Hidden Motives?

The Impact of Social Media Influencers on Dutch Instagram Users

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ABSTRACT

The growth of social media has made it an interesting area for marketers to target, as it provides marketers with a new way to reach potential and existing customers. A marketing strategy that has become very popular on social media is product placement through the use of social media influencers. This entails that an influencer - who is an independent third party, with usually a lot of followers - promotes a certain product in a social media post. The goal is to create brand awareness and brand recall which will lead to increase sales at a point of purchase. At this moment, not all influencers that have been compensated for a social media post include a disclosure in that post expressing this. This has caused online and offline discussions in the media about the topic of deceptive endorsement by social media influencers, which formed the motivation for this research. In order to find out if current Dutch laws are sufficient or should be amended it is important to establish how Dutch Instagram users are affected by branded content posted by social media influencers. The research was conducted by performing twelve semi-structured interviews with Dutch consumers. During the interviews a small-scale experiment was integrated to find out if respondents recognize elements of product placement on Instagram. All interviews were transcribed and the data was analyzed through open and axial coding. The results yielded that respondents perceived themselves to be less influenced by product placement on Instagram than others. A form of moral panic was detected towards children and lower educated people. This is remarkable because the experiment showed that the respondents were overconfident regarding their own knowledge and did not recognize product placement when it was well integrated into the Instagram post of a social media influencer. This shows that the moral panic as expressed by the respondents is not completely justified; they are not in the position to judge someone based on their knowledge when they don't have the knowledge themselves. However, it also shows how the influence of product placement on Instagram is bigger than the respondents realize. Consumers think they are well informed but in practice they over-estimate their own knowledge. The fact that respondents are not always aware of the promotional purpose of a social media post can be considered misleading, because the respondent assumes the influencer is using a product because he or she genuinely likes the product. A change of the law can therefore be considered favorable, as this will make it clear for consumers when they are confronted with a promotional message.

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1. Introduction

1.1 Background

In 2004, the concept of Web 2.0 was first used and marked the beginning of an era in which internet users are able to collaborate and participate in the creation of online content, which has made the evolution of social media possible (Kaplan & Haenlein, 2010). Over the past decade, social media has become an integrated part of everyday life. The average user spends 3 hours and 16 minutes a day on his cellphone to complete 221 actions (MacNaught, 2014). This ranges from checking bank statements to generating online content through a diverse range of social media.

The growth of social media has made it an interesting area for marketers to target (Stephen & Coote, 2005). This is a challenging task, because when the number of media increases, it becomes harder to deliver the marketing message to the target audience (Liu, Chou & Liau, 2015). It consequently requires marketers to find new ways to reach existing and potential customers. Marketers now realize the importance of social media and the great potential it has (Adis et al., 2015). One of the ways in which marketers can reach their target audience is through influencer marketing (Liu et al., 2015).

Influencer marketing entails the use of social media influencers to shape the attitude of a brands' audience through blogs, tweets, Instagram posts and other forms of social media (Freberg, Graham, McGaughey & Freberg, 2011). Social media influencers are compared to opinion leaders and have the ability to "informally influence the attitudes or behavior of others in a desired way with relatively high frequency" (Li & Du, 2011, p.190). In an era in which traditional and aggressive forms of advertising do not appeal to consumers as much as they used to (Rogers, 2016), social media influencers are a new way to reach the target audience, because the influencers "represent an independent third party" (Freberg et al., 2011, p.90). This means that in theory there is no direct relationship between the communicator and the merchant, which consequently makes the provided information come across as subjective and independent (Li & Du, 2011).

When social media influencers post branded content on their social media profiles, this action is often referred to as product placement. Product placement is a marketing practice that was previously common on traditional media and is defined as "the purposeful incorporation of commercial content into non-commercial settings" (Ginosar & Levi-Faur, 2010, p. 467). This means that "a brand name, product, package, signage or other trademark" would be made visible in a form of entertainment (Williams, Petrosky, Hernandez & Page, 2011, p.2). The aim is to show how the brand or product is consumed in its *natural* environment (Stephen & Coote, 2005). The reason for marketers to use product placement is that it has the potential to increase brand awareness and brand recall (Panda, 2004; Liu et al., 2015; Babacan, Akcula & Baytekin, 2012). Furthermore, product placement can improve positive brand feelings (Babacan et al., 2012) and when the product placement is

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perceived to be valuable or useful it positively influences buying intentions (Liu, Sinkovics, Pezolerka & Naghirian, 2012). Because of the positive effect of product placement, marketers have now adapted this strategy to social media through the use of social media influencers and has now become "one of the most important marketing strategies" (Liu et al., 2015, p.301). Research by Liu et al. (2015) has shown that the effect of product placement on social media is similar to the effect it has on other media.

Although product placement has been applied to almost all social media channels, Instagram is in particular an interesting medium to research since image-based social media sites have become an important way for consumers to document and experience everyday life (Smilansky, 2015). In the Netherlands, Instagram has over 2.1 million users, of which 992.000 are active on a daily basis (Nationale Social Media Onderzoek, 2016). These users are the target audience for marketers who use social media influencers to promote their products. The effect of this marketing strategy is that it creates brand awareness, which will generate brand recall and increase sales at a point of purchase (Panda, 2004; Liu et al., 2015). Using social media influencers is therefore an effective marketing strategy in the twenty-first century (Liu et al., 2015).

1.2 Problem definition

Social media influencers post content on Instagram to promote themselves and a brand or product. In return, they are compensated for their posts, either financially or in the form of products or services. This means that Instagram accounts of influencers generate money and therefore this practice can be considered a revenue model. The question that arises, is whether consumers who are exposed to product placement on Instagram by social media influencers realize that they are not seeing just content, but a form of marketing. On traditional media such as television, there are very specific rules about when product placement is allowed and when it is not. There are also strict rules regarding disclaimers and the type of products that are allowed to be promoted (CvdM, 2015). These rules exist to inform the consumer of the fact that they are confronted with a marketing message. This is in contrast to Instagram, as consumers might think that an Instagram post expresses the genuine opinion of an influencer, but this is not necessarily the case. Furthermore, consumers might not be aware of the fact that they are confronted with a marketing message as not all influencers add a disclosure to their post to show that they have been rewarded for the post.

In the Netherlands, there are no official laws regarding product placement on social media, such as Instagram. However, there is a foundation by the name "Reclamecode Social Media which aims to regulate new forms of advertisement such as product placement on Instagram by following the norms of traditional media regulation. On the website of the Reclamecode Social Media, they state that "Advertisements on social media should be easily identifiable" and "if someone is compensated for a post, this should be stated explicitly" (Reclamecode Social Media, 2014). However, these rules

are made by a foundation, which means that they have no regulatory and legislative power. As a result, breaking the rules does not have any consequences (Bartling, 2014).

In the blogpost "Reclamecode social media: waar draait het allemaal om? [Reclamcode social media: what is it all about?]" (2015) Matthijs Roumen, who is one of the founders of this code explains how the foundation works. They operate reactive which means that they only react if and in the event a complaint is filed. When the complaint is subsequently considered founded, the foundation will give the offender a public warning and ask them to stop with the offense. According to the founder of the code, the Netherlands is a highly self-regulatory country. This means that asking someone to stop with an offense (regarding undisclosed sponsored content) is in 95% of the cases enough to make the offender stop. The foundation does not have the authority to give the offender a penalty. What they can do when the offender doesn't comply is to file a complaint with the Autoriteit Consument & Markt (Authority Consumer & Market). This authority is able to (but that doesn't mean that they actually will) give penalties up to 450.000 euro (Roumen, 2015).

The importance of the topic is shown in the media intention the subject has gotten over the past years. Recently (May 11, 2017), the NOS posted an article on their website in which they explain how bloggers, vloggers and influencers are compensated for posts and reviews. In their conclusion on the topic they state that no company in the Netherlands has ever been given a penalty for posting undisclosed sponsored content.

When business withhold important information for consumers, this may be considered misleading and it can result in a penalty because of the Dutch law regarding unfair business practices (Consumentenbond). At this moment, when influencers post undisclosed sponsored content on Instagram, this is not (yet) considered misleading. However, the lack of rules and regulations regarding product placement on Instagram, and/or the lack of enforcement thereof, might be seen as a problem as consumers are not always aware that they are confronted with a marketing message. This is because product placement is most effective when it is an integrated part of the post. This means that the product placement should be subtle and well incorporated in the post (Liu et al., 2015). Consequently, this makes it harder for consumers to notice or realize that they are confronted with a promotional message. At this moment, it is not always clear if a social media influencer has been compensated for a post. The question arises if there should be official laws or proactive enforcement of the existing regulations to protect consumers against deceptive endorsements by social media influencers. The main reason why those rules would be necessary is to protect the consumer against deceptive endorsements. Deceptive endorsements can influence the opinion and likely the purchasing intentions of consumers. Furthermore, these rules are already in place in the Netherlands for traditional media, and given that these rules exist to protect consumers, it would make sense if the same rules applied to social media.

In other countries, codes are already in place: In the United States, the Federal Trade Commission (FTC) enforces the advertisement laws that are in place. In the United Kingdom, the Advertising Standard Authority (ASA) monitors advertising activities (Brison, Baker, Byon, 2013). The main difference between the UK and USA regulation system, compared to the Dutch system, is that they react proactive. This means that they actively pursue influencers and companies that do not comply with the law (Brison et al., 2013). This is in contrast to the Dutch system, in which the relevant authorities only react if and when a complaint is filed about undisclosed sponsored content on social media.

1.3 Research question

The research question that will be addressed in this study is: *How are Dutch Instagram users affected by branded content posted by social media influencers?* The reason why this question is relevant is because answering the question provides knowledge into the way product placement on social media influences Dutch consumers. This will than contribute to a recommendation regarding the Dutch law and possible modification or enforcement of current laws. At this moment, existing rules and regulations in the Netherlands do not force social media influencers to identify in their posts if they have been compensated for a social media post. This means that a consumer can in general not know if a social media post by an influencer expresses his or her genuine opinion, or if the influencer has been compensated for the post. To avoid deceptive endorsements, it might be favorable, perhaps even necessary, to change the Dutch law. As the current discussion about the topic is what sparked the interest of the researcher and ultimately formed the motivation for this research, one of the sub questions is: *Should the Dutch law regarding sponsored content on social media be amended*?

Another sub question that will be addressed is: *How do Dutch Instagram users think they are affected by product placement on Instagram?* This question will identify the way consumers perceive themselves to be affected by branded content on Instagram.

Finally, a small-scale experiment will be performed to answer the last sub question which is: *Do Dutch consumers recognize elements of product placement on Instagram?* When it is known which properties of product placement consumers recognize, this will ultimately also inform the researcher about the elements the consumers do not recognize. A key element of product placement is that the product placement should be well integrated into a form of entertainment (Panda, 2004). The consumer has to notice the product, without understanding that they are confronted with a promotional message. The experiment will show what properties consumers recognize, which will in term help to answer the main research question regarding the way product placement affects Dutch Instagram users.

1.4 Scientific relevance

There has been plenty of research into product placement in traditional media such as television programs and movies. As product placement has now shifted to new media, Adis et al. (2015) state that there is a need to further examine the use of product placement in social media because "academic studies on product placement in SNS's are still at their infant stage, leading to confusion and uncertainties" (p.84).

Existing research about product placement and social media has primarily focused on the effectiveness (Liu et al., 2015) and the role of attitudes (Adis et al., 2015) towards the application of this marketing strategy in new forms of media. In these - mostly quantitative - studies, questions regarding the way consumers might be affected by product placement on social media and in particular on Instagram, are not addressed. In the article "An exploratory study of product placement in social media", Liu et al. (2015) researched the effect of product placement in social media. They found that the effect of product placement on social media is similar to the effect it has on traditional media. In their conclusion, they state that previous research has shown that gender affects attitudes and behavior on web advertisements. Therefore, Liu et al. (2015) state that "it is worth to examine the gender effect on the product placement in social media". Although gender effect is not the primary focus of this research, both men and women have been interviewed. The results of this research can therefore be considered interesting, because it has not been researched before how men and women interpret product placement on Instagram and if they are aware of the marketing strategy they encounter when scrolling through their Instagram news feed. This qualitative research will therefore fill existing research gaps.

It is the aim of this research to find this out and get a deeper understanding of how consumers describe and understand disclosed and undisclosed product placement on Instagram by social media influencers. This area has not been researched before. Therefore, this research will fill the gap in scientific literature that currently exists. Furthermore, the amount of Instagram users is still expanding with over 100 million new users in the past six months (Instagram Statistics December 15, 2016). This emphasizes the importance of the platform, socially as well as scientifically.

