



#sponsored – Influencer Marketing on Instagram

An Analysis of the Effects of Sponsorship Disclosure,
Product Placement, Type of Influencer and their
Interplay on Consumer Responses

Nora Lisa Ewers
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NORA LISA EWERS - S1339990
N.L.EWERS@STUDENT.UTWENTE.NL

SUPERVISORS:
DR. J. F. GOSSELT
DR. A. J. A. M. VAN DEURSEN

UNIVERSITY OF TWENTE
FACULTY OF BEHAVIOURAL, MANAGEMENT & SOCIAL SCIENCES
MASTER COMMUNICATION STUDIES – MARKETING COMMUNICATION

Abstract

Background: Influencer marketing is a relatively new marketing strategy that came up in the course of the growing popularity of social media. Influencer marketing can be seen as a modern form of celebrity endorsement, in which both celebrities and micro-celebrities function as influencers and promote brands or products on their own social media channels. Especially on Instagram many posts can be observed, in which products are prominently placed and supposedly recommended. This has been part of several discussions in the past, since some people see influencer marketing as covert advertising and demand sponsorship disclosure.

Objective: The type of influencer, sponsorship disclosure and product placement are important components of influencer marketing and especially concerning the setup of (sponsored) Instagram posts. On the one hand, they serve as a means to effectively promote a product or a brand while on the other hand, sponsorship disclosure helps consumers to identify sponsored content on Instagram. Since influencer marketing is believed to persist, it seems important to get more insight into how different setups of (sponsored) Instagram posts are perceived, which is why the study at hand aims to investigate how these three aspects as well as their interplay affect consumer responses.

Method: To this end an online experiment was conducted, employing a 2 (type of influencer: celebrity vs. micro-celebrity) x 2 (sponsorship disclosure: “#sponsored” vs. no disclosure) x 2 (product placement: product placement vs. no placement) between groups design. 240 German females, all registered for an Instagram account, took part in this study, which measured, message credibility, brand attitude and purchase intention as consumer responses. Attitude towards the Instagram post as well as source credibility were added as mediators; persuasion knowledge and product involvement were included as moderating variables.

Results: The celebrity could be found to generate a higher purchase intention than the micro-celebrity. No main effects for sponsorship disclosure and product placement were found. However, the interaction of type of influencer and sponsorship disclosure affected message credibility, whereas the interaction of all three independent variables had an effect on brand attitude. No sponsorship disclosure had a more positive effect for celebrities, but a more negative effect for micro-celebrities. Source credibility mediates the effect of type of influencer on purchase intention, while the hypothesized mediating effect of attitude towards the post could not be supported. The moderating effects of product involvement and persuasion knowledge could not be confirmed, but persuasion knowledge did negatively affect message credibility. Furthermore, persuasion knowledge was not activated by sponsorship disclosure, but could be found to be high across all conditions.

Conclusion: The research at hand is one of the, so far, very few studies to provide information regarding influencer marketing on Instagram. The findings can help marketers with the choice of a fitting influencer and influencers with the setup of their sponsored Instagram posts, as both important selection criteria and relevant components of a post on Instagram are discussed. At the same time, the insight gained in this study gives reason to further investigate additional characteristics that determine whether an influencer is successful as well as what exactly activates persuasion knowledge within influencer marketing on Instagram. Supplementary research is necessary so that in the future sponsored posts can be created in a way that is both beneficial for businesses and their influencers, but also transparent and fair to consumers.

Keywords: Influencer marketing, Instagram, sponsorship disclosure, product placement, source credibility, persuasion knowledge

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1 Introduction

The fast development of modern technologies and especially the internet with all its applications, offer many new opportunities for both individuals and organizations (Berthon, Pitt, Plangger & Shapiro, 2012). In particular, the ever new occurring and developing social media platforms and blogs give people the possibility to become active online and create online content themselves (Kietzmann, Hermkens, McCarthy & Silvestre, 2011). One example of such a social media platform is Instagram. Instagram is a mobile service with which users can simply take pictures, choose a filter if they would like to and then upload it and share it with their friends or so called “followers”. In June 2016, Instagram hit the 500 million user mark (Roth, 2016). More than 80 million photos are uploaded on Instagram per day and all users combined give 3.5 billion likes per day (Ratcliff, 2016). But Instagram is not only a fun App for consumers, it can also be used as a marketing tool on a corporate level. It is a relatively easy and cheap way for businesses to get in touch with their (potential) consumers, which helps brands to build loyalty and trust as well as with building a relationship with their customers. In the end, this can also enhance brand awareness and brand image (Kreutzer & Hinz, 2010; Mangold & Faulds, 2009). One option for businesses to use Instagram for their marketing purposes is influencer marketing. In a way, influencer marketing works like electronic word of mouth (Wong, 2014). “Regular” people, who built up a large community on their social media platforms or blogs, increasingly gain a form of celebrity status simply through their online activities. Their wide reach enables them to get in touch with and influence a great audience, which is why they are also referred to as influencers (Uzunoğlu & Kip, 2014). Influencers are not necessarily linked to a certain company, but their great influence makes them attractive for companies, who progressively decide to work together with influencers whose followers belong to the company’s target group or whose activities match their product or brand (Hilker, 2017; Schröder, 2017). In that way, they can approach their target group other than with direct marketing tactics. The broader goal of influencer marketing is to generate positive consumer responses (tapinfluence, n.a.; wehype, 2016). Here, message credibility, brand attitude and people’s intention to purchase the advertised product are important factors, as they can indicate how effective an advertisement or in this case the Instagram post is (tapinfluence, n.a.; wehype, 2016; Cheung, Luo, Sia & Chen, 2009; Lee & Koo, 2015; Loda, Teichmann & Zins, 2009). Whether this ultimate goal of influencer marketing can be achieved is expected to depend on several aspects concerning the setup of the Instagram post, that is to say the type of influencer, sponsorship disclosure and product placement. These concepts will be further explained in the following.

First of all, the type of influencer itself seems to be an essential choice, as the attributes that consumers link to the endorser can have an impact on the effectiveness of the advertising (Wymer & Drollinger, 2015). With the emergence of social media and subsequently influencer marketing, a new type of endorser came up as well – so called influencers. Today’s influencers can be seen as a new form of celebrity endorsers (Weinswig, 2016) and influencer marketing as a modern form of celebrity endorsement. That makes it interesting to compare these two groups and to investigate whether they affect consumer responses differently. Consequently, a difference will be made between celebrities that are influential on social media and micro-celebrities that simply have great reach on Instagram thanks to their social media activities.

Next to the type of influencer, sponsorship disclosure and product placement are important factors to consider as they can give away information about the true intent of an Instagram post. So far there

are, at least in Germany, no laws or regulations concerning sponsorship disclosure on social media, but critics and especially consumers disapprove of how indistinct posts on social media are. Some even created a petition asking for more transparency on the web and for advertising to be declared as such (Rondinella, 2017). Nonexistence of sponsorship disclosure is one of the main issues regarding influencer marketing, because if sponsorship is not disclosed, consumers are tricked into believing that the influencer personally recommends the respective product (Sammis, Lincoln & Pomponi, 2016). It also goes at the expense of all honest people who simply want to share their opinion or experiences with their followers (Wind, 2015). Since there is no way for people to know for sure whether someone is not being sponsored or just not disclosing it (Hutchinson, 2017), they might become skeptical towards all recommendations. There are several honest influencers, though, who disclose if they are sponsored and when looking at social media posts, different types of sponsorship disclosure can already be found. Usually one sees hashtags like “#ad”, “#sp” or “#sponsored” added to the caption of a photo on Instagram, but so far there is no consistent form of sponsorship disclosure on Instagram, at least not in Germany. In summer 2014, a court in Munich declared even the addition of the hashtag “#sponsored” to not be sufficient, because some people would not understand that it meant that the content of the post was sponsored (Petersen, 2015; Laukemann, 2016). This is why the study at hand aims to investigate whether this addition of the disclosure “#sponsored” really is that unclear and which effect the addition or absence of the hashtag has on consumer responses.

The last aspect that will be addressed and included as an independent variable is product placement. Kuhn, Hume and Love (2010) argue, that simply placing a product could be seen as covert advertising, if it is not disclosed in any way. When looking at obviously sponsored Instagram posts, one will recognize that the product usually is the focus of the post and is often held by the endorser or placed in a way that it draws the attention of the viewer. This appears rather pushy, which in the past has been found to generate negative reactions in advertising (Korotina & Jargalsaikhan, 2016). The present study includes product placement in order to see whether this kind of prominent placement, which is typical for Instagram, also evokes negative consumer responses within influencer marketing.

The combination of these three variables has not been focus of previous research, even though the aspects are all directly linked to influencer marketing and also expected to be related to each other. For example, if a product is prominently placed, it could give away a commercial context, which is thought to evoke rather negative consumer responses. In combination with sponsorship disclosure this effect might be even strengthened. Furthermore, it could be the case, that an influencer is perceived differently based on whether he or she discloses sponsorship or whether he or she obviously shows a product. Also, some could perceive the influencer as honest if sponsorship is disclosed, while, others might not believe the statement as the influencer got paid to post it. This is why, on the one hand, the main effects of these three components, but also their interplay will be investigated. Consequently, the main research question, the study at hand aims to answer, is:

RQ: To what extent do type of influencer, sponsorship disclosure, product placement and their interplay influence message credibility, brand attitude and purchase intention in the context of influencer marketing on Instagram?

Next to the three independent variables there are several other aspects expected to affect how consumers respond to a (sponsored) Instagram post. Here, source credibility, attitude towards the post, persuasion knowledge and product involvement will be tested for their mediating or moderating

roles respectively. First of all, the credibility of the source has been found to be a very important factor regarding the effectiveness of an advertisement (Ohanian, 1990), which is mostly represented by how consumers respond to it. Also, the attitude people develop towards the advertisement, or in this case the Instagram post, has been found to mediate the effect of advertisement on consumer responses (Lutz, MacKenzie & Belch, 1983). This is why the first sub-question is as follows:

SQ1: To what extent do source credibility and attitude towards the post mediate the effect of type of influencer, sponsorship disclosure and product placement on message credibility, brand attitude and purchase intention?

Furthermore, persuasion knowledge is a widely discussed concept within advertising. It deals with people's awareness of the persuasion attempt of an advertisement and has been proven to affect how people react to the respective message. In order to find out whether the same holds for (sponsored) Instagram posts, it will be included as a potential moderator. The same goes for people's involvement with the advertised product, as it could differ per product or product category and has therefore been found to be an important factor within advertising. Thus, the second sub-question, the study aims to answer, is:

SQ2: To what extent do persuasion knowledge and product involvement moderate the effect of type of influencer, sponsorship disclosure and product placement on message credibility, brand attitude and purchase intention?

It is expected that the study will provide helpful information not only for businesses that engage in influencer marketing, but also for influencers themselves and finally consumers. The results could offer insights that can help to set up appropriate guidelines for influencer marketing on Instagram and also for companies on how to effectively use influencer marketing without fooling consumers.

2 Theoretical Framework

2.1. Influencer marketing

According to Sammis, Lincoln and Pomponi (2016) influencer marketing is the “art and science of engaging people who are influential online to share brand messages with their audiences in the form of sponsored content” (p.7). Influencers, usually bloggers, YouTubers or journalists with an own blog, YouTube channel or online magazine (Tamblé, n.a.), can thus be seen as people who have a certain impact on others online and, depending on their audience, they are chosen by companies in order to reach that exact audience and promote brands or their products (Sammis, Lincoln & Pomponi, 2016). Influencer marketing can work in several different ways. Companies could, for example, simply send products or free samples to a suitable influencer and hope for him or her to review it online or they could set up a contract and pay their influencers for posting about it on his or her blog or social media account (Sammis, Lincoln & Pomponi, 2016).

In a way influencer marketing works like word of mouth (WOM) marketing (Pophal, 2016; Wroblewski, 2017). Though, Brown and Hayes (2008) state that WOM is rather uncontrollable since it cannot be traced who says what and to whom. With influencer marketing that is different, because a company picks an influencer based on the reach of that person and their group of followers. Furthermore, the message and the way it will be presented is agreed up on by both parties. It can thus be seen as an old marketing concept with a new touch. This can also be clarified with the help of the 2-step flow theory. This theory states that there are opinion leaders in society that pay close attention to mass media messages and pass these messages or interpretations of these respective messages on to the mass (Katz & Lazarsfeld, 1966). Within influencer marketing these opinion leaders are the influencers. Even though the influencers usually get paid to spread a respective message, the concept of an opinion leader whom people look up to still seems to be applicable.

