knowledge and disclosure prominence were also effective.

Appendix B:

Stimuli

Persuasion Knowledge Manipulation

Before starting the study, we'd like you to read a short message. This is to make sure you are proficient in English. You will be asked to answer one question after reading the message.

The high-persuasion-knowledge condition:

Brands sometimes pay influencers/bloggers to create and distribute sponsored content. Sponsored influencer content is a type of native advertising that feels a natural fit for a platform – it remains consistent to the influencer's tone and style. Sponsored content is compelling because (a) it does not look like advertising and (b) it places the brand alongside other things that readers like.

The low-persuasion-knowledge condition:

Organic food is produced by farmers who emphasize the use of renewable resources and the conservation of soil and water to enhance environmental quality for future generations. Organic meat, poultry, eggs, and dairy products come from animals that are given no antibiotics or growth hormones. Organic food is produced without using most conventional pesticides; fertilizers made with synthetic ingredients.

Message Involvement Manipulation

The high-message-involvement condition:

  In the following section you will view an Instagram page which contains several posts. Please read the smoothie post carefully. You will be asked to provide detailed opinions about this post.

  Your opinions about the smoothie post are very important. You will receive a bonus if providing a high-quality evaluation.

The low-message-involvement condition:

  In the following section you will view an Instagram page. Feel free to scroll through the page as you normally would when surfing on social media.

Disclosure Prominence Manipulation
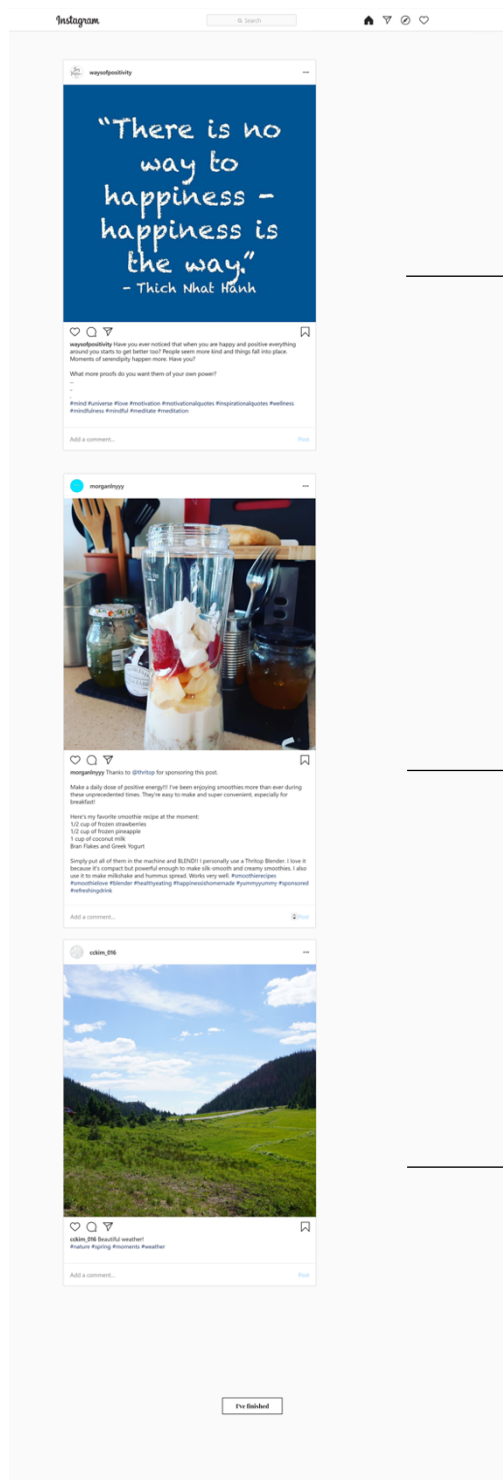
Note. The sponsored post was placed in the middle of the Instagram feed.

morganlnyyy

morganlnyyy Thanks to @thritop for sponsoring this post.

Make a daily dose of positive energy!!! I've been enjoying smoothies more than ever during these unprecedented times. They're easy to make and super convenient, especially for breakfast!

Here's my favorite smoothie recipe at the moment:
1/2 cup of frozen strawberries
1/2 cup of frozen pineapple
1 cup of coconut milk
Bran Flakes and Greek Yogurt

Simply put all of them in the machine and BLEND!! I personally use a Thritop Blender. I love it because it's compact but powerful enough to make silk-smooth and creamy smoothies. I also use it to make milkshake and hummus spread. Works very well. #smoothierecipes #smoothielove #blender #healthyeating #happinessishomemade #yummyyummy #sponsored #refreshingdrink

Add a comment...   Post

The prominent-disclosure condition

morganlnyyy

morganlnyyy Make a daily dose of positive energy!!! I've been enjoying smoothies more than ever during these unprecedented times. They're easy to make and super convenient, especially for breakfast!

Here's my favorite smoothie recipe at the moment:
1/2 cup of frozen strawberries
1/2 cup of frozen pineapple
1 cup of coconut milk
Bran Flakes and Greek Yogurt

Simply put all of them in the machine and BLEND!! I personally use a Thritop Blender. I love it because it's compact but powerful enough to make silk-smooth and creamy smoothies. I also use it to make milkshake and hummus spread. Works very well. #smoothierecipes #smoothielove #blender #healthyeating #happinessishomemade #yummyyummy #sponsored #refreshingdrink

Add a comment...   Post

The subtle-disclosure condition

Appendix C:

Questionnaire

Manipulation check—message involvement

Please indicate the extent to which you agree or disagree with the following statements.