1.5 Social Relevance

The fact that there are currently no (effective) laws and regulations in the Netherlands regarding product placement on social media means that social media influencers have great freedom in the content they post. This means that consumers can (potentially) be misled into believing that an Instagram post expresses the genuine opinion of a social media influencer. It is not strange that the Dutch laws cannot keep up with new technologies and the various ways in which they are applied. In the article "Laws and Ethics Can't keep Pace with Technology" Vivek Wadhwa explains how regulatory gaps arise in today's rapid changing society (Wadhwa, 2014). He explains how ethics form

the foundation of the problem, because ethics are the basis for law. This entails that generally a majority of members in a society have to agree on the ethics of a specific topic before a law can be implemented and enforced. Product placement on Instagram also relates to an ethical issue. This is due to the fact that when influencers earn money because of the content they post, shouldn't they be honest and upfront about this? The primary reason why this would make sense relates back to the influence social media influencers have on the purchase intention of consumers. At this moment, social media influencers are free to promote and mention as many products as they want, regardless of whether they are compensated for it or not as they currently do not face penalties or other repercussions.

In present Dutch society, there is no social consensus regarding product placement on social media. The topic has however become a popular subject for discussions on blogs and other forms of media. When there are signs in society that a law is missing or that an existing law should be amended, this can be an incentive for lawmakers to push for amended or new laws. This shows how the proposed research has material relevance for present Dutch society.

Furthermore, marketing managers have to adapt their marketing strategies to social media. Product placement on social media, and especially Instagram, is still a relatively new marketing strategy. Therefore, this research can also have a managerial relevance. Knowing how consumers are affected by product placement on Instagram by social media influencers can give marketing managers an indication about whether this is a strategy they want to implement and pursue. Furthermore, a part of this research focuses on the Dutch law. Not all marketers are completely aware of the laws and regulations which are currently applicable in the Netherlands. Therefore, this research can help them to better understand the current situation and assist them to act appropriately.

2. Theory and Previous Research

2.1 Social Media

Since the late 1990's, the internet has been used for communication, information and entertainment purposes (Sheth, 2017). This all changed drastically when Web 2.0 came out. The concept of Web 2.0 was introduced during a brainstorming session between 'web pioneer' Dale Dougherty, Vice President of O'Reilly Media and MediaLive International. According to Dougherty, the fall of 2001 was a turning point for the web. He stated that "the web was more important than ever, with exciting new applications and sites popping up with surprising regularity" (O'Reilly, 2009, p. 225). He is not the only one who noticed how the web changed, and therefore the concept was used by a diverse range of theorists and marketers. This caused the emersion of numerous different definitions of this theoretical concept and not everyone agrees upon what the concept exactly entails (O'Reilly, 2009).

In this thesis, the explanation of the concept provided by Constantinides and Fountain (2008) will be used. They describe Web 2.0 as a "collection of open-source, interactive and user- controlled online applications expanding the experiences, knowledge and market power of the users as participants in business and social processes" (Constantinides & Fountain, 2008, p.73). This definition has been chosen because of the emphasize they place on the effect that Web 2.0 has on business. This is relevant for this thesis, because this research focuses on product placement on Instagram, which is a new emerging way of exploiting a marketing practice, which has been enabled by Web 2.0.

Furthermore, Constantinides & Fountain (2008) emphasize how Web 2.0 has supported the flow of information by allowing users to generate, disseminate, share and edit content and thus make a two-way stream of communication possible. This means that the audience is no longer a passive recipient but an active participant in the communication process (Siapera, 2006). This also explains how Web 2.0 has formed the foundation of social media and how it marked a new step in the development of the internet as a marketing environment (Constantinides & Fountain, 2008).

Web 2.0 has made it possible for consumers to create and share content online, which is referred to as User Generated Content. It is important to note that User Generated Content is posted and circulated through social media platforms and the content is beyond the control of marketers. The content has to be created by consumers, and thus not by businesses or brands. This means that a characteristic of this new environment is that power has shifted away from firms and gone towards individuals and communities (Constantinides & Fountain, 2008).

2.1.1   Social media use in the Netherlands

As previously explained, Web 2.0 has made the evolution of social media platforms possible. To get a better understanding of the different platforms and the popularity of those platforms in the Netherlands, the results of a survey performed by a Dutch market research company 'Newcom

Research & Consultancy' will be used. For the sixth year in a row, the company has performed their National Social Media Research. In this research, they investigate the latest social media trends in the Netherlands and make prognoses for the next year. To be able to participate, respondents had to be at least 15 years old and complete an online survey. In total, 10.484 respondents participated in this research, which, according to Newcom Research & Consultancy means that their results are generable and thus accurately represent the Dutch population.

The report shows that at this moment, the most popular platforms are WhatsApp, Facebook, YouTube, LinkedIn, Google+, Twitter and Instagram (listed from most popular to least popular). It is remarkable to note that Instagram currently has 2.1 million users in the Netherlands. The percentage of daily active users increased with 37% compared to last year. The platform is particularly popular among young people between the age of 15 and 19, as 58% of the population is active on Instagram on a daily basis. In the age group 20 to 39, 24% of the population uses Instagram, which is the same as the year before. In older age groups, Instagram becomes marginally more popular by the year. The platforms Twitter, LinkedIn and Google+ currently have more users than Instagram, however, in the last year the number of daily active users has declined (respectively -10%, -25%, -8%). The popularity of the platforms is therefore decreasing. The number of daily active Dutch users on Facebook and YouTube is still increasing, however, not as fast as Instagram (respectively +3% and +8%). This doesn't mean that the platforms are not performing well, it is very much possible that the market is becoming saturated as a lot of consumers already have a profile. The growth potential is therefore not as big as on platforms which just started out. Platforms on which the number of daily active users are still growing are Snapchat, Foursquare and Pinterest (respectively +69%, +77%, +28%).

2.1.2   Photo sharing platforms

A general idea about the Dutch social media market has now been established. As this research focuses on Instagram, it is important to go into a little more depth regarding this platform and other photo sharing platforms that are currently popular in the Netherlands.

Instagram was founded in October 2010 and has over 600 million users (Instagram, 2016). The application, which can be accessed through iOS and android operating systems (Marwick, 2015), was the first social media platform that was initially presented only as a mobile application and was only later accompanied by a website (Instagram statistics, 2016). The primary focus of Instagram is apparently still on the application, as the website clearly does not have the same amount of options and properties as the mobile application. For this reason, the mobile application is the place with the most activity (Marwick, 2015). Instagram provides its users with a way to document and share their life through pictures, with friends and followers in a "fun and quirky way". Therefore, Instagram is a highly personal and visual platform on which users can choose to share pictures either publicly or privately (Marwick, 2015). Sharing a picture publicly means that a user shares a post with anyone who

has an account on the platform. Privately means that the user only shares pictures or other content with people the user has approved as a follower on their account.

On Instagram, there are different ways a user can interact with posted content. First of all, it is possible to comment on posted content. Secondly, a user can 'like' a post by double clicking the post, or by clicking on the icon shaped like a heart below the picture. It is also possible to share content by clicking on the forward bottom. Additionally, every user can send direct messages to other users.

In 2016 on August 2nd, Instagram launched Instagram Stories. This new feature is similar to the mobile application called Snapchat, which will be explained later in this chapter. Instagram Stories provides users with the opportunity to share pictures with followers for just 24 hours. After this time, the post will 'disappear', which means that it will no longer be visible on your profile grid or otherwise on your account anymore. Instagram itself explains this new feature as a way to prevent the worry of overposting. Overposting means that someone posts too much content on his or her Instagram, which might result in over-saturating the feed of your followers. Marketer Carly Keenan explains in a blogpost how the 'feed speed' on Instagram is very laid back, and therefore, you don't want to force yourself onto your followers with too much posts in a row (Keenan, 2013). It makes sense that you don't want to annoy your followers, as this can be a reason for them to unfollow you. By using Instagram Stories this fear can be taken away, because the posts that are put on the story will not show up on the regular feed. The icon of the users' profile will have a colored circle around it when an Instagram user posted something new on his or her story. When the user clicks on the icon the 'story' will be visible. In contrast to regular Instagram posts, it is not possible to comment on Instagram Stories. Just like in regular Instagram posts, it is possible to tag users on the pictures. With this research into product placement on Instagram in mind, it is important to note that the tag can also be the account of a brand or company. This shows how Instagram Stories and regular Instagram posts can be used as a marketing tool.

Another popular photo sharing platform is Snapchat. Snapchat is very similar to Instagram Stories, as it also allows its users to post pictures on their 'story', which will disappear after just 24 hours. Another option is to send a picture directly two one person, who is than able to open the picture, after which it will disappear again. Another feature of Snapchat is that it provides its users with a diverse range of filters which can be applied onto a picture.

The last social media platform that will be discussed is Facebook, which was founded in 2004. The platform provides its users with "the power to share and make the world more open and connected". Furthermore, "People use Facebook to stay connected with friends and family, to discover what's going on in the world, and to share and express what matters to them" (About Facebook).

2.1.3   Peer Pressure

Peer pressure can be described as the "pressure to think or behave along certain peer-prescribed guidelines" (Clasen, 1985, p. 452). Santor, Messervey & Kusumaker (2000), describe it as a "group insistence and encouragement for an individual to be involved in a group activity in a particular way". Both authors focus on the behavior a person expresses to satisfy others and to act according to group norms. According to Clasen (1985) this feeling is regarded a prominent characteristic of adolescence and of great importance to build and maintain friendships (Clasen 1985).

An important motive for a consumer to use a particular type of social media can therefore be to behave according to group norms, and thus join specific social media platforms because it is popular amongst peers. Behaving according to group norms can be essential when a person wants to build and maintain friendships (Clasen, 1985). According to Rubin (2002), the motives a person has to use a particular type of social media are of great importance because it can be considered an incentive and it is therefore one of the most significant factors that drive media usage. It is important to take this into account as this research focuses on usage of a specific type of social media.

2.1.4   Moral Panic

When people in society have a feeling of fear against a form of evil, which can be seen as a danger to the general wellbeing of society, this is called moral panic. The concept is explained as "the process of arousing social concern over an issue – usually the work of moral entrepreneurs and the mass media" (Scott, 2014, p.217). In 1972, the British sociologist Stanley Cohen identified five important stages in the formation of moral panic. It starts with identifying a threat and then turns into depicting the threat into a recognizable symbol. In the third phase, public concern is created and leads to the fourth stage which is the response of authorities. In the final, fifth phase, the moral panic leads to social changes within a society (Scott, 2014).

Often when new types of (social) media emerge in society, people tend to react emotional and express concern to the appearance of the new medium. In the article "Dangerous Media Panic Discourses and Dilemmas of Modernity" Kristin Drotner (1999) focuses on media panics and the reaction of people towards a new medium. Her theory builds further on and specifies Stanley Cohen's theory of moral panic. According to Drotner, "studying media panics offers a unique possibility to gain insight into the ways in which the media invoke and serve to reflect fundamental social and cultural problematics" (Drotner, 1999, p.597). Drotner emphasizes how media panic is usually a panic expressed by adults towards children and younger generations. In this research, the focus lays on Instagram. Although this is a relatively 'new medium', the emphasis of this study will not necessarily lay on the 'new medium', but rather on the way the specific medium is applied in contemporary Dutch society and the way this affects Instagram users.

2.2 Social Media Marketing

As previously explained, Web 2.0 has changed the web drastically and has opened the doors for businesses to interact with their consumers on a whole new level. Social media has become an interesting area for marketers to target because, as it enables them to learn about the opinions and needs of their target audience and communicate in a more direct and personal way (Constantinidus & Fountain, 2008; Sheth, 2017; Stephan & Coote, 2005). When the consumer is confronted with a brand message or interacts with a brand this influences the user's opinion towards the brand (Francella, 2011). This is also referred to as COBRA's, which stands for consumers' online brand-related activities and is of great importance for brands and companies (Muntinga, Moorman and Smit, 2011). This makes it possible for marketers to use social media for a diverse range of proactive objectives such as "stimulating sales, increasing brand awareness, improving brand image, generating traffic to online platforms, reducing marketing costs, and creating user interactivity on platforms by stimulating users to post and share content" (Felix, Rauschnabel & Hinsch, 2017, p.119).

To reach the aforementioned objectives and benefit from those new opportunities, marketers can use different forms of social media. Choosing the right medium to reach the target audience is essential to the success of a marketing practice and can be seen as a challenge. Back in 1964, theorist Marshall McLuhan was the first to argue how the importance of a medium is not located in the content they circulate, but in the actual medium itself. This led to the phrase "the medium is the message" (McLuhan, 1994 [1964]). This theory is over fifty years old and takes the importance of the medium to the extreme. However, when we apply this theory to social media it emphasizes how important it is for marketers to choose the right medium to target the audience, as the medium includes part of the message. Another challenge of social media marketing, is that when the number of media increases, it becomes harder to deliver the marketing message to the target audience (Liu et al., 2015). Finally, businesses have less control about what is being said about them online as User Generated Content has given power to individuals and communities (Constantinides & Fountain, 2008).

2.2.1   Instagram Marketing

An important social media channel that is often used by marketers is Instagram. According to Forbes Magazine (July 8th, 2015), Instagram is important to business because visual content dominates in terms of engagement. Furthermore, Instagram drives sales with a second highest average order. The platform is also often used to create content that is then shared on other platforms such as Facebook. This is because Instagram has a lot of editing options compared to other platforms (DeMers, 2015). Furthermore, social media platforms such as Instagram "are reaching out to people across different social economic layers, notably among the generation Ys" (Adis et al., 2015).