The concept of influencer marketing is great for both the companies, but also the influencers. On the one hand influencer marketing can be a rather inexpensive marketing strategy, while it offers the opportunity to reach a specific target group directly (Kaplan & Haenlein, 2010; Weiss, 2013; Loeffler, 2016). On the other hand, the influencers also benefit, since they usually receive different, often valuable goods or could even earn money with their social media activities, which they enjoy doing either way.

In the past, research has already looked into how consumers respond to endorsements in regular advertising. Since influencers can be seen as a new form of celebrity endorsers, the question raises whether both of these types of influencers affect consumer responses in the same way or whether there are differences. The concepts, or consumer responses, that are included as dependent variables in the study at hand and why these should be considered in the context of influencer marketing will be explained in the following.

2.2. Consumer responses to influencer marketing

2.2.1. Message credibility

Message credibility focuses on how credible or trustworthy the message itself, for example the statement made in an advertisement, is perceived. The definition Appelman and Sundar (2016) came up with, based on reviewed literature, reflects this idea: "Message credibility is an individual's judgment of the veracity of the content of communication." (p. 63). This definition will be applied in this study, with the content of communication being the statement made in the Instagram post. Taken as a basis that influencer marketing on Instagram is a form of advertising, it seems important to include the credibility of the statement made in such a post, since it can have an impact on the effectiveness or the persuasiveness of the advertisement and how consumers respond to the advertisement (Cheung, Luo, Sia & Chen, 2009; Lee & Koo, 2015; Loda, Teichmann & Zins, 2009). This again could help to understand how to best set up a sponsored post on Instagram in order for it to be effective.

2.2.2. Brand attitude

Brand attitude can be seen as an evaluation of a brand (Spears & Singh, 2004) or how a brand is perceived in general and what people (consumers) think of a respective brand. Sheinin, Varki and Ashley (2011) define brand attitude as a "general disposition toward the brand" (p. 6). Since these explanations accord with each other, the definition of brand attitude as an evaluation will be embraced here. This is something that is especially important for companies and even more when working with endorsers or influencers. Past research has shown that the chosen celebrity endorser can have direct influence on how the brand is seen or the attitude people have towards the brand (Amos, Holmes, & Strutton, 2008). Since that seems to be linked to attributes and the credibility of the endorser (Amos, Holmes, & Strutton, 2008), it is expected that micro-celebrities can affect brand attitude just as well. By including this consumer response as a dependent variable, it is hoped to be able to receive information concerning which type of influencer, celebrities or micro-celebrities, influence consumer responses more positively. This would help marketers, for example, with their decisions concerning the choice of an effective influencer for their campaigns, which seems to be important in order to achieve the ultimate goal of a sponsored Instagram post - positive consumer responses.

2.2.3. Purchase intention

The term purchase intention covers people's willingness or consideration to purchase the advertised product in the (near) future. Kuo, Wu and Deng (2009) also speak of the „tendency“ people have concerning the advertised product or the advertising brand. Spears and Singh (2004) defined purchase intention as follows: "Purchase intentions are an individual's conscious plan to make an effort to purchase a brand" (p. 56). This definition will be adopted in the study at hand. Measuring people's intention to purchase the presented product in the future is of great interest for companies. It reveals whether the advertisement was effective or not. Pornpitakpan (2004) found that celebrities as endorsers have an influence on this, which is why it should be included here in order to make assumptions about whether influencers have an impact on purchase intention as well, or not. It is expected to give valuable input for marketers who have to choose fitting and effective influencers as well.

2.3. Independent variables

Now that the dependent variables have been explained, the following chapter will deal with the independent variables. Additionally, hypotheses will be formulated with regard to how these independent variables are expected to affect the previously described consumer responses.

2.3.1. Type of influencer

Celebrity endorsement is a marketing strategy that has been used a lot in the past and even though it is still being successfully practiced (McCormick, 2016), new possibilities for marketing strategies emerged through the increasing opportunities social media offer. Individuals who have accumulated a great reach on their social media accounts, primarily through their online activities, are used by companies as influencers. These influencers could therefore be seen as a new or modern form of celebrities, which is also why they might be referred to as micro-celebrities, a term used for people who gained popularity online (Marwick, 2011). For this reason, it is interesting to compare these two types of influencers to get insight into whether they generate similar or different effects on consumer responses with regard to promotions on Instagram. Influencer marketing has not directly been the focus of research so far, though celebrity endorsement or endorsement in general have been studied amply. In the following, previous studies concerning endorsement will be discussed and based on that assumptions will be made about the effects of influencer marketing.

According to Rajashekarreddy (2012) celebrity endorsement, thus the use of celebrities as endorsers, can be helpful in getting attention and also might help people to remember a product. Wei and Lu (2013) on the other hand found that people tend to distrust celebrities, because they already assume that they get paid to promote the respective product and therefore it would not be their own opinion. On the contrary, bloggers as influencers seem to be able to maintain authenticity, even though people might be aware of the fact that they get paid (Woods, 2016). Amos, Holmes and Strutton (2008) found that the effect an influencer can have on the way a brand is seen, depends on attributes people link to the influencer. Especially the credibility of the source, in this case the influencer, seems to be of importance when it comes to the effectiveness of an advertisement (Ohanian, 1990; Gotlieb & Sarel, 1991). Djafarova and Rushworth (2017) summarize findings of several researchers who found that bloggers were perceived as more credible than celebrities. Although Djafarova and Rushworth (2017) themselves found that celebrity endorsement on Instagram still seems to be effective, their results also suggest that micro-celebrities, or as they say “non-traditional celebrities” (p.1), have even more power. According to them, that is because they are seen as more credible and people can relate to them more easily, rather than to celebrities (Djafarova & Rushworth, 2017). Forbes (2016), as well, emphasizes that micro-celebrities are more “relatable” (p. 79) and are more likely to live a normal life compared to celebrities, who still appear to be far away due to their fame (Chan & Misra, 1990). Smith, Menon and Sivakumar (2005) found that people mostly tend to rely on recommendations from peers rather than any other information. Isosuo (2016) adds on to this theory by stating that micro-celebrities are sometimes even seen as peers of the followers. Swant (2016) supports this idea by stating that nowadays people tend to trust recommendations from influencers almost as much as they would trust recommendations from their peers. This could lead to the assumption that micro-celebrities will be perceived as more credible and that their post will evoke more positive consumer responses than the one of a celebrity. Therefore, the following hypothesis will be drawn from previous literature:

H1: The use of micro-celebrities in influencer marketing on Instagram will have a more positive effect on consumer responses than the use of celebrities.

2.3.2. Sponsorship disclosure

When influencers do not disclose that they are being sponsored and that they are being paid for posting a certain picture and promoting a certain product, one can speak of covert advertising (Bauer, 2015). In Germany, covert advertising is simply forbidden by law (Fulterer, 2015) and generally advertising needs to be recognizable as such by everyone (Bauer, 2015). Influencer marketing can be seen as legal limbo (Stiegler, 2016; Laukemann, 2016; Petersen, 2015), since in many cases it cannot really be proven that it is a matter of advertising. So far, influencer marketing has not been identified as covert advertising yet; at least not in a way that legal authorities prosecute it.

With regard to sponsorship disclosure on social media, research findings are limited, since it is a rather new issue. Boerman and Van Reijmersdal (2016) argue that sponsorship disclosure in general could activate people's persuasion knowledge and thus lead to resistance towards the persuasion message. Previous literature indeed showed that sponsorship disclosure triggers the persuasion knowledge of the viewer, which then negatively impacts people's brand attitude and finally their purchase intention (Reijmersdal et al., 2016). Rotfeld (2008) explains that "people are generally skeptical of any business-provided sources of information, ..." (p.1). Koslow (2000) as well as Obermiller and Spangenberg (2005) similarly state that people are suspicious when it comes to advertising. If people recognize sponsorship disclosure they will be prepared to see advertising, which can ultimately lead people to resist the persuasion (Boerman, Reijmersdal & Neijens; 2014). While disclosing sponsored content seems fair to the consumers, it could also harm the effectiveness of the sponsored post, because it could be perceived as too commercial (Korotina & Jargalsaikhan, 2016). Since influencer marketing on Instagram is still controversial and many consumers call for disclosure of sponsorship, it is interesting to look into how people really perceive this disclosure on Instagram and how it affects their responses. Based on these findings, the following hypothesis will be tested:

H2: Sponsorship disclosure will have a more negative effect on consumer responses than when advertising is not disclosed.

2.3.3. Product placement

Another factor that can give insight into whether a brand is behind a certain Instagram post or not, is the way a product is placed within the picture or to what extent the brand can be seen or not. This is best described by the term "product placement" (Gupta & Lord, 1998). It is especially interesting in the context of the present study, since it is striking how obtrusive some products are placed within sponsored posts on Instagram ("Product placement Instagram", 2015).

According to Fennis and Stroebe (2016) product placement is the "paid inclusion of branded products or brand identifiers through audio and/or visual means" (p. 417). Der Waldt and La Rey (2005) summarize that there are three different types of product placement: visual, verbal and hands on product placement. Furthermore, the term does not necessarily dictate that the actual product has to be shown, it could also be the brand name or logo (Der Waldt & La Rey, 2005). In this case, only visual product placement will be applied. Homer (2009) argues that the impact of product placement on consumers' reactions has not been sufficiently examined yet. The existing findings have shown both positive and negative effects concerning product placement in general (Kuhn, Hume & Love, 2010).

Kyrkjeeide and Lervik (2015) claim that product placement could positively influence people's buying behavior without really changing their attitude, but they do not exclude negative effects. One aspect concerning product placement, that has gotten attention in past studies, is the extent to which the placement is prominent, whereby more prominence seems to evoke more negative reactions (Van Reijmersdal, Neijens & Smit, 2009; Homer, 2009). Since Instagram is a platform, which puts the focus on the photographs, the attention is also easily led towards the promoted or placed products ("Product placement Instagram", 2015), which is why it could be argued that product placement on Instagram is rather prominent. Korotina and Jargalsaikhan (2016) add on to this by arguing that consumers mostly perceive product placement in a negative way, especially if the persuasive attempt is too obvious and the placement appears to be too commercial. It therefore seems interesting to compare two conditions, one in which the product is obviously presented and one in which it is not shown at all. Since the prominent or obvious placement has been shown to influence consumers' responses rather negatively (Cowley & Barron, 2008) it will be hypothesized that:

H3: Product placement has a more negative effect on consumer responses than no placement.

2.4. Interactions

Now that the expected main effects have been explained, the following section will deal with how these variables are expected to interact with each other and how that might affect consumer responses.

2.4.1. Type of influencer & product placement

Van Reijmersdal, Neijens and Smit (2007) looked into the effect(s) of brand placement in a television show on brand image. Results show that over time people formed a brand image according to the image of the television show. For the study at hand, it could mean that people build an opinion about the brand and the product based on the image of the influencer who is presenting the product. In the case of the micro-celebrity people might not have formed an image yet, as they might not know him or her yet, which could speak for the idea that a blogger might be a more neutral influencer than a celebrity who might polarize. This is supported by the results of another study, which says that the more people know about a celebrity the less useful a celebrity is in a marketing context (Sanbonmatsu, Mazur, Pfeiffer, Kardes & Posavac, 2012). Gageler and Van der Schee (2016) found something similar and argue that product placement can have a positive effect on purchase intention and that this is dependent on the extent to which the consumer likes the celebrity (or influencer). Fennis and Stroebe (2016) support this view in their book. It could therefore also be assumed that people's evaluation of product placement also depends on the evaluation of the source. This gives the idea that, when it comes to the interaction of an influencer and product placement, consumer responses depend on the influencer and not so much on whether a product is placed or not. Since it was already argued that micro-celebrities will be perceived as more credible, it is expected that:

H4: Type of influencer and product placement will interact in a way that consumer responses to product placement will be more positive if respondents are confronted with a micro-celebrity compared to when they are confronted with a celebrity.

2.4.2. Type of influencer & sponsorship disclosure

Concerning the combination of the variables type of influencer and sponsorship disclosure, previous research does not offer much insight yet. Dekker and Reijmersdal (2013) found that sponsorship

disclosure only had a negative impact on acceptance of the message (product claims), when people believed the influencer (celebrity in their case) to be dishonest. So again, the attributes of the influencer, especially credibility, seem to play a very important role. According to the findings of Boerman and Van Reijmersdal (2016) it does not necessarily matter, whether content is sponsored or not, as long as the influencer is believed to be credible. This idea is supported by Dekker and Reijmersdal (2013), who also found that disclosure had a rather negative effect on consumer responses, if the celebrity was not perceived as credible. Since, as stated before, micro-celebrities are expected to be perceived as more credible than celebrities, it can consequently be assumed that the combination of micro-celebrities and either disclosure or no disclosure would generate more positive responses than the combination of celebrities and either disclosure or no disclosure. When considering that people's persuasion knowledge could be activated through the sponsorship disclosure one needs to assume that the combination of a micro-celebrity and disclosure would cause more negative responses than the combination of a micro-celebrity and no disclosure. Based on these previous findings, the following hypothesis, concerning the interaction of type of influencer and sponsorship disclosure, can be formulated:

H5: Micro-celebrities generate more positive consumer responses if sponsorship is not disclosed compared to when it is disclosed.