(1=strongly disagree to 7=strongly agree).

While going through the Instagram page,

1. I carefully read the body text of the smoothie post.

2. I paid close attention to the body text of the smoothie post.

3. I skimmed through the body text of the smoothie post (R).

4. I spent a lot of time reading the smoothie post.

Message attitude

Please indicate your overall opinions about the smoothie post on the following scales.

Unfavorable 1 2 3 4 5 6 7 Favorable

Negative 1 2 3 4 5 6 7 Positive

Good 1 2 3 4 5 6 7 Bad (R)

Counterarguing

Please indicate the extent to which you agree or disagree with the following statements.

(1=strongly disagree to 7=strongly agree).

While reading the smoothie post,

1. I found myself actively agreeing with points made in the message (R).

2. I found myself actively disagreeing with the message.

3. I was looking for flaws in the message's arguments.

4. It was easy to agree with the arguments made in the message (R).

Brand attitude

Please describe your overall opinions about the brand mentioned in the smoothie post.

Unappealing 1 2 3 4 5 6 7 Appealing

Bad 1 2 3 4 5 6 7 Good

Unpleasant 1 2 3 4 5 6 7 Pleasant

Unfavorable 1 2 3 4 5 6 7 Favorable

Purchase intention

If you are asked to make the purchase decision, how likely would it be for you to buy the product mentioned in the smoothie post?

Unlikely 1 2 3 4 5 6 7 Likely

Impossible 1 2 3 4 5 6 7 Possible

Improbable 1 2 3 4 5 6 7 Probable

Advertising recognition

Please indicate the extent to which you agree or disagree with the following statements. (1=strongly disagree to 7=strongly agree).

Regarding the smoothie post you just viewed,

1. The post had a commercial purpose.

2. The post contained sponsored content.

3. The post creator got paid to mention a brand.

Ad appropriateness

Please indicate the extent to which you agree or disagree with the following statements. (1=strongly disagree to 7=strongly agree).

While reading the smoothie post,

1. It was acceptable to me if the brand paid to be mentioned.

2. It was appropriate to me if the post was sponsored by the brand.

Manipulation check—persuasion knowledge

Please indicate the extent to which you agree or disagree with the following statements.
(1=strongly disagree to 7=strongly agree).

When brands pay an influencer to mention their brands on social media, what do you think they are trying to do?

1. Brands try to influence me by hiding the commercial purpose of showing the brand.

2. Brands try to influence me by making sure the post does not look like advertising.

3. Brands try to influence me by placing the brand in a context that people like.

Manipulation check—disclosure prominence

Please indicate the extent to which you agree or disagree with the following statements.
(1=strongly disagree to 7=strongly agree).

Regarding the smoothie post you just viewed,

1. The sponsorship disclosure was clearly visible to me.

2. The sponsorship disclosure was placed in a prominent position.

3. The post explicitly said it was sponsored.

Product involvement

Please indicate how relevant/important blenders are to you in daily life.

To me, blender is_____.

unimportant 1 2 3 4 5 6 7 important

irrelevant 1 2 3 4 5 6 7 relevant

means nothing 1 2 3 4 5 6 7 means a lot to me

not needed 1 2 3 4 5 6 7 needed

Demographics

Please indicate your gender

    a. Male

    b. Female

    c. Other _____

    d. Prefer not to indicate

Please choose the ethnicity that you identify most with

    a. Asian/Pacific Islander

    b. African American

    c. Caucasian

    d. Latino/Hispanic

    e. Native American

    f. Other _____

    g. Prefer not to answer

Please input your age in numerical number (e.g., 30).

_____

Last year, what was your family total household income, before taxes?

    a. Under $25K

    b. $25K to <$50K

    c. $50K to <$75K

    d. $75K to <$100K

    e. $100K to <$150K

    f. $150K to <$200K

    g. Above $200K

VITA

Guolan Yang

Donald P. Bellisario College of Communications, Penn State

EDUCATION

Ph.D., Mass Communications, Penn State, 2020

M.A., Communication, Virginia Tech, 2015

B.A., English, Shaanxi Normal University, 2012

TEACHING

COMM420 Research Methods in Advertising and Public Relations, Fall 2018, Penn State

COMM180 Survey of Electronic Media and Telecommunications, Summer 2018, Penn State

SELECTED PUBLICATIONS

- **Yang, G.** & Myrick. J. (2020). Online media use and HPV vaccination intentions in mainland China: Integrating marketing and communication perspectives to improve public health. *Health Education Research. 35*(2), 110-122. https://doi.org/10.1093/her/cyaa002

- Li, R., Vafeiadis, M., Xiao, A., & **Yang, G.** (2020). The role of corporate credibility and bandwagon cues in sponsored social media advertising. *Corporate Communications: An International Journal. 25*(3), 495-513. https://doi.org/10.1108/CCIJ-09-2019-0108

SELECTED AWARDS

- The 2nd Place Top Paper Award, Advertising Division, Association for Education in Journalism and Mass Communication, 2020

- The 3rd Place Top Paper Award, Mass Communication and Society Division, Association for Education in Journalism and Mass Communication, 2019

- Co-Principal Investigator, Scholar Grant for Narratives in Public Communications from the Arthur W. Page Center: $3000, 2019

- University Graduate Fellowship at Penn State, 2016-2017