Companies, brands and individuals have three ways of advertising on Instagram. The first way is for a company to create an Instagram account and post all the marketing material they want. This is free of charge and therefore a great way to reach a potentially world-wide audience.

The second way is to create a "sponsored post" through Instagram Business, which means the post will show up in between regular posts of people who do not currently follow your page. The post looks exactly the same as other posts, except from the word "sponsored" in the top right hand corner. Posting through Instagram business is a paid form of advertisement.

The third way is to compensate people who have a lot of followers to post content in which they show a certain product or service. This person is often referred to as a social media influencer, and will be thoroughly discussed in the next chapter. The post which is made by an influencer can be a 'regular post' or a post through 'Instagram Stories'. The latter has a feature in which companies and other users can be tagged on top of the picture. When someone is viewing your Instagram Story or timeline, he or she can click on the words and will be forwarded to an internal or external source. This can for example be another Instagram profile or a specific webstore.

2.2.2   Social Media Influencers & Influencer Marketing

'Word of mouth' (WOM) has always been an important marketing concept (Ferguson 2008). The concept entails that a consumer gains information about a product or brand because a non-commercial communicator (such as a friend or relative) told the consumer about the product in question. An important reason why WOM works as well as it does, is because consumers tend to like and accept advertisements when they feel relaxed and believe "that the advertiser speaks to him as a friend or unbiased authority" (Dichter, 1966, p.146). This means that the consumer should not feel as if someone is trying to sell them something (Dichter, 1966). The information that is provided to the consumer through WOM is evaluated as subjective and independent, because there is no direct connection between the brand and the promoter of the product (Li & Du, 2011).

Consumers are now active participants in online communication between brands and consumers, which means that they are able to generate online content to express their opinions on products and services (Constantinides & Fountain, 2008). This can be done through social media platforms, blogs, online communities, discussion boards and videos. These forms of internet-based communication are known as electronic word of mouth (eWOM). EWOM is more influential than regular WOM as the potential group of consumers exposed to the message is much larger (Lis & Neßler, 2014). Furthermore, eWOM through social networks have great potential because of the possibility of "linking a large number of potential consumers with social connections to each other" (Lis & Neßler, 2014, p.64). It also takes place at a fast pace and has a potential global audience (Lis & Neßler, 2014).

Marketers have now identified a new way of gaining control over the online brand story by identifying social media influencers, who "represent a new type of independent third party endorser who shape audience attitudes through blogs, tweets, and the use of other social media" (Freberg et al., 2011, p.90). With this definition in mind, a traditional celebrity – for example a popstar or athlete – can be considered an influencer, as well as the new emerging bloggers and vloggers. A social media influencer can be compared to an opinion leader because of the ability to influence followers (Li & Du, 2011). According to Freberg et al. (2011), social media influencers can be identified by looking at the number of daily hits a blog receives, the amount of times a post is shared or the number of followers a person has. He also states that it's not just about the quantity, but also about the quality of an online influencer. It is important for brands and organizations to identify and approach an influencer that has the most relevant influence for your target audience. To find this person, Booth & Matic (2011) have reviewed a valuation algorithm, which determines who the most relevant influencers are and thus will raise the highest level of brand awareness. When the right influencer is found, it becomes much easier to once again, gain control of the brand story that is being spread online through social media and to maximize social media influencer capital (Booth & Matic, 2011; Freberg et al., 2011).

Influencers tend to have a lot of 'friends' and 'followers', which are not necessarily people they know in real life. Through interaction on social media, an illusion of a friendship between a consumer and an influencer can take place and can be referred to as a "parasocial interaction". Originally, this was a concept used to describe how "traditional" celebrities created interaction on social media between themselves and their followers/friends, to achieve "unmediated relationships, or at least the illusion of such" (Marwick, 2015, p.139). This relationship increases the emotional link between the celebrity and the fan (Marwick, 2015).

2.3 Product Placement

Product placement is a marketing strategy which has been used for over 70 years (Babacan et al, 2012). Traditionally product placement, also referred to as brand placement (Panda, 2004), was used as a marketing practice in different forms of mass media such as television, movies and other media vehicles (Panda, 2004; Liu et al., 2015). This form of marketing involves the use of intentional integration of commercial content into a setting which is non-commercial (Ginosar and Levi-Faur, 2010). This means that a brand name, product, package, signage or other trademark would be visible in a form of entertainment, such as a television program, movie or other medium (Russel & Belch, 2005). Usually this is done is a very subtle way, which means that it is non-disruptive and the audience is confronted with the product or brand within the natural flow of the medium. For product placement to be successful the product or brand that is featured has to connect with either the audience or with the character in the medium (Panda, 2004; Williams et al., 2011).

Research has shown that generally consumers perceive well-executed product placements positively because "they enhance realism, aid in character development, create historical subtext, and provide a sense of familiarity" (Panda, 2004, p.8). The reason for marketers to use product placement is that they hope that the audience - consisting of existing and potential customers - will recognize the product or brand at a later moment, for example at a point of purchase. The aim of product placement is therefore to increase brand awareness and brand recall (Panda, 2004; Liu et al., 2015). Brand awareness refers to how a person is able to retrieve a brand from memory and can be measured through brand recall. The term brand recall is used to describe the ability of the consumer to come up with a certain brand name when a certain product category was given (Keller, 1993). Product placement enhances brand awareness and thus brand recall, because the consumer has seen the products before and is therefore able to recollect it from memory. In the end the goal is to increase sales at a point of purchase (Panda, 2004; Liu et al., 2015).

2.3.1 Product Placement on Instagram

Due to technological development, new media and especially social media, has become increasingly important to everyday life. Consequently, it has also become an area which is important for marketers to target (Stephen & Coote, 2005). Product placement on social media has a basic structure that is very comparable to product placement on traditional media. Liu et al. (2015) describe the occurrence of product placement on social media as a promotional message, created by a writer in an engaging way in order to promote the product. This can for example mean that a social media influencer posts a picture on Instagram, while wearing clothes of a particular brand and with the brand name or logo clearly visibly in sight. An exploratory study of product placement in social media by Liu et al. (2015) has shown that the effect of product placement on social media is similar to the effect that product placement has on other media. Furthermore, they claim that product placement on Instagram is nowadays seen as one of the most important marketing strategies. "Product placement in social media creates an opportunity for exchange of ideas and experiences between the peer consumers and between the marketers and consumers" (Adis et al., 2015, p.81). Consumers tend to enjoy this communication process (Adis et al., 2015). According to Wang, Yeh and Liao (2013) the effect of product placement is higher when perceived entertaining and enjoyable, and thus increasing purchase intention. Kaplan & Haeinlein (2010) state that companies use product placement on Instagram because it offers the chance to target a very specific audience.

2.3.2 Rules and Regulations of Product Placement

Product placement is a marketing strategy which has been used for more than 70 years. Logically, there are quite some rules linked to this marketing practice. On television, product placement is only allowed on commercial broadcasting channels. Furthermore, it is not allowed to

target children under the age of 12. Before 9 pm, it is not allowed to place products such as tobacco, medical treatments and alcohol in television shows. Moreover, television programs have to be independent and the content may not be dictated by product placement. Additionally, a disclaimer has to be shown, before and after a television program. These rules are part of European television-guidelines, introducing rules for product placement on television in Europe. In the Netherlands, these rules have been implemented in the Media Law (CvdM, 2015).

This shows how product placement on traditional media is quite well regulated and part of the Dutch law, which means that measures may be imposed (usually in the form of a penalty) when these rules are broken. This is in contrast to the rules and regulations that are currently in place to regulate sponsored content on Instagram. As previously described in the introduction, there are currently no official laws regarding product placement on Instagram. There is however a foundation called 'Reclamecode Social Media" that tries to regulate new forms of advertisement on social media by declaring that when any social media post includes a form of advertisement, this has to be disclosed. However, these rules are made by a foundation (and have not been laid down in a law), which means that they have no regulatory and legislative power (Bartling, 2014).

The foundation operates reactive which means that they only react ones a complaint is filed. If the complaint is declared founded the foundation will give the offender a public warning and ask them to stop with the offense. According to the founder of the code, the Netherlands is a highly self-regulatory country. Asking someone to stop with an offense (regarding undisclosed sponsored content) is in 95% of the cases enough to make the offender stop. The foundation does not have the authority to give the offender a penalty. What they can do when the offender doesn't comply is to file a complaint with the Autoriteit Consument & Markt (Authority Consumer & Market). This authority is able to (but that doesn't mean that they actually will) give penalties up to 450.000 euro (Roumen, 2015). According to a recent article by the NOS (May 11, 2017), no company in the Netherlands has ever been given a penalty for undisclosed product placement on social media.

In the United States, the Federal Trade Commission (FTC) enforces the advertisement laws that are in place. In the United Kingdom, the Advertising Standard Authority (ASA) monitors advertising activities (Brison, et al., 2013). The main difference between the UK and USA regulation system, compared to the Dutch system, is that they react proactively, which means that they actively pursue influencers and companies who do not comply with the law (Brison, et al., 2013). This is in contrast to the Dutch system, as the relevant authorities only react if and when a complaint is filed.

This shows that social media influencers in the Netherlands have more freedom in the content they post compared to the United States and United Kingdom. This is primarily because in the Netherlands, influencers and companies are not actively pursued when they breach the Reclame Code Social Media. There are no examples of influencers or companies who have been given a penalty or

other form of punishment in the Netherlands. When there are no repercussions, there is not really a viable reason to change behavior.

3. METHODOLOGY

3.1 Qualitative Research

The research question "How are Dutch Instagram users affected by branded content posted by social media influencers?" is answered by conducting a qualitative research. This method is suitable for this research because the goal of qualitative research is to discover how humans "understand, experience, interpret, and produce the social world" (Sandelowski, 2004, p.893). This was precisely what this study aimed to find out in regards to product placement on Instagram.

At this moment, little research, let alone qualitative research, has been performed on the subject of product placement on Instagram. The academic articles that do exist in this field are based upon quantitative research. Therefore, research is needed in general and qualitative research in particular. This qualitative research will therefore fill the research gap that currently exists and at the same time provide a research method that will lead to an in-depth understanding of the way in which branded content affects Instagram users. Furthermore, when knowledge on a subject is limited, qualitative research gives the researcher the opportunity to explore the subject more comprehensively and lead to an "understanding of the social world through an examination of the interpretation of that world by its participants" (Bryman, 2004, p.266). This means that this research will help develop an understanding of the way product placement on Instagram is interpreted and understood by Dutch consumers. Furthermore, as there is very little existing literature in this field, this research may lead to interesting findings and at the same time indicate which other related topics are worth investigating in future research.

3.2 Semi-Structured Interviews

The qualitative research method that has been chosen is **semi-structured interviews** with a predetermined research purpose. This research method has been selected because "Interviewing provides a way of generating empirical data about the social world by asking people to talk about their lives" (Holstein and Gubrium, 1997, p.113). Interviewing is the most direct form of research because of the interaction between the respondents and researchers. It will therefore lead to in-depth knowledge about a given subject (Rubin & Rubin, 2005). The interviews are performed face-to-face because this allowed the researcher to detect verbal and non-verbal cues such as body language and facial expressions. These emotions were an indication for the researcher to ask follow up questions. The interviews have been conducted individually because this provided the researcher with the opportunity to conduct the interviews in an environment which is familiar to the respondent. The aim was to make the respondent feel as comfortable as possible in way to achieve the best results.

Furthermore, a semi-structured manner of conducting interviews has been chosen. This means that the researcher followed an interview guide (Appendix A). This guide consisted of a list of subjects

and questions that needed to be addressed in the interviews, preferably every time in the same order. The topic list was ignored when the researcher felt that it was necessary or appropriate to stray away from a topic or ask more questions that were not mentioned on the list.

Semi-structured interviews are usually a preferred research method because it demands the researcher to be prepared beforehand. This means that when the interview is conducted the interviewer comes across as competent and well prepared. If the semi-structured interviews are performed in a proper manner, this can lead to reliable and comparable qualitative data (Cohen, 2006). Furthermore, semi-structured interviews enable respondents to share personal experiences and explain motives for certain thoughts. Individual interpretation of terms and ideas is therefore an important aspect of the preferred research method (Rubin & Rubin, 2005).

In terms of this research, the interviews have generated in-depth knowledge about the experiences and interpretations of the respondents regarding product placement on Instagram by social media influencers. In the first section of the interview, it was the aim to make the respondent feel comfortable. The questions that were asked were therefore quite general and focused on the demographics of the respondent. After that, questions were asked regarding the respondent's social media usage with a focus on Instagram. The emphasis was on the motivations for the respondents to use Instagram and other social media platforms. The interviews continued with questions regarding the people they follow and the stimuli that make them want to follow those people. The next section was the most important part of the interview, as it focused on the branded content the respondent noticed when he or she is on Instagram. This part of the research was supported by visual aid which will be thoroughly described in the next (sub)chapter. Towards the end of the interview, the respondents were asked about the Dutch law and the knowledge they had concerning the rules and regulations regarding sponsored content on Instagram. In addition, their opinion regarding branded content was asked to see if the respondents feel misled by social media influencers.