2.4.3. Product placement & sponsorship disclosure

As already mentioned above, people seem to dislike advertising on social media when it is too pushy (Korotina & Jargalsaikhan, 2016). This view is also supported by the findings of Chu, Allem, Cruz and Unger (2016). Their study revealed that people liked product placement better when there was no (obvious) advertising context. For the study at hand, this could mean, that pictures that obviously show a product work better if sponsorship is not disclosed, because that would reveal the advertising context to the viewer/consumer. It could therefore be expected that the pictures in which a product is obviously placed and sponsorship is disclosed will have a negative influence on consumer responses. As a matter of fact, there are findings that suggest that disclosure minimized the persuasive effect of the product placement, probably due to activation of persuasion knowledge of the consumer, and therefore support this idea (Campbell, Mohr & Verlegh, 2012). Der Waldt and La Rey (2005), as well, argue that product placement seems more realistic than paid advertisement. This, again, speaks for the assumption that an Instagram post which discloses a sponsorship might be too pushy, too much advertising, which could lead to a negative evaluation.

H6: Product placement has a more negative influence on consumer responses if sponsorship is disclosed compared to when sponsorship is not disclosed.

2.4.4. Type of influencer, sponsorship disclosure & product placement

Finally, it will be looked at the interaction effect that could occur based on all three independent variables. In this concern, Dekker and Reijmersdal (2010) argue that disclosing advertising or sponsorship might decrease the effect of product placement in general, especially, when the influencer is perceived as dishonest. Based on the previous literature review it is hypothesized that in general micro-celebrities will be perceived as more credible, and therefore probably more honest, than celebrities. Furthermore, not disclosing sponsorship seems better than when advertising is disclosed, since it is expected to activate people's persuasion knowledge, which then might negatively affect

consumer responses. Finally, product placement is expected to have a negative effect on consumer responses. Based on these previous assumptions, the following hypotheses can be formulated:

H7: The most positive consumer responses will be evoked through the combination of a micro-celebrity, no product placement and no sponsorship disclosure.

The review of previous literature leads to the assumption that it is not only the independent variables and their interactions that affect consumer responses. It can be expected that these effects are moderated or mediated by additional variables, which will be elaborated on below.

2.5. Mediating variables

The concept of source credibility has already been mentioned as an important aspect regarding the effectiveness of an advertisement. There is reason to assume that this variable as well as people's attitude towards the post could function as mediators for the effect of the independent variables on consumer responses. This will be further elaborated on in the following section.

2.5.1. Source credibility

The literature review concerning the independent variables already gave away that the effect of advertisements on consumer responses often seems to depend on the perceived credibility of the source. According to Gotlieb and Sarel (1991), source credibility is made up of different components - perceived trustworthiness and perceived expertise. This is supported by Korotina and Jargalsaikhan (2016), who found that trustworthiness plays an important role when it comes to the attitude towards the endorser (influencer). In the same concern, they also stress the importance of credibility and expertise of the influencer. The importance of these two characteristics and its impact on the perception of an ad has also been found by Gupta, Kishore and Verma (2015). Ohanian (1990) who developed the source credibility model, based on review and analysis of existing literature and source credibility measures, names attractiveness of the source as another component of credibility. According to Ohanian (1990) source credibility is an indicator for the persuasiveness of a message based on characteristics of the source with regard to attractiveness, trustworthiness and expertise. Gotlieb and Sarel (1991) pointed out how important the credibility of the source in advertisements is. The effectiveness seems to depend on whether the source who is supposed to transmit the persuasive message is perceived as credible or not, which is why, amongst others, La Ferle and Choi (2005) argue that source credibility even acts as a mediating variable. This is supported by Shuqair, Cragg, Zaidan and Mitchell (2016) who found that electronic WOM worked better than posts by companies, but only if the source was perceived as credible. If influencers promote a product on Instagram this respective post can be viewed as advertisement as well, which is why it seems important to look into the credibility of the influencers in order to be able to make statements about the effectiveness of influencer marketing and especially different types of influencers on Instagram. It will therefore be looked into whether source credibility mediates the effect of type of influencer, sponsorship disclosure and product placement on the dependent variables.

2.5.2. Attitude towards post

According to Galloway (as stated in Sheinin, Varki & Ashley, 2011) it is important to consider people's attitude towards the ad since it could have influence on how effective the persuasive message is. Here, one can speak of an evaluation of the ad (Spears & Singh, 2004). Lutz, MacKenzie and Belch (1983) found that the attitude towards the ad, had a mediating role concerning responses to advertising,

especially when it comes to brand attitude. This makes it an important aspect to take into account for the research at hand. As has been explained previously, the Instagram post can be viewed as a form of advertisement, which is why this concept “attitude towards the ad” will be adapted, only under a different name: attitude towards the post.

2.6. Moderating variables

2.6.1. Product involvement

Michaelidou and Dibb (2006) stress the importance for marketing agencies to understand people’s attachment to products and furthermore that this attachment, or involvement, varies across products and people. Thus, it seems important to include product involvement in projects like the current study in order to be able to make specific statements about the effects concerning one explicit product (category). In the future, this could help to find out whether a certain effect can be generally applied to all kinds of products (or product categories), or whether it differs between products/categories. Additionally, previous research has found that product involvement can act as a moderating variable regarding the effects of celebrity endorsement (Richins & Root-Shaffer, 1988; Doh & Hwang, 2009), which also speaks for including it here in order to see whether it moderates the effect of influencer marketing on consumer responses as well.

2.6.2. Persuasion knowledge

The elaboration of some of the concepts above, especially sponsorship disclosure, already gave an idea of how important persuasion knowledge is, when it comes to the effectiveness of advertising. Persuasion knowledge includes the extent to which people are aware of the fact that they are being influenced or the persuasion attempt (Boerman, Reijmersdal & Neijens, 2012). It seems especially important to include here, since when it comes to Instagram posts in real life, one can never be absolutely sure whether a post is sponsored or not, unless it is disclosed. Since disclosure is a great part of the present study, it is interesting to get insight into the extent to which people perceive an Instagram post as advertising and more importantly whether this differs, if advertising is disclosed compared to when there is no disclosure. According to Boerman and Van Reijmersdal (2016) sponsorship disclosure, as long as noticed by the viewer, activates people’s persuasion knowledge and could therefore negatively influence consumers’ brand attitude or purchase intention. There is thus reason to assume that, also in the case of influencer marketing, the addition of the hashtag “#sponsored” as a sponsorship disclosure will make people aware of the persuasive message of the Instagram post, which will consequently lead to resistance and negative evaluations of the post. Therefore, next to including persuasion knowledge as a moderating variable, two further hypotheses are drawn from this:

H8a: Sponsorship disclosure activates people’s persuasion knowledge.

H8b: Persuasion knowledge is negatively related to consumer responses.

2.7. Conceptual research model

Based on the literature review and the hypotheses that have been drawn, a conceptual model has been developed, which can be seen in Figure 1.

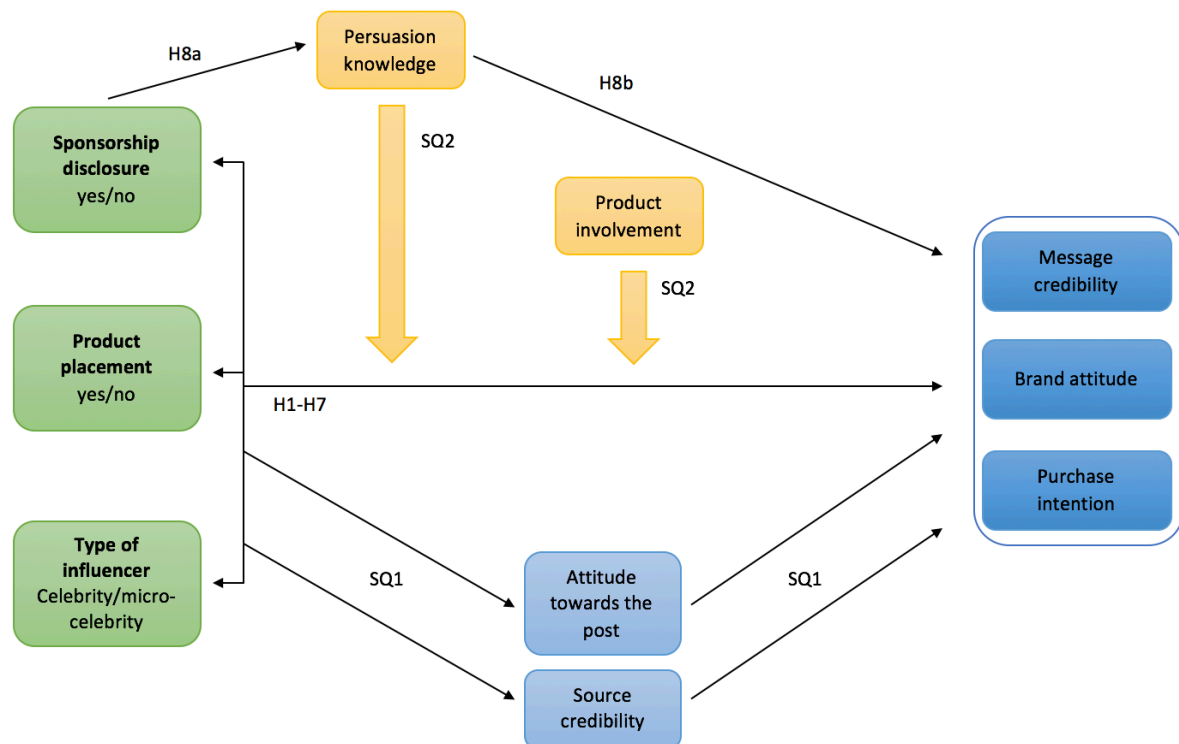


Figure 1. Conceptual research model

3 Method

3.1. Research design

The study employed a 2 (celebrity vs. micro-celebrity) x 2 (sponsorship disclosure: yes vs. no) x 2 (product placement: yes vs. no) between groups factorial design in form of an online experiment in order to examine the main and interaction effects of type of influencer, sponsorship disclosure and product placement on message credibility, brand attitude and purchase intention. This design lead to eight different experimental conditions, which are displayed in Table 1. The three independent variables – type of influencer, sponsorship disclosure and product placement were manipulated. Message credibility, brand attitude and purchase intention were included as dependent variables; persuasion knowledge and product involvement as moderating and source credibility and attitude towards the post as mediating variables.

Table 1

Overview of the eight experimental conditions and the number of responses per condition

Condition	Type of influencer	Sponsorship disclosure	Product placement	Responses
1	Micro-celebrity	yes	yes	30
2	Micro-celebrity	yes	no	32
3	Micro-celebrity	no	yes	31
4	Micro-celebrity	no	no	33
5	celebrity	yes	yes	30
6	celebrity	yes	no	29
7	celebrity	no	yes	28
8	celebrity	no	no	27

3.2. Procedure

First of all, a pretest of the whole survey was conducted in order to test the quality of the constructs as well as understandability, grammar and whether the manipulations worked. In total 28 subjects participated in the pretest and additionally were asked to give their overall feedback concerning the survey and stimulus material. A couple of weaknesses were detected which could then easily be resolved. Next to small adjustments concerning spelling and given instructions, a couple of questions had to be eliminated or altered, which will be further explained per measure below.

The online survey for the main study was spread online via different ways. All private contacts (German females) of the researcher were contacted through the Facebook messenger, asking them whether they had an Instagram account and, if so, whether they would be willing to participate and fill in the survey. Additionally, the link was shared in several Facebook groups, posted in the feed of the researcher and following the snowball principle friends shared the link as well and asked other friends or colleagues to participate.