To ensure that the interviews are of high quality, the research questions have been shown to an expert in the field. After this, a pilot test of the interview was conducted. The pilot interview was done with a respondent who would fit into the target population of this research. The purpose of this 'simulation interview' was to find out if the respondents understood the questions and to see if any other subjects or questions came up which should also be addressed in the other interviews. Furthermore, some questions have been reformulated to ensure that the respondents understood what was asked of them. The results of the pilot interview have been excluded from the sampling frame of this study.

3.3 Experiment during Interview

During the interviews a small-scale experiment was performed. In this part of the research, the respondents were confronted with three different Instagram posts. On the first picture, there was subtle product placement in place, which means that the product was visible, but the brand name was not tagged or mentioned in the caption. Furthermore, the post did not include include #sp or any equivalent of that. It is important to note that the researcher does not know if the picture includes product placement or not. An Instagram post only contains product placement when the product is intentionally integrated into the picture (Ginosar and Levi-Faur, 2010). The intentions of the influencer are unknown to the researcher and with current rules and regulations it makes it hard to know if a person has been compensated for their social media post. However, for this research this does have to be a problem as the experiment will show if the respondents even consider this an option.

On the second picture, a form of product placement was visible and the name of the brand was mentioned in the caption of Instagram post. Again, no #sp or other disclosure was mentioned. The third picture that was shown to the respondent was similar to the second picture, only this time the product placement was disclosed in the caption with a #sp.

Product placement is most effective when it is perceived entertaining and enjoyable (Wang et al., 2013). For this reason, male and female respondents have been confronted with different pictures to make sure that the interests of the consumers relate closer to the products and brands that are featured in the post. Therefore, the respondents were shown posts that were posted by a social media influencer of the same gender as they are. The aim of the experiment was to discover if the respondents recognize elements of product placement on Instagram.

3.4 Participant selection

For this research, twelve interviews have been conducted, as this was the point at which the data became saturated. Saturation occurs when no new categories, themes and explanations emerge from the data (Marshall, 1996). All interviews took approximately 45 minutes. The respondents consisted of Dutch Instagram users between the age of 22 and 28. People of this age fall in the category which is often referred to as generation Y, which are people born between 1981 and 1999 (Bolton et al., 2013). According to Malka (2012), this generation is the largest population group in the world. This generation has grown up with social media. According to Berthon, Pitt, Plangger and Shapiro (2012) this makes them the hardest generation to reach with traditional forms of advertising. Furthermore, people born in generation Y spend more time on social networking site than any other population group (Kotler & Armstrong, 2010). Consequently, this means that there is a bigger chance that this group has encountered product placement on Instagram. As this is the focus of this research, people born into the Generation Y make up an interesting target group, as it is most likely that these people have been exposed to this relatively new form of advertising.

Furthermore, respondents between the age of 22 and 28 either are in the final stage of obtaining a degree or have already started working. As explained in the previous chapter, product placement leads to brand awareness, which plays an important role in the consumer decision making process of a purchase (Keller, 1993). Therefore, when research related to product placement is done, it makes sense to interview respondents who have sufficient financial means and are thus able to purchase products.

For this research, the same amount of men and women have been interviewed. The reason for this is that all aspects of social life, including gender, influence qualitative data (Broom, Hand, Tovey, 2009). Furthermore, Liu et al. (2015) state that the effect of gender on product placement is worth examining. Therefore, both men and women have been interviewed for this study.

The preferred language of the interviews was English, however, at the start of the interview the researcher asked what the preferred language was of the respondent. All respondents stated that they would rather have the interview in Dutch as this is their mother language. Therefore, all interviews have been conducted in Dutch and when quotations are used they have been translated. The original Dutch quote can be found in the footnotes.

3.5 Sampling Method

The sample of this research is a judgmental sample. This means that "the researcher actively selects the most productive sample to answer the research question" (Marshall, 1996, p.522). This method has been chosen because this research focuses on Instagram users which means that the population has to consist of people who are familiar with Instagram and are active on the platform. Furthermore, the respondents have to follow influencers to make sure that they have been confronted with product placement on Instagram. Moreover, the age and nationality of the respondent has also been predetermined as explained in the previous chapter. To ensure variation, the population sample will consist of a mix between male and female respondents who live in different cities, have different occupations and educational backgrounds and thus different knowledge of Instagram marketing.

All respondents of this research have been approached by the researcher and consisted of people the researcher is familiar with, ranging from family to mere acquaintances. As mentioned before, the sample (also) varies in means of gender, background, education and occupation. Furthermore, all chosen respondents have sufficient financial means as part of the research focuses on purchase intention. Therefore, all respondents need to have a source of income to make sure they have the power to purchase products.

As the selected sample is not random, this means that the results will not be generalizable. However, when the aim of a qualitative research is to develop an understanding of a complicated topic related to human behavior – such as the way Instagram users are affected by product placement on social media by influencers – a random sample is not preferable (Marshall, 1996). There are several

reasons for this. First of all, "the sampling error of such a small sample is likely to be so large that biases are inevitable" (Marshall, 1996, p.523). Also, when a random sample is desired, the researcher has to know all the properties of the entire population that is being researched and the sample has to be distributed normally. In practice, it is not possible to fulfill all these criteria. This qualitative research therefor uses a judgmental sample. The variety of respondents that have been interviewed have led to different and interesting insights regarding the opinion of Instagram users about product placement on Instagram by social media influencers.
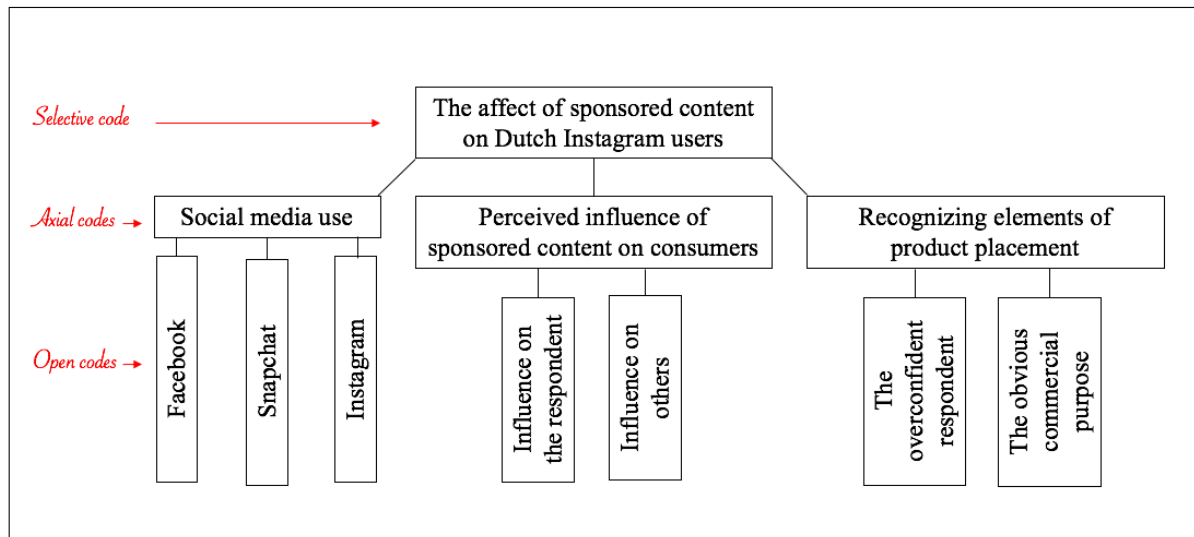
3.6 Data Processing and Analysis

In way to process and analyze the data, the article "A Method of analysing interview transcripts in qualitative research" by Philip Burnard (1991) has been used. The article urges to approach qualitative data in a systematic way. Therefore, it provides a step-by-step guide that can be used to analyze qualitative data. All steps that are mentioned by Burnard are followed for this research and explained in the next paragraph. Another important aspect of the article is that it emphasizes the importance of the role of the researcher as he or she has to try to understand and make sense of other people's perception (Burnard, 1991).

Every interview has been recorded with a recording tool after which the whole of the recording has been transcribed. During the interview, notes (memos) have been made about categories, ideas and theories which came up in the mind of the researcher. Afterwards, all interviews have been transcribed. This made it possible for the researcher to identify general themes and become more familiar with the 'life world' of the respondent. This process is called the process of immersion (Burnard, 1991). In the next phase, all data has been read and headings have been written down to explain all relevant aspects of the transcripts. Sentences which are unrelated to the topic and irrelevant for the research have been excluded. Those sentences get the heading 'dross'. This process is called open coding. The next step was to group together headings that cover similar topics. This has led to a final list in which similar headings have been deleted. As a final check, all interviews have been reread to check if the final list covered the relevant data of the interviews. After this, all interviews have been coded again, but now according to the new categories and headings. Every statement a respondent made in an interview has been said within a certain context, therefore it is very important that the researcher does not alter the meaning of what is being said. Hence, an original copy of the transcript has been saved. The next step was the writing up process of the results of the interviews. At this point, the researcher provides an explanation to link the different samples of data together. This process continued until the whole project was explained. The final step was to link the data to existing literature on previous research. At this stage, the researcher explained the findings and created a story which explained the way the researcher understood the results. The findings have been presented in different (sub) chapters and is written in a way that is understandable for people who do not have a

background with specific marketing knowledge. The findings are presented together with some references to literature. This method has been chosen over separate chapters for findings and literature because a combined chapter is usually easier to read and thus more practical (Burnard, 1991).

3.6.1 Final Code Tree

As previously explained, all transcripts have been analyzed by using the method as provided by Philip Burnard (1991). This has led to the following code tree:

Selective code ⟶ The affect of sponsored content on Dutch Instagram users

Axial codes →
- Social media use
- Perceived influence of sponsored content on consumers
- Recognizing elements of product placement

Open codes →
- Facebook
- Snapchat
- Instagram
- Influence on the respondent
- Influence on others
- The overconfident respondent
- The obvious commercial purpose

In the code tree three categories are visible: Selective codes, Axial codes and Open codes. The selective code is essentially the research question of this study. The Axial codes form the most important element of this research and are supported by the open codes. The structure of the code tree will be used to identify the different sub chapters within the findings section of this research.

The first section of the findings chapter is about social media usage and describes how the different (photo-sharing) platforms are used by the respondents. This is relevant to answer the research question because it will help identify the intrinsic reasons respondents have to use a specific medium and this can influence they were the medium will affect them. In the next part the perceived influence of sponsored content on consumers is discussed. This part is separated into the influence of product placement on the consumer itself and then continues with a chapter about the influence the respondents think it has on others. In the last part, the elements of product placement that consumers recognize will be examined. The first part explains how consumers think they recognize product placement, but in fact this is often not the case. The second part identifies how the respondents recognized sponsored content on Instagram when the pictures meets specific criteria.

3.7 Validity

In the article "Validity in qualitative research: Interview and the appearance of truth through dialogue", Kuzmanić (2009) discusses the validity of qualitative research. She explains how two

approaches can be taken: the positivist epistemological approach and the social constructivists approach. The first one (positivist epistemological approach) can be seen as an approach which can be seen as looking for the truth. In this theory, it is argued that "the data and the results are supposed to simply reflect the reality that exists 'out there'" (Kuzmanić, 2009, p.41). The social constructivists oppose this by arguing that any form of reality is subjective and can therefore not be objectively measured. Researchers who believe in this approach are of the opinion that any form of reality is constructed in the social world (Kuzmanić, 2009).

This research will mix the two approaches which means that the researcher will be looking for the closest truth, while being aware of the role the researcher has in the interviews and the meaning making process. A combination between the two approaches is similar to what Kuzmanić (2009) proposes researchers to do, regardless of how challenging and/or acceptable this may be. She argues that the goal of validation is not to generate "absolute and certain knowledge" but to generate truthful knowledge through dialogue (Kuzmanić, 2009, p.41).

3.7.1 Validity in Semi-Structured Interviews

The goal of this research is to create knowledge which will be of substantial value to present Dutch society. In way to achieve this, there are several influences that have to be taken into account. First of all, it is important that the researcher realizes and understands that the interviewer and interviewee have different perspectives (Farr, 1982). This means that all respondents see the world in a different way due to (for example) cultural and political believes (Farr, 1982). As the aim of an interview is to understand the respondents point of view and being able to interpret it, the researcher has to be aware of the respondent's life world (Farr, 1982). For this research, the researcher will try to gather as much information as possible about the respondent by letting the respondent introduce him or herself thoroughly. This will not only provide useful information about the respondents' life world, but will also make the respondent feel more comfortable.

Another important aspect that influences validity in semi-structured interviews is the *interviewer bias*. This means that the researcher has to be aware of the influence they have on the respondent which is, according to Farr (1982) a very important factor to consider. This is referred to as the level of *self-reflexivity* the researcher has. For this research, the researcher will try not to influence the respondent more naturally occurs.

Furthermore, as this research has a predetermined research question, it is of great importance that the researcher does not steer the respondents into certain (favorable) answers. Leading questions and expressing opinions of the researcher herself will therefore be avoided. Also, in order to get clear answers from respondents the interview questions were carefully constructed and supported by visual aid. The visual aid consisted of several printed handouts with Instagram posts, which are posted by social media influencers. Some of these posts included disclosed and undisclosed sponsored content.

Another important point is that "The researcher needs to acknowledge how much of potentially important information might be lost in the transformation of verbal into written data" (Kuzmanić, 2009). This can never be completed avoided, however, to minimize this potentially negative effect, the researcher will pay attention to nonverbal ques. To clarify this, if the respondent laughs or expresses another emotion during the interview, the researcher will ask why the respondent thought it was funny or expressed him or herself in a certain way.

Furthermore, as all interviews have been conducted with Dutch respondents the interviews have consequently also been in Dutch as this makes the conversation a lot easier for the respondents as well as the researcher as it is everyone's mother language. This means that the researcher had to carefully translate the quotations into English. To ensure the quality of the translations, the text will be run by several people to make sure no meaning gets lost within the translation process. Furthermore, the original Dutch transcriptions and tape recordings will be saved. Also, when the researcher uses quotations, the original Dutch phrase will be visible for the reader in the footnotes.

Next to reflexivity, *transparency* is a very important factor which influences validity. This refers to how clearly the researcher has written-up the whole research process (Kusmanić, 2009). Naturally, the researcher has tried to be as transparent as possible by providing an in-depth methodology of the chosen research methods, which according to Kusmanić (2009) increases the validity of the research project.

4. Findings

In this chapter, the findings from the twelve semi-structured interviews that have been conducted will be explained. The transcripts of the interviews have systematically been analyzed through an open and axial coding system. These codes have formed the foundation of this chapter, in which the researcher explains the findings and creates a logical story which explains the results as interpreted by the researcher. This chapter is divided into three main topics: social media usage, the perceived influence of product placement, and finally, the elements of product placement which are recognized by consumers will be discussed.

4.1 Social Media Usage on Different Platforms

As this research focuses on the way product placement affects Dutch Instagram users it is interesting to look at the social media usage of the respondents. That is, because the motivation for a respondent to use a specific type of social media gives the researcher an indication of the properties of the medium the respondents consider notable and important.

During the interviews, all participants clearly expressed why they used particular types of social media. For all the social media platforms that the respondents used they had specific reasons why an explicit medium was best suited for a particular type of communication, although there was some overlap in between the platforms. These findings confirm earlier research done by Lisiecka et al. In their research paper (2016) "Medium Moderates the Message: How Users Adjust Their Communication Trajectories to Different Media in Collaborative Task Solving", Lisiecka et al. argue how the pros and cons of a specific type of social media is efficiently used to reach certain communication goals.

In this chapter, the most common types of social media that were used by the respondents will be discussed. All respondents were active daily on the social media platforms Facebook, Snapchat & Instagram. Most of them also had personal accounts on LinkedIn, Twitter and Pinterest, but were not active on those platforms on a daily or weekly basis. All respondents expressed how the different types of social media they use, serve a different purpose in their daily life and also how the way they use a particular medium has changed over the years. The different types of social media that the respondents use will be discussed, as this will help identify the moments consumers are in contact with brand-related content (COBRAs).

4.1.1 Facebook

All respondents identified Facebook as one of the most important social media platforms they used. When respondents were asked about when they checked their Facebook, most of them said it was part of their daily routine. Most respondents checked their timeline on both Instagram and

Facebook at least twice a day, usually at moments that the respondents did not have anything to do or was waiting for someone or something.

The primary reason why respondents started using Facebook was because the Dutch social media platform Hyves was becoming less popular and eventually shut down. At the same time, Facebook was becoming more popular in the Netherlands. One of the respondents expressed herself as follows:

> Female 4: When we were at high school, I think I was fifteen or sixteen years old, something like that. And people around me started using Facebook, so I went along with that. First everyone was using Hyves, but that was kind of over at some moment. So, I think it was because friends started using it. It was fun! [1]

In the above citation peer pressure plays an important role as most respondents were at an adolescent age when they first started using Facebook. The respondent followed her peers and didn't want to be the only one who still used and was active on the old social media platform. Most respondents identified this as a key reason to start using a specific social media platform. One respondent took this idea to the extreme and stated that she would feel left out if she did not join Facebook[2].

Most respondents expressed how they have noticed that Facebook has changed over the years. They noticed how not just the platform itself but also the way the respondents themselves use the platform has changed. First, the platform was primarily used to keep in touch with friends and other relatives. At this stage, respondents posted pictures and messages on each other's 'wall'. However, this is something they barely do anymore.

> Male 1: "In the past I used it to send messages to other people, but right now I only use it to watch funny videos and stuff". [3]

This interaction shows how most respondents used to be active participants on the platform, but have now turned into passive recipients. This shows how the 'social side' of the medium is decreasing in popularity.

Although most respondents do not actively engage on Facebook anymore, they still use the platform and are active on it on a daily basis. The main reasons the respondents identified as to why they are still using the platform are: school/university projects, events, news and entertainment.

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[1] Female 4: ja, op de middelbare school, ik denk dat ik vijftien was ofzo, zestien…zoiets. En eigenlijk omdat mensen om je heen steeds meer Facebook begonnen te krijgen, dus dan ga je daar in mee. En eerst zat iedereen op Hyves maar dat was een beetje klaar op een gegeven moment, dus ja ik denk omdat vrienden erop gingen zitten en omdat het nieuw was, ja leuk!

[2] Female 1: Nou ik ben er ooit mee begonnen omdat dat toen een soort van het nieuwe Hyves was, en ja, toen was het, als je dat niet hebt dan hoor je er niet bij.

[3] Male 1: Uhm, ja vroeger gebruikte ik het echt om berichten te sturen naar andere mensen enzo, maar de laatste tijd gebruik ik het eigenlijk alleen nog maar om grappige filmpjes enzo te bekijken.

Male 4: Actually, it is more to watch funny videos and stuff. I barely look at what other people post. I read news messages, a lot of news messages about new music and things in the world. So yes, mostly videos and news.[4]

The people and pages they follow are mostly related to the interests of the respondents, such as cooking or sports. Some of them follow celebrities on Facebook, but they don't identify this as the main reason why they use the platform. Furthermore, when consumers were asked about the pages they followed none of the respondents answered that they followed brands. Brand-related activities are therefore not an intrinsic reason for the respondent to use the platform.

The main reasons why respondents think the way they use Facebook has changed varies between three key explanations. The first one relates to the fact that the platform has become very popular which means that basically everyone you know is on the platform. This means that when the respondents post a message or picture, a lot of people in their network will see the post. This includes people the respondent is not very close to. Furthermore, because of the popularity of the platform, parents and (older) family members also started using the platform, which, according to 'Male 3' makes the platform less cool. The second reason why Facebook has changed is because other social media platforms such as Instagram and Snapchat have entered the social media market. When Facebook first came out, they did not have the competition of those other platforms. The third reason respondents identified as to why and how Facebook has changed relates to businesses. Facebook is no longer just a platform for friends and family but has become a very commercial platform on which advertisements play a prominent role.

4.1.2 Snapchat

Another popular social media platform is Snapchat. On this platform, everyone with an account is able to send videos and photos in real time. When the post is sent, the recipient can look at the picture for a few seconds, after which it will automatically be deleted. Furthermore, the app provides users with the option to make a "story" which is a collection of snaps which your friends can watch repeatedly for 24 hours. When the 24 hours are over, pictures are again deleted. Snapchat provides its users also with the option to send messages to people who are friends with each other on the platform (Snapchat, 2016).

Most interviewed respondents have used Snapchat for approximately 2 to 3 years. All respondents unanimously agreed that the platform distinguishes itself from other social media platforms because of its personal touch and the fact that the platform has a lot of fun filters which can be applied onto photos.

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[4] Male 4: Meer eigenlijk om een beetje grappige filmpjes enz. te bekijken. Wat mensen posten dat lees ik nooit, maar meer nieuwsberichten, veel nieuwsberichten over nieuwe muziek en dingen in de wereld. Dusja, eigenlijk de filmpjes en het nieuws.

Female 4: What I like about Snapchat is that you are able to show what you are doing to people who you actually know. So, people who have your phone number. For me that are mostly people of whom I find it okay to show all of that to them. Whereas on Facebook you have 800 people of whom you some barely know…so I don't really post on there. And also, on Snapchat it disappears. That's also something I like. It is not for always on the internet. [5]

The above citation shows how the respondent appreciates the fact that it is a more personal platform. Furthermore, respondents like the fact that the picture is gone after just a few seconds. In an age in which (online) privacy and security becomes more import by the day, it makes sense that the respondents enjoy and appreciate this property of Snapchat.

The fact that respondents consider Snapchat to be a more personal platform also explains why most of them do not follow celebrities or influencers on the platform. When a respondent was asked about the reason he doesn't follow influencers or celebrities on Snapchat, he answered:

Male 2: Yes, don't know, I think that I don't find it interesting to watch famous people on there. Snapchat is more meant for friends. I actually never really considered following famous people. I might give it a try some time but until now I never really had the urge. On Instagram I do by the way. [6]

This quotation shows how the respondent did not even consider to follow celebrities on Snapchat, because "it is meant for friends". Furthermore, the respondent points out that it's something he already uses Instagram for. Lastly, brand-related activities were again not mentioned by the respondents.

4.1.3 Instagram

The last social media platform that will be discussed and is central for the analysis is Instagram. As the primary focus of this research lays on this platform, respondents were selected based on the fact that they use the platform. If the respondent did not use the platform, he or she wasn't able to participate in this research.

Most respondents made an Instagram account around the same time they became active Facebook users. Important reasons to start using the platform were the photo editing options the platform provides its users with. When respondent 'Female 3' was asked why she started using the platform she responded:

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[5] Female 4: wat ik leuk vind aan snapchat is dat je af en toe kan laten weten wat je doet aan de mensen die je ook echt kent. Dus mensen die je telefoonnummer hebben, dat zijn vaak wel mensen aan wie ik het oké vind om dat allemaal te laten weten. Terwijl Facebook zit je met 800 mensen die je nauwelijks kent…daar zet ik niet zo snel wat op. En op Snapchat verdwijnt het ook weer. Dat vind ik ook wel fijn. Het staat niet voor altijd op internet.

[6] Male 2: Ja weet niet, ik denk dat ik voor snapchat niet interessant vind om die van bekende mensen te zien. Snapchat vind ik meer leuk voor vrienden. Ik heb er eigenlijk ook nog nooit over nagedacht om daar bekende mensen te gaan volgen. Misschien ga ik het eigenlijk wel een keer proberen al heb ik er tot nu toe geen behoefte aan gehad. Wel op Instagram trouwens.

Female 3: Primarily to edit pictures and then post it on Facebook because Facebook was more popular at that time. [7]

Female 4 had a similar response:

Female 4: I made an account when I was in high school but no one really used it back than so I didn't really use it. I used it only sometimes to edit pictures. So actually, I did not use Instagram for quite a couple of years. Approximately two years ago, I installed the app again, and yes, now I do use it. [8]

DeMers (2015) stated that photo editing options are a distinguishing factor of Instagram, and this property is therefore an important reason for consumers to start using the platform. This interaction confirms the findings of DeMers as this was also an important reason for the respondents that were interviewed for this research.

As Instagram is a highly visual platform, respondents tend to use the platform to highlight and show their friends the fun times they have.

Male 1: […] In my summer holiday of 2015-2016 I started using it again. After that I have used it to post pictures of my ski trip and a year later I became more active again because I went travelling for half a year. [9]

Instagram is used to highlight the fun times a respondent is experiencing. Female 6 expressed herself similar:

Female 6: I started using it when I went to New York. I had really cool pictures of skylines and stuff and I didn't really want to put everything on my Facebook page. So I started using Instagram again. I kind of forgot about it…, I used it before to edit pictures but I was never really active. Since my trip to New York I have been using it daily. [10]

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[7] Female 3: ja, vooral te bewerken en ze vervolgens op Facebook te posten omdat Facebook destijds populairder was.

[8] Female 4: ik heb het ooit op de middelbare school aangemaakt maar toen had eigenlijk bijna niemand het nog dus toen had ik er eigenlijk niet zoveel aan. Toen gebruikte ik het om af en toe fotos te bewerken. Dus toen heb ik er eigenlijk jaren niet op gezeten en toen twee jaar geleden heb ik het weer geïnstalleerd, en ja, daar zit ik nu wel op.

[9] Male 1: […] vanaf 2015-2016 in de zomervakantie. Toen heb ik foto's van skivakantie erop gezet en een jaar geleden werd het wel weer iets wat actiever ook omdat tijdens mijn reis van een half jaar heb ik het heel veel gebruikt.