At the beginning of the survey participants were informed about the requirements of participation, their right to leave the survey at any given point and that their data would be treated anonymously. By clicking on the button “>>” they agreed to have read and understood the information. The email

address of the researcher was mentioned in case participants had any questions and people were thanked for their participation. Before participants were confronted with the stimulus material they were shown an explanatory text, in which they were asked to put themselves into the position of being a follower of the person they were about to see. This was to help people answer the question, since the pretest showed that people who did not know the source struggled to give answers. Afterwards, people were randomly assigned to one of the eight conditions and got to see the corresponding Instagram post along with a short description of the respective influencer. This was part of the manipulation and supposed to help people who did not know the source to categorize them. Subsequently, the manipulation check questions and the questions concerning all remaining constructs were shown. All of these were the same for each participant, regardless of the condition they were assigned to. In the last part of the survey, participants were asked to answer a couple of questions about themselves. These questions were about gender, age, nationality, education and whether they have an Instagram account or not. The survey ended with an explanation revealing that the Instagram post was fictitious and only created for the purpose of the study. Furthermore, it was indicated that Velvety is a fictive brand. Finally, participants were asked to click the button ">>" on the bottom of the page one more time in order for their responses to be completely submitted. They were thanked and informed that they could now close the tab or window. It was chosen to present the stimulus material and consequently the whole survey in English, since it is the most common language on Instagram. Also, since the original scales were mostly in English they were kept like that to ensure reliability. What spoke for an English survey as well, was the fact that Ariana Grande is American and therefore speaking and posting in English. It did not seem appropriate or realistic to create a post that is supposed to be from her, but was written in German. On the other hand, it is not unusual for Germans, like Dagi Bee, to post in English. To keep consistency throughout the whole survey, it was chosen to formulate everything in English. The complete survey can be found in Appendix A.

3.3. Stimulus material and manipulation checks

The three independent variables - type of influencer, product placement and sponsorship disclosure - served as a basis for the stimulus material and had to be combined into eight different Instagram posts; one Instagram post per condition. Therefore, a screenshot of existing Instagram posts of each influencer - Ariana Grande and Dagi Bee - were used to create a realistic image, which were subsequently modified for the purpose of the study. The picture was changed; the existing heading was erased and replaced by a new heading, written with the same font Instagram uses, and the number of likes was erased in order to not let this have any influence on the participants. The exact measures and manipulations per independent variable are explained below.

3.3.1. Type of influencer

Based on lists of the most successful/popular celebrities on Instagram (Carson, 2016; Bishop, 2016) as well as a list of Germany's most influential YouTubers (micro-celebrities) on Instagram (Nguyen, 2016), Ariana Grande (celebrity) and Dagi Bee (micro-celebrity) were chosen as the two different types of influencers. Figure 2 and Figure 3 show pictures of both of them respectively. In order to find out whether participants perceived these two as a celebrity or micro-celebrity respectively, a couple of manipulation check questions were asked and measured with a five point Likert scale ranging from "strongly disagree" to "strongly agree":

1. "Dagi Bee/Ariana Grande is famous"
2. "Dagi Bee is known for her YouTube videos" / "Among other things, Ariana Grande is known for singing."
3. "Dagi Bee/Ariana Grande is unknown"
4. "Dagi Bee/Ariana Grande is a celebrity"

These four items were presented to participants in a random order. Even though the pretest showed that the values for type of influencer were acceptable ($\alpha = .73$) it was still decided to formulate new and rephrase some of the initial items in order to get even more insight into people's evaluation of the sources. The ultimate scale, which is shown above, proved to be even more reliable ($\alpha = .84$).

In order to find out whether the results for the manipulated variables differed significantly and whether the manipulations worked, a t-tests was performed. The results for type of influencer showed a significant difference between the celebrity condition and the micro-celebrity condition ($M_{\text{celebrity}} = 4.27$, $SD = 0.56$; $M_{\text{microcelebrity}} = 3.37$, $SD = 0.78$; $p < .01$). This leads to the conclusion that the manipulation with regard to the type of influencer worked and that participants mostly perceived Ariana Grande as a celebrity and Dagi Bee as a micro-celebrity respectively.



Figure 2. Ariana Grande – celebrity



Figure 3. Dagi Bee – micro-celebrity

3.3.2. Product placement

It was decided to make up a brand and think of a product many people use on a regular basis. Furthermore, the idea was to choose a product that people would usually need to experience before they can determine its value (so called experience goods) and therefore might rely on recommendations and reviews of other consumers who have tried or used the product (Chen, Wu & Yoon, 2004). Beauty products fall into this category, which is why eventually lip balm was chosen. Lip balm is not also a beauty product, but also has a nurturing function and therefore was considered to be a beauty product that might be used by most people, even those who are not into make-up and the like.

Since the pictures of Ariana Grande and Dagi Bee did not show a product, a picture of a hand holding a lip balm was taken and with the aid of the program Photoshop placed into both pictures for the product placement conditions. The difference between product placement and no placement is displayed in Figure 4 and Figure 5. The lip balm was plain white and did not show a logo, the brand was

only mentioned in the heading of the post. These manipulation check questions were shown in a random order and measured with a 5 point Likert scale ranging from “strongly disagree” to “strongly agree” as well:

1. “The product Dagii Bee/Ariana Grande was referring to was visible in the picture.”
2. “The lip balm Dagii Bee/Ariana Grande was referring to could not be seen in the picture.
3. “Dagii Bee/Ariana Grande was holding a lip balm in her hand.”
4. “Dagii Bee/Ariana Grande showed the product she was referring to.”

This scale was found to be reliable as well ($\alpha = .96$), but since the alpha value is really high it also has to be taken into consideration that the items were too similar to each other (Tavakol & Dennick, 2011).

Here, the t-test revealed significant results as well. Participants in the product placement condition scored significantly higher on the manipulation check questions concerning product placement, than participants in the no placement condition ($M_{\text{productplacement}} = 4.47$, $SD = 0.58$; $M_{\text{noproductplacement}} = 1.98$, $SD = 0.84$; $p < .05$). Broadly speaking this means that people in the product placement condition generally noticed the product and people in the no product placement condition noticed that no product was shown.



Figure 4. Product placement



Figure 5. No product placement

3.3.3. Sponsorship disclosure

Finally, the heading of the picture had to be formulated, since the sponsorship disclosure was supposed to be displayed within the caption. Inspired by existing Instagram posts, it was decided to include the brand name, a positive aspect of the product and what the respective person thinks of the product. This resulted in the following caption: “Love my new lip balm from @velvety! My lips are so soft!”. There are different ways to disclose advertisements on Instagram. Here, it was chosen to add the hashtag “#sponsored” to the caption in the “sponsorship disclosure” conditions. Since the product was supposed to be from a fictional brand, the brand name had to be made up as well. Different Latin and English adjectives, describing a main advantage of lip balm, were compared and eventually “velvety” was chosen, since it sounded the best or most realistic and did not seem to exist yet. Again, there were several manipulation check questions which were measured with a 5 point Likert scale ranging from “strongly disagree” to “strongly agree” and presented randomly:

1. ~~"In the post Dagibee/Ariana Grande shares her own personal opinion."~~
2. "Dagibee/Ariana Grande was compensated by the brand for creating the post."
3. "Dagibee/Ariana Grande indicated that the post was sponsored."
4. "The caption of the post contained the hashtag #sponsored."
5. "The Instagram post was advertising."
6. "The brand Velvety paid Dagibee/Ariana Grande to publish this post."

Reliability for this scale was rather bad ($\alpha = .50$), which is why the item "In the post Dagibee/Ariana Grande shares her own personal opinion." had to be eliminated (reliability value for the remaining five items was $\alpha = .66$) and was not included in the computed variable "sponsorship disclosure" and any additional tests. Significant differences could be found between the disclosure and the no disclosure groups ($M_{\text{disclosure}} = 4.24$, $SD = 0.70$; $M_{\text{nodisclosure}} = 3.37$; $p < .05$). Consequently, it can be assumed that this manipulation was effective and overall people in the disclosure condition noticed the "#sponsored" and people in the no disclosure condition truthfully recalled that there was no disclosure. Figure 6 and Figure 7 show two out of the eight different pictures used as stimulus material, one of them with sponsorship disclosed and one without disclosure.

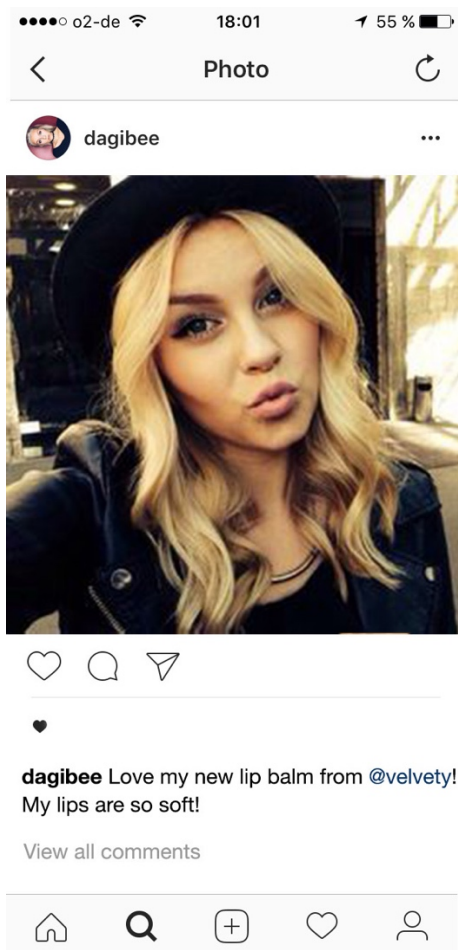


Figure 6. No sponsorship disclosure

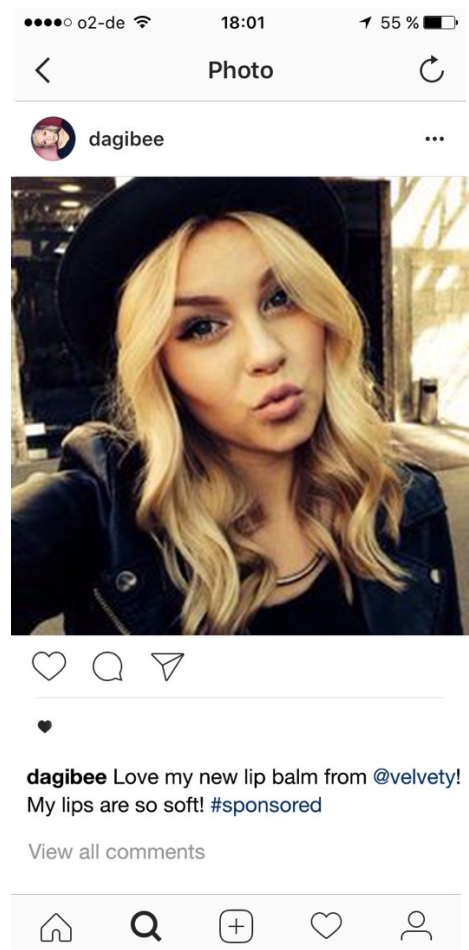


Figure 7. Sponsorship disclosure

3.4. Measures - Dependent, moderating and mediating variables

3.4.1. Message credibility

In order to detect the credibility of the whole statement made with the post, message credibility was measured. Therefore, the TV advertising believability scale by Beltramini (1982) was adapted for the present study. Two items from the original scale were removed; eight items remained, which were measured with a five point Likert scale (ranging from 1= “strongly disagree” to 5= “strongly agree”): believable; trustworthy; convincing; credible; reasonable; honest; questionable; authentic. This scale was found to be reliable as well ($\alpha = .84$).

3.4.2. Brand attitude

This construct was as well measured with a five-point semantic differential scale. Seven items were obtained and chosen from Spears & Singh (2004), who reviewed several different scales and items from previous literature: appealing/unappealing; good/bad; likable/unlikable; positive/negative; advisable to choose/ not advisable to choose; expensive/cheap; a high-quality brand/ a low quality brand. This scale proved to be reliable ($\alpha = .80$).

3.4.3. Purchase intention

The construct purchase intention was measured with four items that were obtained from Spears and Singh (2004), as well. Participants were asked whether they would choose Velvety the next time they had to buy a lip balm. Purchase intention was then measured with four items: unlikely/likely; impossible/possible; never/definitely; certainly not/ certainly yes. This scale has been found to be reliable, too ($\alpha = .89$).

3.4.4. Source credibility

Source credibility was measured using the source credibility scale developed by Ohanian (1990). On a five-point semantic differential scale trustworthiness, expertise and attractiveness are measured with five items each: Attractiveness: attractive/unattractive; classy/not classy; beautiful/ugly; elegant/plain; sexy/not sexy – Trustworthiness: dependable/undependable; honest/dishonest; reliable/unreliable; sincere/insincere; trustworthy/untrustworthy – Expertise: expert/not an expert; experienced/inexperienced; knowledgeable/unknowledgeable; qualified/unqualified; skilled/unskilled. Reliability was good ($\alpha = .91$).