[10] Female 6: Ik ben ermee begonnen toen ik naar New York ging. Ik had hele coole fotos van de skyline enzo, maar ik wilde niet alles op Facebook zetten. Dus toen ben ik weer met Instagram begonnen. Ik was het eigenlijk een beetje vergeten, vroeger gebruikte ik het wel om foto's te bewerken maar ik was nooit heel actief. Sins mijn trip naar New York gebruik ik het wel dagelijks.

A holiday or city trip was a motivation to start using the platform again as it is a way to share the fun times respondents are experiencing.

For all the respondents Instagram is the primary platform where they actively follow celebrities or other influential people with a lot of followers. It is remarkable to see that respondents consider Instagram to be more personal than Facebook, yet it is the only medium where they follow celebrities, who are actually total strangers in the "real" life of the respondent.

Furthermore, on Instagram respondents follow brands, restaurants and other businesses that match their interest. This shows that COBRAs play an important role within the medium.

The reason why respondents follow friends speaks for itself; they want to stay up to date and see what their friends are doing. The reason why respondents follow influential people is little more complex. First of all, respondents follow Instagram accounts to gain inspiration:

> Female 1: I think it is interesting to watch what is important, or what famous people are doing, fashion tips, inspiration for food, and just to gain inspiration in general. [11]

Another important reason why respondents follow celebrities on Instagram is because this way they get a close look in the life of a celebrity. Of course, it is also possible to follow those people on other platforms such as Facebook. So why do respondents identify Instagram as the medium of choice to follow celebrities or other influential people? One of the respondent said that it felt more personal as you see a picture of the celebrity, which, according to the respondent, means that the celebrity had to be involved with the creation of the post. Although the researcher does not consider this as a very strong argument, it does give an indication of the way the respondent experiences and uses Instagram.

All respondents were active on Instagram on a daily basis, however, most respondents did not share pictures daily. A common response was that they only posted pictures if they actually had something worth sharing, like for example a holiday picture. Although they do not post on a daily basis, they are active on the platform every day to see what others are doing:

> Female 4: there are a lot more posts [on Instagram] than on Facebook. On Facebook you don't really see what people around you are doing. On Instagram you do see that. And also, I really enjoy watching beautiful pictures of famous people and brands and stuff. It is amusement. But I barely post something myself. [12]

The respondent monitors what happens in her online network without actively participating herself.

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[11] Female 1: Ik vind het heel interessant om te kijken wat belangrijk, of beroemde mensen doen, wat voor kledingtips, een beetje inspiratie om te eten en gewoon inspiratie eruit op te halen.

[12] Female 4: daar wordt veel meer op gepost dan op facebook. Op Facebook zie je niet heel veel wat de mensen om je heen aan het doen zijn. Op Instagram zie je dat wel. En verder vind ik het ook leuk om mooie foto's te zien van bekende mensen, en van merken ofzo, gewoon voor vermaak eigenlijk. En zelf post ik er eigenlijk wel weinig op.

As all the respondents followed a mix of friends, celebrities and businesses on Instagram without actively posting pictures themselves, the belong to the "consuming brand-related content" category. This category, as identified by Muntinga (2011), consists of people with the lowest level of brand-related activeness. Their study indicates that "it is driven by three motivational dimensions: information, entertainment and remuneration". These findings match the reasons the respondents identified as to why they have an Instagram account.

Another important point that was clearly expressed in the interviews is that respondents tend to browse through their feed with a very fast pace. When respondent 'male 3' was shown a picture, he stated that it was a picture he would usually scroll through without actually pausing and looking at the picture. When the researcher asked why he did that his response was:

> Male 3: Good question. It does not really attract attention. I like colorful pictures. I have noticed that I scroll through my wall with a very high speed. So, if the picture does not contain very bright colors it doesn't really catch my attention. [13]

Male 3 was not the only respondent who scrolled through the feed relatively fast.

> Male 1: I primarily look at the pictures, and yes, it depends, usually you just scroll through your timeline and look at pictures. And when a picture is really nice you can look at what it says underneath the picture. [14]

Female 6 also mentioned how she only reads the caption when the picture is nice or interesting enough:

> Female 6: I always scroll through my timeline very fast. And only if I find a picture very interesting, then I really check what it says. But sometimes there is a lot of text, and then you have to click to be able to read everything. And I never do that. [15]

Female 1 confirmed this as well.

> Female 1: Yes, I Look primarily at the pictures. Of course, if a picture really jumps out than you check, what did the person write underneath it. And I really think that with those influencers, you don't really look at the tags but more at the picture itself. [16]

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[13] Male 3: ja goede vraag. Het valt niet echt op. Ik hou wel van kleurrijke foto's. Ik heb wel gemerkt dat ik mega snel door mijn hele wall heen scrol. Dus als je dan niet echt felle kleuren of iets hebt dan valt het niet heel erg op.

[14] Male 1: Ik kijk wel vooral naar de foto's, en als ik dan ja, hangt ervan af, meestal scan je snel door je tijdlijn heen en dan kijk je naar de foto's, en als een foto wat leuker is dan kijk je ook naar wat eronder staat.

[15] Famale 6: ik scrol altijd heel snel door mijn tijdlijn. En alleen als ik een foto echt super interessant vind ofzo, dan kijk ik wat er staat. Maar soms staan er heel veel en dan moet je nog doorklikken om de hele tekst te kunnen lezen. En dat doe ik eigenlijk nooit.

Respondents scroll through their Instagram feed when they are bored and have nothing else to do for a moment. They scroll through their timeline with a very fast pace and don't read the caption unless it is a very interesting or nice picture. Even when this is the case, respondents don't tend to click on the "see more" button, to be able to read the entire caption when this is a long one.

4.2 Perceived influence of product placement on Instagram

In this sub chapter, the perceived influence of product placement on Instagram will be discussed. All respondents where familiar with the fact that influential people are (sometimes) compensated for pictures they post on social media platforms such as Instagram. During the interviews, respondents were asked about the way sponsored content on Instagram influences them in terms of purchase intention and their opinion of the products that were featured in posts. As not all respondents are familiar with the term product placement, we did not use those exact words and stayed with the vocabulary of the respondent. Most respondents mentioned themselves how celebrities make money with Instagram posts. If the respondent did not initiate this subject by him- or herself, the researcher introduced the subject, after which all respondents said they were familiar with the fact that some people are compensated for their social media posts. In this chapter, the perceived influence of product placement on the respondents themselves will be discussed, after which the focus will shift to the way respondents think product placement on Instagram effects other people. This distinction between these two chapters has been made as there was a large gap between the way the respondent perceived themselves to be influenced and the way they perceived others to be influenced by product placement on Instagram.

4.2.1   Influence on respondent

All respondents in this research were of the opinion that the effect of product placement on Instagram is enormous. Although the respondents unanimously agreed on this point, they had different opinions about the way product placement on Instagram influenced themselves. They can be divided into two main categories when the effect of product placement on the respondent is discussed.

First of all, there is the group of respondents who state that product placement on Instagram doesn't really affect them unless there is a specific reason at that moment why it should. This was the most common response of the respondents. One of the key reasons that can be identified is the urgency and necessity of the product. This means that when a respondent sees a product featured in a picture which he or she needs at that specific moment, the respondent thinks that he or she is more triggered to do something with the information that is provided in the picture.

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[16] Female 1: Ja ik kijk echt vooral naar de foto's. Natuurlijk als een foto echt eruit springt dan kijk je wel even van, wat heeft iemand erbij gezet en ik denk wel echt dat je bij die influencer minder kijkt naar de tags maar dat je meer kijkt naar de foto zelf.

Female 2: For example, with workout clothes, if I would need workout clothes and I see a post with Reebok, I might think, okay let's check it out. [17]

This shows that when a respondent is in need of a specific product, he or she thinks that he or she is more likely to be triggered to visit a specific website, or look for the product offline.

Male 2: When I need to buy for example new shoes, and I see a post by Valerio in which he wears cool shoes, then I might think, oh that's something I could wear. [18]

Next to the urgency of the product, the price also plays an important role.

Female 6: I think those posts don't really influence me because I cannot afford it anyways. Most of these influencers only wear clothes that are really expensive. My budget is limited to Zara and H&M and stores like that. I cannot buy Gucci or Prada shoes. [19]

Female 6 was not the only respondent who mentioned how most clothes that are featured in posts of influencers are a little too expensive and not within the budget of the interviewed millennials. This was a very common response.

Another important reason why respondents think they are not influenced as much by sponsored content on Instagram relates to their individuality and autonomy. The interviewed respondents all stressed that they like a product, because they like the product, and not because an influencer likes it.

Female 4: Well if it's a fun photo, with someone wearing a nice pair of sunglasses, then I might think, nice I want to have it. So, then it does influence me because I saw the picture [on Instagram]. But if I don't like the sunglasses I'm not going to buy it because the influencer wears it. [20]

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[17] Female 2: maar met sportkleding bijvoorbeeld, als ik sportkleding nodig zou hebben, en ik zie die van Reebok, dan kan ik best wel denken, oké even kijken.
[18] Male 2: Maar als ik bijvoorbeeld schoenen zou moeten kopen, en ik zie bijvoorbeeld Valerio met hele gave schoenen dan zou ik misschien wel denken, oh die zijn misschien wat voor mij.
[19] Female 6: ik denk dat die posts mij niet zo beïnvloeden omdat ik het toch niet kan betalen. De meeste influencers dragen van die kleren die heel duur zijn. Mijn budget is meer Zara en H&M en dat soort winkels. Ik kan geen Gucci of Prada schoenen betalen.
[20] Female 4: ja als het een leuke foto is, een mooie zonnebril ofzo op. Dan denk ik, hartstikke leuk die wil ik ook. Dan ben ik wel beïnvloed denk ik, door die foto die ik gezien heb. Maar als ik het zelf niet mooi vind dan zou ik het niet zelf gaan kopen omdat die influencer het draagt zeg maar.

Female 2: […] I just think, they can wear something I like. And not necessarily because they [the influencer] likes it. So it does not really matter if they think [the product] is fantastic, or if she just acts as if she thinks it is fantastic […]. [21]

The above quotation shows the importance of the respondents' own opinion which will according to the respondents, not change because of an influencer. The respondent likes the product because she likes it, not because the influencer likes it. This contributes to the idea that they are not as much influenced unless there is a specific reason why the product placement should influence them at that moment in time.

The second category of respondents that will be discussed are the respondents who say that they are definitely influenced by the products an influencer features in a picture. This group was rather small as only three respondents belonged to this category. This group mostly consisted of respondents who already mentioned how they use Instagram to look at influencers and celebrities to see what they are doing and wearing. As looking what others are wearing is a key reason the respondents are on Instagram, it makes sense that those respondents recognize that they are influenced by the products they see as they are actively looking for it. In the words of 'Male 4':

Male 4: I think that with a lot of things you first see them on social media. And then you buy it later. I have that quite often, especially with shoes. I never walk into a store to see what is nice, or to check if there is something for me there. I always first see it on Facebook or Instagram. [22]

According to the study by Muntinga (2011), respondents in this group would belong to the second category which consists of people who contribute to brand-related content. Respondent 'Female 5' explained that if she sees an influencer wearing a nice skirt or shoes and she does not know the name of the brand, she would not hesitate to ask. In contrast to this category there was only one respondent who stated that he is not at all influenced by product placement on Instagram. As it was only one in twelve respondents, the researcher does not consider this a separate category.

Male 1: My clothes are more influenced by people around me than celebrities on Instagram. The clothes they [influencers] wear are just too different from what I wear. Like more extravagant. For example, this picture with David Beckham, he has a rope around his neck,

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[21] Female 2: […] dan is het meer zoiets van, als zij iets hebben wat voorbijkomt dat vind ik ook leuk. En niet per se omdat zij het leuk vindt. Dus dan maakt het voor mij niet zoveel uit of ze het echt fantastisch vindt of dat ze doet aslof ze het fantastisch vindt […].

[22] Male 4: ik denk dat ik best wel veel dingen, dat je dat tegenkomt op social media. Wat je dan later wil kopen. Ik heb dat best wel snel, schoenen heel veel. Ik loop nooit echt een winkel in om te kijken van, wat is leuk, of zit er iets voor mij bij? Altijd kom ik het tegen op Facebook of Instagram eigenlijk.

and I don't know what it is, or a Louis Vuitton sweater. I would never wear that sweater so it doesn't influence me. [23]

Next to the reason that is explained in the above quotation, this respondent also noted that fashion doesn't really interest him. Although the researcher didn't say that it had to be a fashion product, it's interesting to see that this is the product category that the respondent automatically links to influencers, as most above quotations include a respondent mentioning a fashion item such as sunglasses, shoes or workout gear.

4.2.2 Influence on others

The previous chapter explained how the majority of the respondents think that product placement on Instagram does not have an enormous impact on the respondents themselves. When the researcher asked respondents why they think they think this is the case, a common answer was:

Female 5: Because you just know it. You know they get products for free and are sponsored. That's the same with Doutzen Kroes (famous Dutch model). She constantly puts pictures online of Hunkemöller (lingery), which she designed herself. [24]

This confidence in the respondents' own knowledge was also expressed by Male 4. When the researcher asked him why he thought some posts were sponsored he replied:

Male 4: That's purely because I just know quite a bit about sponsor deals and stuff. [25]

Female 1 and 4 expressed herself similar by explaining that the moment has come that you just know that this is the way it works nowadays. She expressed herself by talking about the phenomenon in a way that it comes across as a sort of common knowledge to the respondent. Female 2 expressed herself likewise by explaining that social media is the actual job of an influencer. These expressions show how respondents think they have broad knowledge on the subject and perceive themselves to be well-informed on the subject.

Although all respondents were familiar with the term influencers and the fact that they get paid for their social media posts, the respondents did not blatantly assume that this knowledge was common knowledge to all consumers. Especially children, teenagers and lower educated people were according to the respondents less knowledgeable on the matter.

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[23] Male 1: Ik word meer beïnvloed door mijn directe omgeving op kleding gedrag dan door celebrities op Instagram ofzo. Die kleden zich toch best wel anders dan ik doe, wat extravaganter ofzo. Die foto met David Beckham met een of ander touw om zijn nek, ik weet niet wat dat is, of een Louis Vuitton trui zou ik zelf ook echt nooit aan dus daar word ik niet echt door beïnvloed.

[24] Female 5: omdat je dat gewoon weet. Je weet dat ze dat gratis krijgen. Ik weet dat gewoon. Ze worden gewoon gesponsord, dat is ook met Doutzen Kroes. Ze zet alleen maar Hunkemöller die ze zelf heeft ontworpen, foto's online.

[25] Male 4: Ja. Maar dat is puur omdat ik er echt wel wat van af weet met sponsordeals enzo.

Female 1: Well I think that younger generations are very easy to influence, and they think it is normal to have a […] life like that and to just have all of that. A lifestyle is being created of which I think it is not a normal one. [26]

Respondent Female 1 explains that she is afraid that younger generations are shown a lifestyle which is not realistic. Male 3 expressed himself similar:

Male 3: I think that especially young children watch often videos of Enzo Knol (famous Dutch vlogger). If he posts stuff, or wears something, I think children will go crazy. I think young children are easier to influence than older people. And I definitely think that higher educated people see through those ads faster than lower educated people. [27]

Female 4 expresses herself similar but focused on young girls right away.

Female 4: Well, all those famous people call themselves influencers I think. So maybe young girls will realize this. Although I think they are a lot easier to persuade and influence. [28]

The above quotations express a sense of "moral panic", which means that people in society have a feeling of fear against a form of evil which can be seen as a danger to the general wellbeing of a society. It is often explained as "the process of arousing social concern over an issue – usually the work of moral entrepreneurs and the mass media" (Scott, 2014, p.217). The social concern over an issue has also contributed to this specific research into the topic of product placement on Instagram as explained in the introduction. Therefore, it makes sense that the moral panic has now reached the broader masses and a similar opinion is expressed by the respondents in the interviews of this qualitative research. As explained in the theoretical framework, moral and media panic is not something new, but rather a feeling that arises in modern society when inventions are made. The fact that the respondents in this research primarily focused their concerns on the younger generation also matches Drotners' findings about media panics as she explained that it is often a discussion between adults about the children and younger generations (Drotner, 1999).

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[26] Female 1: Nou ik denk vooral voor een jongere generatie die super beïnvloedbaar zijn, die denken dat dit normaal is, die denken dat het normaal is dat je, en dat gaat het me nog niet eens over die Starbucks beker maar die denken dat het normaal is dat je er zo uitziet en dat je zoon levensstijl hebt, en dat je dat allemaal maar doet. Er wordt een levensstijl gecreëerd waarvan ik denk dat het niet helemaal normaal is.
[27] Male 3: ik denk wel dat jonge kinderen voornamelijk, die kijken toch vaak naar zoon Enzo Knol. Als hij dingen post of dingen aanlevert, volgens mij gaan kleine kinderen dan helemaal springen of weet ik veel wat. Volgens mij zijn jonge kinderen wel wat meer beïnvloedbaarder dan wat oudere mensen. En sowieso denk ik dat hoogopgeleide kunnen iets makkelijker door die ads heen prikken dan laagopgeleide.
[28] Male 3: ik denk wel dat jonge kinderen voornamelijk, die kijken toch vaak naar zoon Enzo Knol. Als hij dingen post of dingen aanlevert, volgens mij gaan kleine kinderen dan helemaal springen of weet ik veel wat. Volgens mij zijn jonge kinderen wel wat meer beïnvloedbaarder dan wat oudere mensen. En sowieso denk ik dat hoogopgeleide kunnen iets makkelijker door die ads heen prikken dan laagopgeleide.

4.3 Recognizing elements of product placement

To test the actual knowledge of respondents regarding sponsored content on Instagram, the researcher showed the respondents three different Instagram posts, posted by social media influencers. In all three pictures, a form of product placement was noticeable. On some pictures, the product placement was depicted more visible than on others. The aim of this small-scale experiment was to find out if the respondents recognized elements of product placement and to find out what their opinion was on the different posts. In the next sub-chapters, the findings from this experiment will be discussed.

For an elaborate description of the pictures that where shown to the respondents, please revisit the methodology chapter.

4.3.1   The overconfident respondent

In the previous chapter the researcher briefly mentioned that respondents consider themselves well informed regarding the subjects of sponsored content on Instagram and social media influencers. The focus in that chapter laid on the way respondents considered themselves knowledgeable and thus less influences by sponsored content by social media influencers, where on the other hand there was a form of moral panic towards the influence of sponsored content on other groups in society such as children, young adults and lower educated people.

The small-scale experiment led to very different results as the majority of the respondents did not recognize elements of product placement in the first picture that was shown to them. The first picture that was shown to female respondents consisted of a picture of Gigi Hadid, posing and holding a Starbucks cup. The picture that was shown to male respondents consisted of David Beckham and his son. David Beckham was wearing Ray Ban sunglasses and his son was wearing a Louis Vuitton sweater. In both pictures the brand names were very visible, but not tagged in the post and not mentioned in the caption. Furthermore, the post did not include a #spon or similar phrase. In this picture, the product placement was very subtle and integrated into the picture, and therefore not as notable as the product placement in the second and third picture.

To find out what the respondents thought of the picture and to see if the respondents noted the product placement, the researcher asked questions such as: what do you see? Why do you think this person posted this picture? And some more general questions such as: would you enjoy looking at this post?

One of the most interesting findings of this research came from this experiment as most of the respondents assumed that the picture was posted to "share their life" and to "show what they are doing that day". The respondents noted that Gigi Hadid drinks coffee on the picture, but except from two respondents, none of them said that it might be a post with a commercial purpose. These results were

similar to the male respondents who were shown a picture of David Beckham, as only one person noted the product placement on this picture and mentioned how it might be a commercial. The fact that most respondents do not even consider that the post had a commercial purpose, shows that respondents do not have the knowledge they thought they had and leads to the notion of overconfidence which will be further discussed in the conclusion of this research.

It is important to note that the researcher cannot be sure if the post had a commercial purpose as there is no way of knowing if Gigi Hadid or David Beckham was compensated for the picture they posted on their Instagram accounts. However, the fact remains that most respondents did not consider this a possibility in the first place. This shows how product placement on Instagram probably has a larger influence on consumers than consumers think it has.

This means that the moral panic of the respondents, as explained in chapter 4.2.2 may not be completely justified as the respondents did not have the knowledge and capabilities that are needed to make a judgement about the knowledge of others. However, at the same time, the lack of knowledge of the respondents is an indication that product placement has a larger influence on respondents than the respondents think it has. This means that undisclosed sponsored content may actually influence respondents quite extensively.

4.3.2   The Obvious Commercial Purpose

The second finding that has emerged from the experiment relates to the definitions of the terms product placement and branded content. When respondents were confronted with the first post, almost none of them thought that the post had a commercial purpose. This is in contrast to the second and third post as almost everyone immediately said that they were looking at an advertisement.

On the second picture that was shown to the respondents only the brand name was tagged and there was no #ad (or similar phrase) mentioned in the caption. Most respondents still considered in a commercial and were of the opinion that the influencer is probably compensated for the post even though this was not clearly expressed with #ad.

> Female 4: And also, she tagged the brand in the caption. In that case, there is an obvious connection to the brand, therefore she must promote it. You can trust on it that she is trying to promote something, in this case Jimmy Choo. [29]

When Female 5 was asked about what she thought of the second picture she expressed herself similarly:

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[29] Female 4: en ook omdat ze het merk erbij tagt… in die beschrijving… ja dan is het ook een duidelijke link naar het merk. Dat ze het promoot, dus vandaar. Ja daar kan je vanuit gaan dat ze hier iets mee wil promoten, dus Jimmy Choo

Female 5: It is not very special, I might have 'liked' the picture if I would have liked the shoes. It is very much product placement in your face though. [30]

This respondent is a primary school teacher without a marketing background. Still, she used the actual term 'product placement' to describe what she saw. This quote therefore not only shows how the respondent noticed the advertisement right away, but it also relates back to the previous chapter where the overconfident and (perceived to be) well informed respondent was discussed.

When male respondents were confronted with the second picture they responded as follows:

Male 4: This is a picture I would look at for a longer period of time. I find it interesting to look at how they did this with the lighting in those letters. Yes, it will probably be a commercial post for Nike. Kiss my airs,… yes that's probably for Nike. [31]

And

Male 6: I see a post by Valerio, he is from BNN I think. Cool post, looks nice, probably received some money from Nike, but still, it looks good! [32]

Again, the commercial purpose of the post was expressed by the respondents. A similar thing happened when respondents were confronted with the third picture. The third picture contained not only a tag with a brand name but also #ad in the caption of the post. When the respondents were confronted with the picture they responded:

Male 2: I see a man working out, and yes, I think this is a nice picture. It looks very fanatical, he is doing something and I like the way he looks and that we get to see this. It is obvious that this is a commercial for Reebok. [33]

And

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[30] Female 5: niet heel bijzonder, misschien dat ik het nog wel zou liken als k het leuke schoenen ofzo zou vinden. Het is gewoon echt een beetje product placement in your face.

[31] Male 4: ja hier zou ik dan wel langer naar kijken. Ik vind het wel interessant en dan zou ik toch kijken hoe ze dat met dat licht in die letters hebben gedaan omdat me dat wel gewoon interesseert. Ja het zal wel een reclame post zijn voor nike. Kiss my airs, is ja zal van nike zijn.

[32] Male 6: ik zie een post van Velerio, hij is van BNN dacht ik. Coole post, ziet er goed uit, waarschijnlijk wel wat flappen van Nike voor gekregen, maar ziet er wel leuk uit!

[33] Male 2: Ik zie man die is aan het sporten, en ja dit vind ik dus wel een leuke foto. Het ziet er wel fanatiek uit zeg maar, hij is wat aan het doen, en ik vind het wel grappig dat je dit ziet en hoe hij er bij kijk is ook wel grappig. Je ziet wel, ja tis wel echt weer zoon reclame voor reebok.

Female 5: […] And when I see this, I think, yes I should probably do something about it (start working out). So, I think this is very positive. And of course, it is also a commercial for the clothes she is wearing. [34]

What is very remarkable about those quotes is that not every respondent noticed the #ad at the end of the post. The primary reason why respondents considered it to be a post with a commercial purpose is the fact that the brand name was tagged in the caption.

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[34] Female 5: […] En als ik dit zie denk ik ja ik moet er ook weer wat aan gaan doen. Dus ik denk dat het alleen maar positief is. En het is natuurlijk ook weer reclame voor de kledij enzo […].

5. Conclusion & Discussion

5.1 Conclusion

The purpose of this thesis was to find out *how Dutch Instagram users are affected by branded content posted by social media influencers.* In way to answer this question, twelve semi-structured interviews have been conducted with six male and six female respondents. Afterwards, the interviews were transcribed and the data was analyzed through open and axial coding, as this is a systematic way to analyze qualitative data. The findings that this research has produced have been presented in the previous chapter. Based on these findings and existing theory, a discussion and conclusion of this research will now be provided by answering the three sub questions of this research.

How do Dutch Instagram users think they are affected by product placement on Instagram?

The perceived influence of product placement was discussed in the twelve semi-structured interviews. The primary aim of the questions about sponsored content on Instagram was to find out how respondents perceived themselves to be influenced by product placement. The researcher noted that the respondents steered the conversation into a different direction, namely to the influence product placement has on others. The distinction respondents made between the influence product placement had on the respondent themselves compared to the influence of product placement on others was quite remarkable as they perceived themselves to be less influenced than others by product placement on Instagram by social media influencers.

When the perceived influence of product placement on the respondent is discussed, the respondents can be divided into two categories. The first category consisted of respondents who stated that sponsored content on Instagram doesn't really influence them unless there is a specific reason why it should. Reasons that were given related to the necessity of the product as they said to be more influenced when they were in need of a product. Furthermore, the price of a product was of great importance as some social media influencers advertise products that are not within the budget of the respondents. Also, autonomy and individuality played an important role as the respondents claimed that they like a certain product because of its features, and not because an influencer promoted and liked it. Another reason that respondents gave as to why they are not as much influenced, was because they considered themselves to be well informed and aware of the fact that product placement is something that happens on Instagram.