3.4.5. Attitude towards the ad/post

Since the Instagram post of an influencer can be seen as an advertisement, a scale that measures people’s attitude toward an advertisement was used to measure the attitude towards the Instagram post. The scale was obtained from Ajzen & Fishbein (as cited in Pascal, Sprott & Muehling, 2002) and consists of the following four items: good/bad; favorable/unfavorable; positive/negative; pleasant/unpleasant. These were measured with a five-point semantic differential scale. Reliability for this scale was good ($\alpha = .84$).

3.4.6. Product involvement

Since this construct asks for specific questions/items which are relevant for the study at hand, thus adapted to the chosen product, the questions/items were made up. Though, they were still based on existing scales or rather categories as “pleasure” and “importance” as embraced by, for example, Michaelidou and Dibb (2006): “I like to use lip balm”, “using lip balm is important to me”, “I dislike

when my lips feel rough”, “When my lips feel rough, I feel the need to use lip balm”. Response options ranged from 1= “strongly disagree” to 5= “strongly agree”. The scale proved to be reliable ($\alpha = .82$).

3.4.7. Persuasion knowledge

Persuasion knowledge was measured by a single item as it has been shown to be sufficient in previous research (Rossiter, as stated in Boerman, Reijmersdal & Neijens, 2012). Based on the item Boerman, Reijmersdal and Neijens (2012) used, the following item was formulated: “The Instagram post was advertising.”. The item was also one of the manipulation check questions regarding “sponsorship disclosure”. Reliability could not be measured, since this was a one item measure.

3.5. Participants

A total of 420 responses had been collected. Nevertheless, only those cases were selected that matched the criteria that had been formulated before: German females, older than 18, all registered for an Instagram account. This left 240 complete responses. The 240 participants were randomly assigned to one of the eight experimental conditions. The distribution of the responses across the conditions can also be seen in Table 1. The average age of respondents was 23.49 years; the youngest respondents were 19 and the oldest 34 years. Educational level varied from high school diploma to Bachelor or Master diplomas to apprenticeship and state examination. Most participants ($n=106$) stated a Bachelor’s degree to be their highest completed education as of the day of completing the survey.

4 Results

4.1. Main and interaction effects

4.1.1. MANOVA

A multivariate test of variances (MANOVA) was conducted in order to get information about possible main and interaction effects of the independent variables. The test revealed three significant effects – one main effect, a two-way interaction and a three-way interaction. All significant results can be seen in Table 2. Afterwards the main effect will be further explained, followed by an explanation of both interaction effects.

Table 2

Multivariate analysis of variances (MANOVA)

Source	Dependent variable	F	p
Type of influencer	Purchase intention	4.18	.04
Type of influencer * Sponsorship disclosure	Message credibility	4.59	.03
Type of influencer * Sponsorship disclosure * Product placement	Brand attitude	6.19	.01

Note. Only significant effects are displayed (significant at $p < .05$)

4.1.2. Main effects

The Between – Subjects Effects test revealed a significant main effect of type of influencer on purchase intention ($F(1, 229) = 4.18, p < .05$). In order to make more specific assumptions about this effect, the group means had to be compared. This comparison, as can be seen in Table 3, showed that the purchase intention of people in the celebrity conditions was significantly higher ($M = 2.25, SD = 0.80$) than the purchase intention of people in the micro-celebrity conditions ($M = 2.03, SD = 0.74$).

Table 3

Means and standard deviations for the independent variables for each group

	<u>Type of influencer</u>		<u>Sponsorship disclosure</u>		<u>Product placement</u>	
	<u>Celebrity</u>	<u>Micro-celebrity</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
Message credibility	3.50 (0.61)	3.63 (0.60)	3.56 (0.61)	3.58 (0.61)	3.56 (0.59)	3.59 (0.63)
Brand attitude	3.05 (0.46)	2.94 (0.45)	3.00 (0.50)	2.98 (0.41)	2.98 (0.46)	3.01 (0.45)
Purchase intention	2.25 (0.80)*	2.03 (0.74)*	2.12 (0.80)	2.15 (0.75)	2.15 (0.79)	2.13 (0.77)

Notes. M(SD)

* Significant difference between groups (significant at $p < .05$).

4.1.3. Interaction effects

4.1.3.1. Two-way interaction

The test of between-subjects effects also showed significant results for the interaction of type of influencer and sponsorship disclosure on message credibility ($F(1,229) = 4.59, p < .05$). Here, a Bonferroni test was performed in order to be able to compare means and get more information about which interaction evoked the most positive and which interaction generated the most negative responses. The test revealed that the combination of the celebrity and no sponsorship disclosure lead



to higher scores for message credibility ($M = 2.59, SD = 0.08$) compared to when sponsorship was disclosed ($M = 2.42, SD = 0.08$). Interestingly, in the micro-celebrity conditions, higher values for message credibility could be found when sponsorship was disclosed ($M = 2.45, SD = 0.09$) than when it was not disclosed ($M = 2.28, SD = 0.08$). The profile plot, which visualizes the interaction effect of sponsorship disclosure and type of influencer on message credibility can be seen in Figure 8.

Figure 8. Interaction effect (type of influencer * sponsorship disclosure)

4.1.3.2. Three-way interaction

Additionally, a significant interaction effect of all three independent variables on brand attitude ($F(1,229) = 6.19, p < .05$) could be observed. Here, the Bonferroni test revealed that the combination of the celebrity, no disclosure and no product placement resulted in the highest scores for brand attitude ($M = 3.19, SD = 0.09$). In order to display this interaction effect two profile plots were necessary.

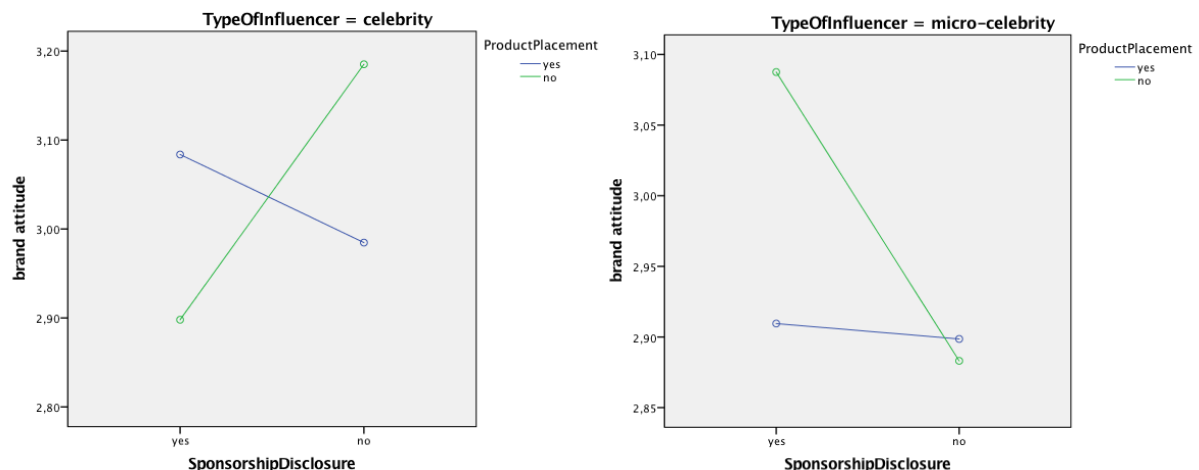


Figure 9. Interaction effect (type of influencer * sponsorship disclosure * product placement)

Figure 9 shows the interaction of sponsorship disclosure and product placement for each type of influencer. It can be seen that, while the scores for brand attitude in the celebrity conditions, when sponsorship was not disclosed and a product was placed, were only average ($M = 3.00$, $SD = 0.09$), the highest scores were evoked by the combination of celebrity, no product placement and no sponsorship disclosure ($M = 3.19$, $SD = 0.09$). That was already confirmed by the Bonferroni comparison of means. What is remarkable here, is the fact that the scores on brand attitude in the micro-celebrity conditions, when there was no placement, were similarly high, but only if sponsorship was disclosed ($M = 3.09$, $SD = 0.08$). Furthermore, the graphs reveal that brand attitude scores in the micro-celebrity condition were similarly low when sponsorship was not disclosed, regardless of whether a product was placed ($M = 2.90$, $SD = 0.08$) or not ($M = 2.88$, $SD = 0.08$). However, when sponsorship was disclosed in the micro-celebrity condition, no product placement generated a more positive brand attitude ($M = 3.09$, $SD = 0.08$) than when the product was shown ($M = 2.91$, $SD = 0.08$). On the contrary, when sponsorship was disclosed in the celebrity conditions, scores on brand attitude were higher, when a product was placed ($M = 3.08$, $SD = 0.08$) compared to when no product was placed ($M = 2.90$, $SD = 0.09$).

4.2. Mediators and moderators

4.2.1. Mediation analysis

According to Baron and Kenny (1986) one should check whether there are significant relationships between the independent and dependent variable, the independent and possible mediator and between the possible mediator and the dependent variable. If all of these three relationships are found to be significant, one can proceed and look into the mediation effect. In the study at hand this was only the case for the effect of type of influencer on purchase intention with source credibility as a mediator. The mediation analysis could therefore only be conducted for these variables and not for others. Consequently, it can be said that attitude towards the post does not mediate the effect of the independent on the dependent variables.

4.2.1.1 Source credibility

In order to be able to answer the question whether source credibility mediates the effect of type of influencer on purchase intention, a mediation analysis was conducted through several regression analyses. Following the four steps of Baron and Kenny (1986), the effect of type of influencer on purchase intention was determined first. Significant results were found: ($F(1, 238) = 4.93$, $p < .05$, $R^2 = .02$; $\beta = -.14$, $t(238) = -2.22$, $p < .05$). The second step gave information about the effect of type of influencer on source credibility. Results were significant ($F(1, 238) = 31.91$, $p < .001$, $R^2 = .12$; $\beta = -.34$, $t(238) = -5.65$, $p < .001$). In the following step, the effect of source credibility on purchase intention was examined. Again, results were significant ($F(1, 238) = 24.18$, $p < .001$, $R^2 = .09$; $\beta = .30$, $t(238) = 4.92$, $p < .001$). Finally, it was looked at the effect of the type of influencer on purchase intention, controlling for source credibility. This effect could not be found to be significant ($F(2, 237) = 12.27$, $p < .001$, $R^2 = .09$; $\beta = -.04$, $t(237) = -.65$, $p = .51$), while, under the same conditions, the effect of source credibility on purchase intention was significant ($\beta = .29$, $t(237) = 4.39$, $p < .001$), which proves the mediation effect (Baron & Kenny, 1986).

Additionally, another t-test was performed in order to be able to compare the mean scores concerning source credibility for each type of influencer. The results show that the scores for source credibility in the celebrity conditions are significantly higher than in the micro-celebrity conditions ($M_{celebrity} = 3.19$, $SD = 0.52$; $M_{microcelebrity} = 2.77$, $SD = 0.63$; $p < .05$).

4.2.2. Moderation analysis

A moderation analysis was conducted with “PROCESS”, a plugin for SPSS, which was written by Hayes (2012). Neither persuasion knowledge, nor product involvement seem to significantly moderate any of the effects proposed in the model.

4.3. The role of persuasion knowledge

In order to test the hypotheses concerning persuasion knowledge, another independent samples t-test was conducted. It did not reveal a significant difference between groups who were confronted with the hashtag “#sponsored” (M = 4.30, SD = .86) and those who were not (M = 4.19, SD = .98). Additionally, a regression analysis was conducted, which did not show significant results either. This means that it cannot be assumed that it is necessarily the sponsorship disclosure which activates people’s persuasion knowledge. Furthermore, another regression was conducted with persuasion knowledge as the independent variable in order to look at its relation to the dependent variables. No significant effect was shown for brand attitude and purchase intention, but it seems that persuasion knowledge acts as a predictor for message credibility ($F(1, 238) = 41.27$, $\beta = -.25$, $t(238) = -6.42$, $p < .001$, $R^2 = .15$, $p < .001$). Finally, a correlation analysis had to be conducted in order to find out whether persuasion knowledge and message credibility were positively or negatively correlated. The results for the correlation analysis can be seen in Table 4.

Table 4

Pearson Correlation between all dependent variables and additional variables

Variables	Persuasion knowledge	Source credibility	Attitude towards the post	Message credibility	Brand attitude	Purchase intention	Product involvement
Persuasion knowledge	-						
Source credibility	-.23**	-					
Attitude towards the post	-.25**	.54**	-				
Message credibility	-.39**	.60**	.64**	-			
Brand attitude	-.12	.40**	.44**	.36**	-		
Purchase intention	-.09	.30**	.40**	.32**	.39**	-	
Product involvement	.09	.13*	.05	.11	.20**	.04	-

Notes. n=240 for persuasion knowledge, source credibility, attitude towards the post, purchase intention and product involvement; n=239 for message credibility; n=238 for brand attitude.

** Correlation significant at $p < .01$.

* Correlation significant at $p < .05$.

All tests are two-tailed.

It can be seen that persuasion knowledge and message credibility really are negatively correlated, which partly supports hypothesis 8b.

4.4. Hypotheses

The results will now be used to detect whether the hypotheses that have been formulated are supported or need to be rejected. The outcome can be seen in Table 5. Almost all of the hypotheses have to be rejected, which is also due to the fact that three of the hypotheses concerning interaction effects were based on the assumption that the micro-celebrity would generate more positive consumer responses. If that would not have been the case, hypotheses H5 and H7 could have probably been supported by the results. H8b is only partly supported since persuasion knowledge only predicts and is significantly negatively related to message credibility and not any of the other consumer responses.

Table 5
Overview of supported and rejected hypotheses

Hypotheses	Supported/rejected
H1: The use of micro-celebrities in influencer marketing on Instagram will have a more positive effect on consumer responses than the use of celebrities.	rejected
H2: Sponsorship disclosure will have a more negative effect on consumer responses than when advertising is not disclosed.	rejected
H3: Product placement has a more negative effect on consumer responses than no placement.	rejected
H4: Type of influencer and product placement will interact in a way that consumer responses to product placement will be more positive if respondents are confronted with a micro-celebrity compared to when they are confronted with a celebrity.	rejected
H5: Micro-celebrities generate more positive consumer responses if sponsorship is not disclosed compared to when it is disclosed.	rejected
H6: Product placement has a more negative influence on consumer responses if sponsorship is disclosed compared to when sponsorship is not disclosed.	rejected
H7: The most positive consumer responses will be evoked through the combination of a micro-celebrity, no product placement and no sponsorship disclosure.	rejected
H8a: Sponsorship disclosure activates people's persuasion knowledge.	rejected
H8b: Persuasion knowledge is negatively related to consumer responses.	partly supported

In the style of the conceptual research model, Figure 10 depicts all main, interaction and mediating effects, as well as the relation of persuasion knowledge and message credibility, that could be proven to be significant.

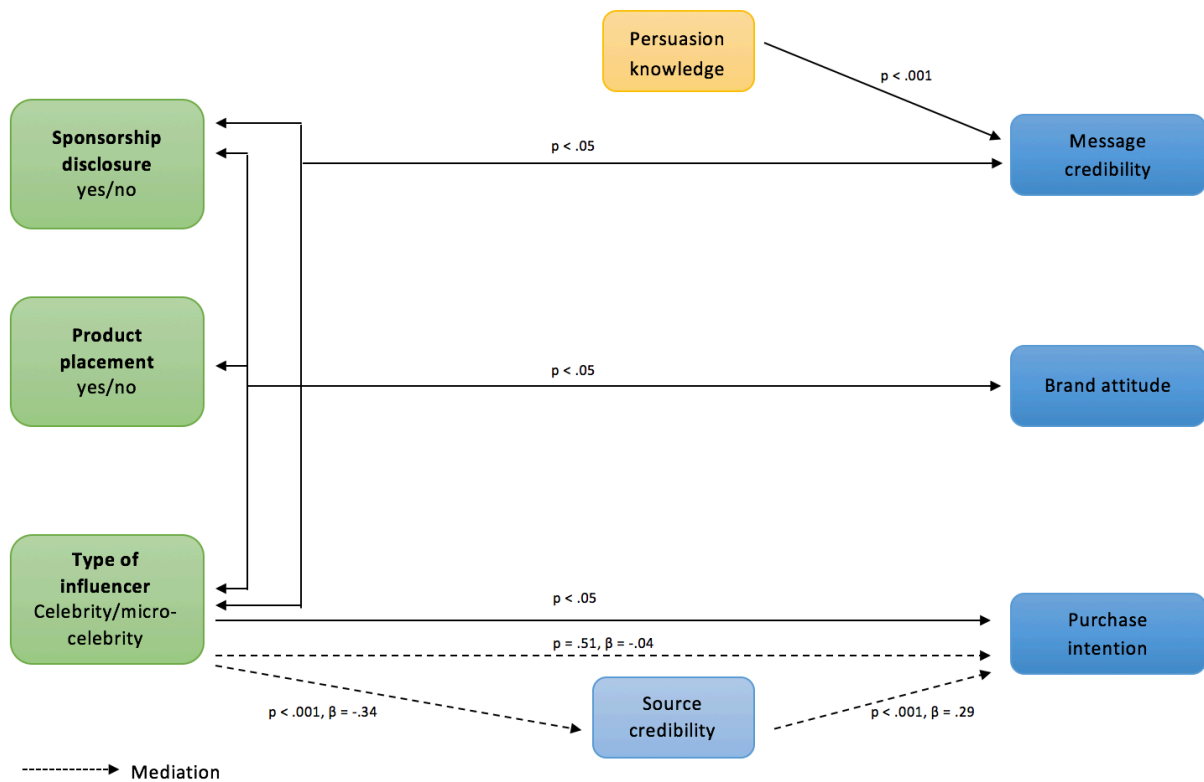


Figure 10. Overview of all significant effects that relate to the research and sub-questions

4.5. Additional analyses

Since most of the hypotheses could not be supported by the findings and the correlation analysis showed significant correlations for both source credibility and attitude towards the post with regard to all three consumer responses, further regression analyses were conducted in order to find out more about the relations of these variables. It was revealed that source credibility acts as a predictor for message credibility ($F(1, 237) = 134.83, R^2 = .36, p < .001$) and brand attitude ($F(1, 236) = 44.70, R^2 = .16, p < .001$), whereas it does not seem to predict purchase intention. Moreover, attitude towards the post predicts message credibility ($F(1, 237) = 164.77, R^2 = .41, p < .001$), brand attitude ($F(1, 236) = 55.79, R^2 = .19, p < .001$) and purchase intention ($F(1, 238) = 43.66, R^2 = .16, p < .001$).

5 Discussion

The research at hand was conducted in order to get insight into the perception of (sponsored) posts on Instagram. In the following, the previously displayed findings will be discussed.

Against the assumption that micro-celebrities would generate more positive consumer responses, the results show that purchase intention was higher in the celebrity conditions and consequently lower in the micro-celebrity conditions. This could be explained by the results concerning source credibility, which show that the celebrity was perceived as more credible compared to the micro-celebrity. From this it can be assumed, that a more credible source leads to a higher purchase intention, which has been shown by research before (Sternthal, Phillips & Dholakia, 1978). It is also supported by findings from Erdogan (1999), stating that the attractiveness of the source can affect the influencer of celebrities on purchase intention. Since attractiveness was measured as a part of source credibility and was also rated higher for the celebrity compared to the micro-celebrity, it could explain why purchase intention was higher in the celebrity conditions. This leads to the assumption that both the general credibility and the attractiveness of the source have an important impact on people's purchase intention. Another component of the source credibility model which was measured here, is expertise (Ohanian, 1990). While it could be argued, that a micro-celebrity like Dagi Bee, who is often testing and recommending beauty products, would have more expertise than a celebrity who is known for singing and acting (Neuman, 2016), the scores for expertise were higher for the celebrity. This could thus also account for the higher purchase intention in the celebrity conditions, as expertise can positively influence consumer responses (Korotina & Jargalsaikhan, 2016). It was also argued that micro-celebrities would generate more positive consumer responses, since people would be able to relate to them more easily than to celebrities (Djafarova & Rushworth, 2017; Forbes, 2016). The findings of the present study do not support this, or it needs to be assumed that being able to relate to the source does not have as much power as, for example, admiring a famous celebrity. Hoffner and Cantor (as stated in Wei & Lu, 2013), for example, argue that people mimic celebrities they look up to, which might be another explanation for the higher purchase intention. Buying and using the same lip balm as the celebrity might be seen as one way to mimic them. It also needs to be assumed that there were also other characteristics or factors that participants associated with the presented sources, which have either led to a more positive evaluation of the celebrity or a more negative evaluation of the micro-celebrity. Past literature, for example, suggests that the attributes linked to the endorser play an important role (Wymer & Drollinger, 2015; Amos, Holmes, & Strutton, 2008). Other factors regarding the source that, in the past, were proven to have an impact, are, for example, the popularity or liking of the source (Kamins, Brand, Hoeke & Moe, 1989; Sola, 2012; Charbonneau & Garland, 2005). Even though liking and popularity were not directly measured, it seems likely that the celebrity is more popular due to her worldwide fame, which could account for the higher intention to purchase the product in the celebrity conditions.

In general, people's purchase intention was rather low, regardless of the influencer. The ratings of both brand attitude and message credibility were a little higher, mostly with a positive tendency, but no main effects of type of influencer on these two consumer responses could be detected. The low scores for purchase intention could be explained by the fact that a fictional brand was used, which the participants consequently did not know. At the same time, it is imaginable that the influencers' credibility was not enough to generate a higher intention to purchase a lip balm from a brand they did not know so far.

The fact that there was no significant effect for sponsorship disclosure and no significant differences between the disclosure and the no disclosure conditions, could be explained by looking at the results concerning persuasion knowledge. It is interesting to see that, while there is no significant difference for persuasion knowledge between people in the conditions in which sponsorship was disclosed and the ones in which it was not disclosed, persuasion knowledge was generally high. From this it can be concluded that it does not necessarily matter whether sponsorship is disclosed or not in order for people to be aware of the persuasive nature of (sponsored) Instagram posts. It could be assumed that people are generally aware of influencer marketing already and therefore expect to be persuaded, no matter whether sponsorship is disclosed or not. In the past, people's experience and knowledge concerning a respective topic played a role in triggering persuasion knowledge (Friestad & Wright, 1994). In this case, people's experience and knowledge regarding influencer marketing could have made respondents aware of the persuasive attempt, which then could have led to the high scores concerning persuasion knowledge. Also, the missing guidelines concerning sponsorship disclosure may lead people to be skeptical when it comes to recommendations on social media in general, as there is no clue that gives away whether the post is sponsored or an honest recommendation. The fact that, here, sponsorship disclosure did not trigger persuasion knowledge supports this idea and could explain why there is no significant main effect for sponsorship disclosure on the dependent variables.

Just as for sponsorship disclosure no main effect could be observed for product placement. This gives reason to believe that product placement alone does not affect consumer responses neither positively nor negatively. It could be argued that the setup of both pictures, either with placement or without, were similarly authentic or congruent, which resulted in similar evaluations. This idea stems from earlier findings, suggesting that product placement can have a positive effect if the placement is congruent (Russel, 2002) or organic (Ware, 2016). It is possible that the people in the no placement condition did not miss the placement of the lip balm and found the picture and the post congruent as it was. Maybe, in this case, the pursed lips of the influencer were sufficient. On the other hand, people in the placement condition might not have perceived the placed lip balm as too obtrusive and therefore found the Instagram post to be congruent as well. So, if in both cases the Instagram post was perceived as similarly congruent, it could have resulted in similar evaluations, leading to the fact that no main effect for product placement could be found.

The results concerning the interaction effects demonstrate that the type of influencer in combination with sponsorship disclosure as well as in combination with both sponsorship disclosure and product placement, had a significant effect on consumer responses. Though, while there was a main effect on purchase intention, the interaction of sponsorship disclosure and type of influencer had an effect on message credibility and the interaction of all three variables affected brand attitude. Again, the results show the opposite of what was hypothesized, which could be explained by the fact that the hypotheses concerning the interaction effects were based on the assumption that the micro-celebrity would generate more positive responses.

The two-way interaction revealed, that the combination of the celebrity and no disclosure generated the highest scores for message credibility. It is remarkable, though, that concerning the micro-celebrity, scores on message credibility were higher when sponsorship was disclosed compared to when it was not disclosed, while the opposite was true for the celebrity conditions. This could be due to people's need and request for more transparency and honesty on social media. As discussed earlier, with the growth of social media and influencer marketing, people increasingly ask for more

transparency on the web (Rondinella, 2017), which is why in the micro-celebrity conditions it might just generate a more positive effect if people see sponsorship disclosed. The fact that sponsorship is disclosed could be seen as honest, which might have led people to evaluate the credibility of the message higher than when there was no disclosure. This again would also explain why the combination of the micro-celebrity paired with no disclosure led to the lowest values for message credibility. At the same time, the celebrity paired with sponsorship disclosure could have been perceived as too pushy and might have revealed too much advertising context (Korotina & Jargalsaikhan, 2016), whereas the celebrity alone generated a more positive response. On the other hand, it might be the case that people are used to celebrities being involved in commercials and advertising on TV, magazines, billboards and the like. This idea is supported by Kimmel and Kitchen (2014) who state that, according to the Federal Trade Commission, celebrities do not need to disclose sponsorship if consumers are aware that the respective person is an endorser of the promoted brand. In this case participants could not have possibly known that Ariana Grande is an endorser for Velvety, as it is a fictional brand, but it still gives reason to assume that people are generally aware of celebrities being endorsers, which is why they probably don't need it to be disclosed. Though, when it comes to micro-celebrities it might not be as obvious who is sponsored and who is honestly and personally recommending a product. Here, sponsorship disclosure seems to be necessary in order for consumers to be able to distinct between "normal" posts and sponsored posts (Marvin, 2015). Another explanation would be that people could have the idea that celebrities, other than micro-celebrities, are not dependent on the money gained from sponsored posts, as they have other sources of income. This could lead people to think that celebrities don't need to engage in influencer marketing, which then might lead people to perceive the message as credible. This would also explain why the disclosure has a more negative effect when paired with the celebrity, because that would reveal that the statement made in the post is not necessarily the celebrity's own opinion and could consequently lead to more negative responses.

It is important to mention that all scores concerning message credibility were rather low for all eight conditions, therefore leaning towards a negative evaluation of message credibility. So regardless of whether sponsorship was disclosed or not, the message did not seem to be perceived as too credible in general, which could indicate that participants were still skeptical, possibly because of their awareness of the persuasion attempt.

The three-way interaction showed that, in the celebrity condition, product placement was better when sponsorship was disclosed compared to when it was not disclosed, even though the highest scores were generated without a placed product and without sponsorship disclosure. When there was no product, the addition of sponsorship disclosure lead to a more negative evaluation. This again can be explained by the fact that has been discussed before, namely that congruent placement seems to achieve more positive evaluations (Russel, 2002; Ware, 2016). Disclosing sponsorship without showing a product might have been perceived as not congruent. In the micro-celebrity condition, people's attitude towards the brand was generally bad when sponsorship was not disclosed, regardless of whether a product was placed or not, but when sponsorship was disclosed, no product placement lead to a more positive evaluation of brand attitude. The explanations for that are expected to be similar to those assumptions made regarding the two-way interaction effect. It seems that there is a higher need for sponsorship disclosure when the influencer is a micro-celebrity compared to when the influencer is a celebrity. With regard to product placement, it can be argued that a prominently placed product and especially product placement paired with disclosure, might have been too pushy. As discussed in the theoretical framework, people seem to be skeptical when it comes to business

provided content (Rotfeld, 2008) and tend to resist persuasion attempts that appear to be too obtrusive (Korotina & Jargalsaikhan, 2016). This could be a possible explanation for both interaction effects within the present study. It thus seems likely that especially the combination of disclosed sponsorship and a prominently placed product, showed too much of a corporate, persuasive background and therefore might have resulted in more negative responses. A possible explanation with regard to the effect on brand attitude could be that the respondents transferred the positive image of the credible celebrity or their overall evaluation of the Instagram post to the brand (Halonen-Knight & Hurmerinta, 2010; Batra & Homer, 2004).

Except for source credibility, no further moderators or mediators could be detected. The first sub-question can consequently be answered as follows: In the context of the present study, attitude towards the post did not mediate the (interaction) effects of type of influencer, sponsorship disclosure and product placement on message credibility, brand attitude and purchase intention. Source credibility, on the contrary, mediates the effect of type of influencer on purchase intention. This accords with earlier findings and the argumentation that if a source is perceived as credible or attractive this could positively affect people's intention to purchase the promoted product (Erdogan, 1999). The answer to the second sub-question is even more distinct: Neither persuasion knowledge, nor product involvement moderate the effects of the independent on the dependent variables within the presented study.

Since not all hypothesized mediating and moderating effects could be supported, correlations and regressions were analyzed in order to get more information about the role of the variables in relation to each other. It was revealed that persuasion knowledge is negatively correlated with and predicts message credibility. This means that the higher people's awareness of the persuasion attempt is, the less credible they find the message. So, even though it could not be detected what exactly triggered people to think of the post as advertising, it still can be said that this awareness, or people's persuasion knowledge, is negatively related to the credibility of a message and should therefore be considered as an important aspect within influencer marketing. Furthermore, it was revealed that type of influencer acts as a predictor for source credibility, which in turn predicts message credibility, brand attitude and purchase intention. Since there was no main effect between type of influencer and all of the dependent variables, one cannot speak of a mediation effect in all cases, but the results still emphasize an important role of source credibility. Something similar goes for attitude towards the post. The hypothesized mediation effect could not be found, but attitude towards the post still seems to predict message credibility, brand attitude and purchase intention and should consequently be considered as an important effect not only in regular advertising, but also within influencer marketing.

Finally, with regard to the research question, it can be said that both the type of influencer, but also the interplay of the type of influencer, sponsorship disclosure and product placement affect consumer responses, whereas the effect of type of influencer is mediated by the credibility of the influencer.

6 Limitations

While conducting and reflecting on the research as well as during the analysis, a couple of limitations have been detected. These will be explained in the following, as they should be considered when looking at the results and conducting further research.

First of all, the focus of the study was on German women, older than 18, and a single product. Generalizability is therefore limited, which is why one needs to be careful concerning assumptions about all German females, especially those younger than 18, about other nationalities, how men would react to these kinds of post and how reactions to other product categories might be.

The fact that there was only one celebrity and one micro-celebrity selected could be a threat to validity. More research would need to be done in order to be able to make general assumptions about differences or similarities in effects of celebrities vs. micro-celebrities. Although the two types of influencers were selected based on a number of previously determined aspects, the sources should have been pretested in order to find out more about how they are perceived by the participants. Because, even though the manipulation check concerning celebrity vs. micro-celebrity was successful, it needs to be assumed that other aspects played a role and had an impact on consumer responses, such as liking of or identification with the respective source. Furthermore, the description of the sources could have played a role in people's judgements. The description for the micro-celebrity, for example, read "anything around fashion, beauty and lifestyle". Depending on what people generally think of vloggers/bloggers, this might have led to a more positive or negative evaluation. While some people might think that these aspects qualify Dagi Bee to recommend a lip balm, others might think of it as only one of many online recommendations. Another issue related to the influencers might have been the fact that both sources probably address a different target group, different from the people who participated in the study. Many of their fans are younger than 18, so next time sources should be selected according to a broader set of criteria, other than only the number of followers or who is most influential on Instagram. This could be an explanation for the overall low scores on consumer responses, even in the celebrity condition, because as theory states it is important that people can identify with an endorser and that this is easier when they are more like them (Djafarova & Rushworth, 2017; Feick & Higie, 1992). Also, it always needs to be considered that people had problems to put themselves into the position of being a follower of either Dagi Bee or Ariana Grande, which was important to create a similar state of mind among participants as a starting point for the experiment. It could then be assumed that their attitudes were not necessarily generated by any of the manipulation but by people's prejudices and attitudes they already had prior to the experiment.

Regarding the setup of the survey it has to be mentioned that the measurement of persuasion knowledge only through a single item construct could be a limitation to the results, even though it seemed to have been a sufficient measure in the past. Moreover, it might be that, due to the way the questions were formulated, participants realized the purpose of the study or that especially the manipulation check questions led their thoughts into a certain direction. And, although it was an argument based decision to present the survey in English, the language barrier might have been a problem for some participants and might have caused misunderstandings.

One problem occurred during the collection of the data. The survey was published on a platform which was build up for researchers so that they can collect more responses for their study. People who

publish their own survey on this platform have to fill in other surveys in order to gain points and therefore get a higher ranking. The higher the ranking the more points others get for filling in one's survey, which makes it more attractive for them. There was supposed to be a code at the end of each survey with which the exact points would be granted. Even though the settings in Qualtrics were set up in a way that participants would be reminded that they did not fill in every question, it could still be observed that some participants did not fill in anything, probably in order to just get the code. It could therefore also be expected that some people filled in the survey, but not truthfully, also in order to finish faster. These are only assumptions, due to the fact that the exact participants cannot be traced back. Since only fully completed responses of German females with an Instagram account were included in the analyses and only 33 responses were gained from this platform it is expected that not too many of the responses were filled in unthoughtfully.

Finally, the fact that only a certain amount of aspects could be included in the setup of the experiment can be seen as a limitation. Since influencer marketing on Instagram has not been the focus of many studies, a starting point had to be found, meaning that a couple of variables had to be chosen and others had to be left out for now, in order to not make it too complex. The following chapter gives more information about which other variables could be considered and which variables need more attention.

7 Implications and future research

Now that the results have been discussed the focus of the following chapter will be on both theoretical and practical implications as well as future research.

7.1. Theoretical implications and future research

The findings show that the celebrity as an influencer on Instagram evokes higher scores for purchase intention than the micro-celebrity. At the same time the results indicate how important the credibility of the source is, as it could be proven to mediate the effect of type of influencer on purchase intention. Additionally, it was found to predict all of the three independent variables. Source credibility consequently seems to play an important role when it comes to influencer marketing on Instagram, which gives reasons to believe that not the fact of being a celebrity alone is a guarantee for successful influencer marketing, but that the attributes of an influencer play a crucial role concerning how consumers react to (sponsored) Instagram posts. Since the hypotheses concerning the type of influencer could not be supported and actually even showed the opposite to be true, it is recommended to further look into what exact attributes make an endorser and especially an influencer on Instagram credible and what other characteristics an influencer should have in order for a sponsored post on Instagram to be effective. For this purpose, attributes that in the past have been found to be important predictors for effective celebrity endorsement, like popularity, likeability or the extent to which consumers can relate to or admire the influencer (Kamins, Brand, Hoeke & Moe, 1989; Sola, 2012; Charbonneau & Garland, 2005; Djafarova & Rushworth, 2017; Forbes, 2016; Hoffner & Cantoras, as stated in Wei & Lu, 2013), should be included in a way that, for example, source credibility has been included in the study at hand. This could reveal which of successful celebrity endorsers are important within in influencer marketing as well, which then could be used by marketers as selection criteria for their influencers.

In addition to that, the interaction of the type of influencer and sponsorship disclosure seems to be crucial. While sponsorship disclosure had a more negative effect than no sponsorship disclosure for celebrities, it had a more positive effect for micro-celebrities. Subsequently, one of the most important things that future research concerning influencer marketing should focus on is the reason behind that phenomenon, as it could provide additional important information for marketers. For this purpose, the assumptions made in the discussion should be further tested for their validity, while other possible explanations should be considered as well.

Furthermore, the results imply that sponsorship disclosure did not activate persuasion knowledge, neither did the other independent variables. This leaves the question, if the disclosure does not give away that the post is a form of advertising, what does? Further research should therefore look into factors that predict people's persuasion knowledge in influencer marketing in order to answer the question of what is necessary for people to understand they are facing paid content. Once these cues are identified, it will also be interesting to get more into detail concerning their effects on consumer responses. Persuasion knowledge itself could not be proven to act as a moderator for the effect of the independent on the dependent variables. But the results support previous findings concerning the important role of persuasion knowledge, by suggesting that it predicts message credibility and that it is negatively correlated with not only message credibility, but also source credibility and attitude towards the post. Since persuasion knowledge was only measured with one item, it is advised to future researchers to look into these relations with additional measures of persuasion knowledge.

Since it had been decided that the addition of the hashtag #sponsored is not sufficient, the question arises what kind of disclosure would be enough for people to realize they are facing sponsored content. In order to answer that question, different ways of sponsorship disclosure could be compared. When looking at Instagram posts one can find different versions. Next to “#sponsored”, there are, for example, also “#advertisement” or even just “#sp” or “#ad”. If one would combine these different disclosure types with a measurement of persuasion knowledge one could get more insight into which kind of disclosure is most obvious or understandable for consumers and which ones generate more positive or negative consumer responses. Though, as “#sponsored” really did not trigger persuasion knowledge, it is questionable whether an abbreviated form, such as “#sp”, would be more obvious to consumers. This is why it is suggested to further investigate what triggers people’s persuasion knowledge other than hashtags added to an Instagram post. This could, for example, be people’s experience or their knowledge of the topic of influencer marketing. Next to different kinds of sponsorship disclosure it is also recommended to test different kinds of captions. It could, for example, be compared whether a “call to action” (e.g. “you should try it”) has any influence on consumer responses, since that is something that can often be seen on Instagram. It could be the case that, depending on the exact content, persuasion knowledge is activated by the caption of the Instagram post. Identifying what triggers persuasion knowledge in the context of influencer marketing could ultimately help to improve disclosure guidelines.

Attitude towards the Instagram post did not seem to mediate any of the effects, whereas it seems to function as a predictor for consumer responses, which is why it is important to keep in mind when engaging in influencer marketing on Instagram. Other factors that are expected to play a role in influencer marketing, which could not be included here, are, for example, attitude towards (beauty) bloggers in general, people’s Instagram or social media behavior or behavior concerning reading blogs and viewing vlogs. These could, in the future, be examined with regard to influencer marketing on Instagram as well, in order to gain more insight into what aspects are important to consider in order for sponsored Instagram posts to be effective. Finally, future research could also include more demographics of the participants in order to be able to classify the results even better.

7.2. Practical implications and future research

Next to theoretical implications there are practical implications that can be drawn from the findings of this study.

As previously described, sponsorship disclosure on Instagram seems to be a controversial topic. Consumers ask for more transparency, whereas for marketers, sponsorship disclosure could add too much “advertising” to influencer marketing. However, the findings of the research at hand show that sponsorship disclosure alone does not create more negative consumer responses than no disclosure. Only in the combination with the type of influencer it could be revealed that sponsorship disclosure seems to have a more negative influence in the one case and a more positive influence in the other. If laws would force influencers and businesses to disclose sponsorship, it would still not necessarily lead to a reduced effect of influencer marketing on Instagram. Since there are people asking for more disclosure of sponsorship on social media, it is advised that companies follow this request, as this does not seem to be any more negative than no disclosure, at least concerning micro-celebrities. Also, this would prevent any judicial consequences for the companies as they would no longer engage in legal limbo and potential covert advertising. It is also recommended to businesses to not desist from engaging in influencer marketing with micro-celebrities as a matter of principle, even though the study

generally showed slightly better results for celebrities as influencers. That is because, while the findings of this research stress how important the choice of the influencer is, the way a sponsored Instagram post is perceived also seems to depend on attributes of the influencer. It is thus advised not to choose influencers based on their labeling as either celebrity or micro-celebrity, but rather based on their individual attributes or characteristics. Chahal (2016) supports this by summarizing that influencers and their online activities will continue to grow, but that it is crucial that the influencer and the brand match. Upcoming research should therefore focus on attributes of influencers on Instagram, which, next to credibility, could generate more positive consumer responses to (sponsored) Instagram posts. Marketers can then add these to their selection criteria for a fitting influencer.

Concerning practical implications for the influencers something similar as for the companies is advised. The results show neither a negative correlation nor a predicting relationship between sponsorship disclosure and source credibility. Consequently, micro-celebrities do not need to fear that their credibility will be harmed through the disclosed sponsorship. And since engaging in covert advertising could have judicial consequences for the influencers as well, it is advised that these influencers should independently add a sponsorship disclosure to their sponsored posts or if setting up a contract with a brand they should insist on being allowed to disclose sponsorship.

Consumers, on the other, hand should remain skeptical and they should critically question the intention and validity of Instagram posts. At least as long as it is not a prescription to disclose sponsorship on Instagram or social media in general, they have to assume that there are still sponsored posts, which are not disclosed as such. They should be aware and consider that they might be tried to be persuaded to buy a certain product and should consequently ponder whether they really need it.

So far, research concerning influencer marketing on Instagram is limited and more insight into which aspects are most important and most influential has to be gained, which will then lead to further practical implications.

8 Conclusion

Influencer marketing is a fairly new marketing strategy and expected to persist. In order to understand what makes it effective, it is important to investigate how consumers react to it. For this purpose, an online experiment was conducted focusing on the effects of the type of influencer, sponsorship disclosure and product placement on message credibility, brand attitude and purchase intention. The findings suggest that sponsorship disclosure is not inevitably harmful for companies or influencers. Whether a sponsored post will be effective just seems to depend on its set up and the composition of, the type of influencer, sponsorship disclosure and product placement. In this regard, the influencer still seems to be one of the most important choices marketers have to make, in which the credibility of the source appears to be an important selection criterion. Another interesting finding is that, while sponsorship disclosure generated more negative responses in the celebrity conditions, the opposite was true for the micro-celebrity conditions. At the same time, persuasion knowledge was generally high across all conditions and was not triggered by sponsorship disclosure. Therefore, it is assumed that it does not necessarily matter whether the hashtag #sponsored is added to an Instagram post or not in order for people to be aware of the persuasive intent of the message. These findings give reason to further investigate the effects influencer marketing on Instagram has on consumer responses. Next to identifying other important components that determine whether a (sponsored) Instagram post is effective, the main interest of future research should be the characteristics of successful influencers, the exact role and trigger of persuasion knowledge within influencer marketing on Instagram, along with the effect of different types of sponsorship disclosure. Furthermore, it should be examined why exactly sponsorship disclosure has varying effects for different types of influencers. This study lays a foundation for future research, which can hopefully lead to an even better understanding of how sponsored posts on Instagram need to be created in order to be profitable for businesses and influencers and, at the same time, fair and transparent to consumers.

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Appendix

Appendix A – survey

The following survey was shown to each of the participants. Though, they either received a version dealing with Ariana Grande or Dagi Bee and they only got to see one of the eight different screenshots. Here, all of these conditions were merged into one survey only for the sake of convenience.

Dear participant, thank you for taking part in this research, which will help me graduate from the University of Twente! The study deals with the perception of Instagram posts and it will take approximately 5-10 minutes to fill in the survey. At first you will get to see a short description of a person, followed by an Instagram post of that respective person. I kindly ask you to read the description and look at the post really carefully before you proceed to answer the subsequent questions. The survey will end with a couple of demographic questions. Your data will be processed anonymously; participation is voluntary and you can withdraw from the research at any given time. If you have any questions, please feel free to contact me via n.l.ewers@student.utwente.nl.

Kind regards, Nora Ewers

☐ I understand the information above and agree to participate in the study

Are you familiar with Dagi Bee/Ariana Grande?

☐ Yes

☐ No

Display This Question:

If “Are you familiar with Dagi Bee/Ariana Grande?” Yes Is Selected

I find Dagi Bee/Ariana Grande

	1	2	3	4	5	
unattractive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	attractive
not classy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	classy
ugly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	beautiful
elegant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	plain
Not sexy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	sexy

Display This Question:

If “Are you familiar with Dagi Bee/Ariana Grande?” Yes Is Selected

I consider Dagi Bee/Ariana Grande as

	1	2	3	4	5	
undependable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	dependable
dishonest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	honest
unreliable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	reliable
sincere	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	insincere
untrustworthy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	trustworthy

Display This Question:

If “Are you familiar with Dagi Bee/Ariana Grande?” Yes Is Selected

I consider Dagi Bee/Ariana Grande as

	1	2	3	4	5	
not an expert	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	an expert
inexperienced	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	experienced
unknowledgeable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	knowledgeable
qualified	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	unqualified
skilled	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	unskilled

Please read the following description carefully and follow the instructions on the next page.

Dagi Bee is a German YouTuber. Since 2012 she produces and uploads videos on her own YouTube channel. Most of the videos deal with anything around beauty, fashion and lifestyle. / Ariana Grande is an American actress and singer. She has been part of a Broadway play, several TV productions and musicals. In 2011, she signed a record contract and has released 3 albums since then.

At this point the stimulus material was shown to participants. This can be found in Appendix B.

I kindly ask you to imagine that you follow Dagi Bee/Ariana Grande on Instagram and while browsing through the news feed you see the following post. Please look at the post really carefully as the following questions will deal with what you have seen.

You will now see a couple of general statements about the Instagram post. Please indicate to what extent you (dis)agree with each of the following statements.

	strongly disagree	disagree	neither disagree nor agree	agree	strongly agree
Dagi Bee/Ariana Grande indicated that the post was sponsored.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The caption of the post contained the hashtag #sponsored.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dagi Bee/Ariana Grande was compensated by the brand for creating this post.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Instagram post was advertising.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In the post Dagi Bee/Ariana Grande shares her own personal opinion.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The brand Velvety paid Dagi Bee/Ariana Grande to publish this post.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate to what extent you (dis)agree with each of the following statements.

	strongly disagree	disagree	neither disagree nor agree	agree	strongly agree
Dagi Bee/Ariana Grande is famous.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dagi Bee is known for her YouTube videos/ Among other things, Ariana Grande is known for singing.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dagi Bee/Ariana Grande is unknown.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dagi Bee/Ariana Grande is a celebrity.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate to what extent you (dis)agree with each of the following statements.

	strongly disagree	disagree	neither disagree nor agree	agree	strongly agree
The product Dag Bee/Ariana Grande was referring to was visible in the picture.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dag Bee/Ariana Grande showed the product she was referring to.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dag Bee/Ariana Grande was holding a lip balm in her hand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The lip balm Dag Bee/Ariana Grande was referring to could not be seen in the picture.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please state your personal opinion about Dagi Bee below.

I find Dagi Bee/Ariana Grande

	1	2	3	4	5	
unattractive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	attractive
not classy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	classy
ugly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	beautiful
elegant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	plain
Not sexy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	sexy

I consider Dagi Bee/Ariana Grande as

	1	2	3	4	5	
undependable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	dependable
dishonest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	honest
unreliable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	reliable
sincere	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	insincere
untrustworthy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	trustworthy

I consider Dagi Bee/Ariana Grande as

	1	2	3	4	5	
not an expert	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	an expert
inexperienced	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	experienced
unknowledgeable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	knowledgeable
qualified	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	unqualified
skilled	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	unskilled

The statements below refer to the caption as well as your overall impression of the Instagram post. Again, please indicate to what extent you (dis)agree with each of the statements

The statement Dagi Bee/Ariana Grande makes in her Instagram post is

	strongly disagree	disagree	neither disagree nor agree	agree	strongly agree
credible	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
convincing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
honest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
questionable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
authentic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
trustworthy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
reasonable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
plausible	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

In my opinion the Instagram post is

	1	2	3	4	5	
good	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	bad
unfavorable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	favorable
unpleasant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	pleasant
negative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	positive

The next part is about the brand Velvety.

In my opinion the brand Velvety is

	1	2	3	4	5	
unappealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	appealing
bad	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	good
likable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	unlikable
pleasant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	unpleasant
favorable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	unfavorable
expensive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	cheap
a low quality brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	a high quality brand

The next time you need to buy a lip balm would you choose a lip balm from Velvety?

	1	2	3	4	5	
unlikely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	likely
possible	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	impossible
definitely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	never
certainly not	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	certainly yes

To what extent do you (dis)agree with the following statements?

	strongly disagree	disagree	neither disagree nor agree	agree	strongly agree
I like to use lip balm.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Using lip balm is important to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I dislike when my lips feel rough.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When my lips feel rough, I feel the need to use lip balm.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Now I would like to ask you to answer the following questions about yourself.

What is your gender?

- ☐ Male
- ☐ Female

How old are you?

What is your nationality?

- ☐ German
- ☐ Dutch
- ☐ Other: _____

What is your highest level of education (completed)?

- ☐ Secondary School
- ☐ Bachelor's degree
- ☐ Master's degree
- ☐ Apprenticeship/Berufsausbildung/Beroepsopleiding
- ☐ Other: _____

Do you have an Instagram account?

- ☐ Yes
- ☐ No

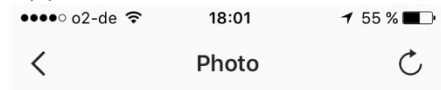
Almost done!

Please note that the Instagram post was designed only for the purpose of this research and is not based on an existing post from Dagi Bee/Ariana Grande!

Furthermore, Velvety is a fictive brand. Before you close the window please click on >> one more time in order for your answers to be submitted.

Thank you for your participation!

Appendix B – Stimulus material

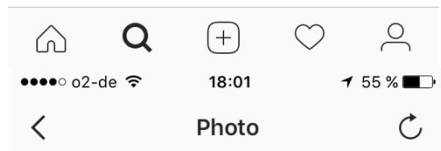


dagibee



dagibee Love my new lip balm from @velvety!
My lips are so soft! #sponsored

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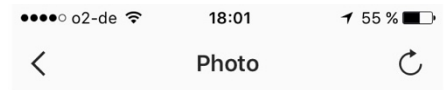


dagibee



dagibee Love my new lip balm from @velvety!
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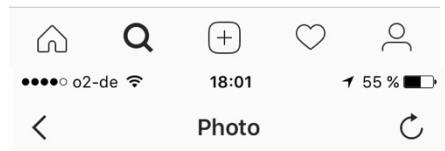


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