The other group of respondents were of the opinion that they were definitely influenced by product placement on Instagram. What was interesting about these respondents was that they already stated that they used Instagram to look at products and find out what the latest trends were. For these respondents, the goal was to find out information about the latest trends and new products, they chose the communication trajectory (the medium) that they found most suited for their specific objectives.

This turned out to be Instagram. This confirms research by Lisiecka et al. (2016) as they argue how specific types of social media are used to reach certain communication goals.

The perceived influence of product placement on others was much larger according to the respondents. They primarily expressed their concern towards younger children, teenagers and lower educated people as these consumer groups were much easier to influence according to the respondents. This relates to the notion of moral panic, and more specifically, media panic.

Media panic is the emotional reaction of (mainly) adults towards the appearance of a new medium and the implications these new inventions bring to society (Drotner, 1999). The concept builds further on the notion of moral panic, as identified by Stanley Cohen in 1972 (Scott, 2014). These concepts were of great importance to this research for two reasons. First of all, it formed the foundation of the motivation to perform this research, as the researcher identified the subject (of deceptive endorsements on social media) to be a trending topic. Secondly, the media panic towards deceptive endorsements was also expressed in the interviews that were conducted with Dutch consumers. This shows how the topic is not only relevant to marketers and other people in the industry, but also to regular citizens. According to the five phases of moral panic, product placement on Instagram is currently in the third phase as public concern has been created. The next stage includes a reaction from the authorities, which will than lead to the fifth stage, which is social change within a society (Scott, 2014). For the concern as discussed in this research, a reaction of the authorities could be that stricter rules or more enforcement of rules that are already in place will be applied. If rules and regulations are enforced, this will mean that influencers have to disclose their product placement, and therefore consumers will know when they are confronted with a commercial message. The fear of deceptive endorsements will then be neutralized.

Do Dutch consumers recognize elements of product placement on Instagram?

To answer this question, a small-scale experiment has been performed within the interviews. In the experiment, respondents were confronted with three different social media posts that included a form of product placement. On the first picture that was shown to the respondents, the product placement was integrated into the post and the brand name was not tagged. Furthermore, there was no #ad or other disclosure. On the second picture that was shown to the respondents, the brand name was tagged but again #ad was not included. In the third picture, both the brand name as well as disclosure (#sp) was mentioned in the post.

The findings of the experiment were that on the first picture 10 out of 12 respondents did not think they were confronted with a commercial message, and thus did not recognize the product placement. Only one respondent believed that it was probably a commercial, and one respondent said it was a possibility, although she wasn't sure. This is quite remarkable as the respondents were

relatively confident about their knowledge and awareness of product placement. Thinking you know more than you actually know is a common phenomenon and this behavior is described as the Dunning-Kruger Effect and is named after David Dunning and Justin Kruger who studied the way people self-assess their performances at Cornell University (Mahmood, 2016). One of the most important findings of their research was that participants who performed poorly on a test, actually rated themselves as above-average, whereas the highest performing participants thought they did worse than they actually did and thus underestimated themselves. These findings lead to the assumption that people who "were incompetent, did not recognize their incompetence because they lacked metacognition, metamemory, metacomprehension, and selfmonitoring skills" (Mahmood, 2016, p.201). Simply put, you cannot judge someone based on their capabilities if you are not capable yourself. This means that the moral panic as described before, is not justified because of the lack of knowledge the respondents have. However, this research has shown that when the moral panic is expressed by experts in the field, it is justified because most respondents did not notice they were confronted with a form of advertisement. This explains how respondents are more influenced by product placement than they think they are as they overestimate their own knowledge.

In the second and third picture the product placement was a lot easier to identify and the commercial purpose was identified almost right away. This raises the following questions; If consumers realize that they are confronted with a commercial message or advertisement, is it still accurate to use the term product placement?

To answer this question, we go back to the definition of product placement and its key characteristics and its application on social media. Prior research into the field of product placement on social media by Liu et al. (2015) described product placement on social media as something that occurs when a writer publishes engaging content on social media which contains a promotional message. The promotional message can be visible in a picture or video or any other form of content which the consumer is confronted with in the post. Furthermore, they state that product placement on social media follows the same basic structure as product placement on traditional media. Therefore, we go back to the key characteristics from product placement on traditional media which describes product placement as the intentional integration of commercial content into a setting which is noncommercial (Ginosar and Levi-Faur, 2010). The product is therefore consumed or shown in the natural flow of the medium and is non-disruptive (Panda, 2004). A famous quote for marketers, known as the paradox of product placement goes: "If you notice it its bad. But if you don't notice it, it's worthless". With this saying they are trying to explain how worthless product placement is when consumers don't see it, however, if they notice it, it is also bad. There is a thin line between noticing and not noticing, which marketers should target for successful product placement. In way to reach this, marketers try to integrate the product placement very well into the setting.

In this research, the respondents noticed right away that they were confronted with branded content in picture 2 and 3, and labeled it a commercial. According to the abovementioned statements, this makes the product placement bad, but not worthless, although it can be argued that it is not even a form of product placement anymore as the influencer did not integrate the product into the post in a non-disruptive manner.

Should the Dutch law regarding sponsored content on social media be amended?

The findings in this research indicate that a change of the law can be considered favorable. Consumers think they are well informed but in practice they over-estimate their own knowledge. The fact that respondents are not always aware of the promotional purpose of a post can be considered misleading, because the respondent assumes the influencer is using a product because he or she genuinely likes the product. According to Freberg et al (2011, p.90) a social media influencer is identified as someone who "represent a new type of independent third party endorser who shape audience attitudes through blogs, tweets and the use of social media". In this quote, Freberg et al. (2011) use the term "independent", although this can be challenged if you take into account that the influencer is compensated for the outings they do. The definition of Freberg et al. (2011) is now approximately 6 years old. It may well be the case that at the moment the definition was formed, the exploitation of social media was not that big of a deal yet. The fact that social media influencers are compensated for the posts means they cannot be considered independent anymore. This shows that not only a new definition is needed, but also a change of current laws and regulations is required to protect consumers against deceptive endorsements.

Another aspect of Instagram usage this research revealed is that the respondents scroll through their feed with an enormous speed and do not make it a habit to read the (entire) caption of a post. This was confirmed in the experiment that was performed. This raises the question if current regulations, which is a disclosure in the form of #sp (or an equivalent of it), will suffice, as there is a big chance that consumers will not read it. Another way of disclosing would therefore be a solution.

Based on this research it would be recommended for social media influencers to place a disclose in a visual way instead of in the caption to make sure that every Instagram user knows when he or she is confronted with commercial content. In the interviews the respondents explained that they primarily look at the pictures and barely read the caption of a post. Therefore, a disclosing sponsored content in a visual way would be a good solution. This can for example be a small sign on the picture in the top right hand corner.

When the law changes and influencers are forced to disclose that they are compensated for a social media post, this will lead to better informed consumers, as they will be able to distinguish if a post expresses the general opinion of an influencer or if the post has a commercial purpose. This way,

consumers will not be misled and tricked into believing that a social media influencer likes a particular product or brand when this may not be the case. Furthermore, product placement on Instagram with a disclosure will still create brand awareness and generate brand recall as a disclosure does not change anything about the fact that the brand name and products are visible in a post. According to Panda (2004) and Liu et al. (2015) brand awareness and brand recall are the most important aspects that influence and increase sales at a point of purchase.

A disclosure for sponsored content will therefore not change the fact that social media influencers can use Instagram to promote products. The only thing that changes is that consumers will be made aware that they are confronted with a post with a commercial purpose. This allows the consumer to be more skeptical towards product endorsements by social media influencers.

5.2 Reflection

This research has shown that some of the literature that was used to build a theoretical framework is outdated. First of all, the term product placement may not be completely suitable for all sponsored content on Instagram posted by social media influencers. When consumers are aware that they are confronted with a promotional message, this makes the product placement less effective in terms of advertising attitude and intention to click (Liu et al., 2015). Furthermore, the term product placement was originally used to describe how an audience is confronted with a product or brand name within the natural flow of the medium (Panda, 2004; Williams et al., 2011). When consumers notice the product placement right away and call it an advertisement, the marketer or influencer has failed to integrate the product placement well enough into the post. Furthermore, when the concept of product placement was introduced, social media did not exist yet. Still, contemporary research uses the concept to describe product endorsements by social media influencers. This raises the question if the concept is still applicable as the definition does not take into account new media applications and marketing practices.

This research has shown that Dutch consumers do not label well integrated product placement an advertisement. Still the consumers noticed the products that were placed but didn't make the connection between the product and the fact that it might have a commercial purpose. According to the definition of product placement, this describes exactly the way product placement should be experienced. Therefore, the first picture that has been shown to consumers lives up to the definition of product placement. However, as consumers noticed the sponsored content in the second and third picture right away, it would make sense to call it 'sponsored content' instead of product placement, as the characteristics of product placement do not match the way the second and third picture were experienced.

Research by Liu et al. (2015) into the effect of product placement on social media made a distinction between subtle and prominent product placements in their hypotheses. This distinction between subtle and prominent placements was based on earlier research by Ferraro and Avary (2000).

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Liu et al. (2015) used the definitions they proposed and this was described as "Prominent placement is noticeable by displaying, using, or talking about a brand or a product, while subtle placement is harder to notice by showing the information in the background" (Ferraro and Avary, 2000). However, this definition by Ferraro and Avary (2000) was based on product placement on television. Therefore, the exploratory research by Liu et al. (2015) doesn't take into account or mentions if a brand name was tagged or if the endorsement was disclosed by the social media influencer. This shows that the very little existing research in the field of product placement on social media is of limited relevance, because the current definitions of concepts and theories that are used, do not extend to the current manner in which product placement is applied on social media.

Another definition of a concept that deserves to be reconsidered is that of social media influencer. What is remarkable about this concept is that the concept is used in many (academic) articles. However, there has not been extensive research into what the concept exactly entails and how it should be defined. The definition that was used for this research was; a person who "represent a new type of independent third party endorser who shape audience attitudes through blogs, tweets, and the use of other social media" (Freberg et al., 2011, p.90). However, can a social media influencer still be called independent when he or she is compensated for their social media posts either monetary on in the form of products or services? The definition of social media influencer by Freberg et al. comes from the year 2011. It is possible that the definition does not take into account whether a person is compensated for the post because this was something that either didn't happen back then, or the researcher wasn't aware this was something that was happening on social media. Therefore, I propose to redefine the concept and adjust the definition of Freberg et al. (2011) into:

> *A social media influencer is a third-party endorser who can shape the attitude of an audience through social media and is often (but doesn't have to be) compensated for his or her social media outings.*

The words that are used in this new definition are chosen carefully to avoid re-adjustments in the (near) future. The words 'blogs, tweets and other social media' has been removed and replaced for 'social media outings'. This is done to make sure that the definition of the concept covers all outings on social media platforms, including future platforms that currently don't exist yet. Furthermore, the term 'outings' is used, because this covers all the possible ways in which an influencer can express their opinion and influence the audience. This research can then be used to implement the outcomes in society and prevent future deceptive endorsements by social media influencers.

5.3 Future Research

First of all, there is little existing literature in the field of product placement on social media, and even less research related to product placement on Instagram. Therefore, there are still a lot subjects and questions that can be answered. However, as this research focused on product placement on Instagram by social media influencers and resulted in the fact that new rules and regulations are favorable it would make sense to perform future research to discover what kind of disclosure is best suited to inform the audience about product placement on Instagram. Furthermore, it would make sense to research in what way the effect of product placement on Instagram changes when the rules or regulations are amended. The social relevance of this research would be very high as social media marketing is becoming more popular by the day. At this point the Dutch law is not able to keep up with these new marketing practices on social media. Therefore, more research in this field would be highly relevant to present Dutch society.

Furthermore, for the purpose of this research, the researcher has tried to contact the ACM and the founder of the code to find out if either one of them had an example of a person or company in the Netherlands, which has been given a penalty or other repercussion for posting undisclosed sponsored content on social media. The ACM has answered that this is not a type of question they are willing to answer. The founder of the code was also contacted but did not respond to the messages. Apparently, both parties are not willing to give further explanations into the current situation in the Netherlands. For future research, it would be relevant to find out if the situation would be different if current regulations were enforced properly. However, to properly perform this research, cooperation and collaboration with the ACM would be necessary. Also, newspaper articles mentioned how no one in the Netherlands has even been fined and the researcher also found no reason to assume that it had occurred. However, it would be beneficial to future research if these findings can be confirmed (or denied) by the ACM.

Another point that is worth future research is the effect of gender on product placement. Liu et al. (2015) mentioned in their conclusion that previous research has shown that attitudes and behavior on web advertisements is influenced by gender. Therefore, they considered it relevant to examine the effect gender has on product placement on social media. Although this was not the primary aim of this research, both male and female respondents were interviewed. Yet, this did not lead to interesting results as the way in which both male and female respondents were affected was fairly similar. In total, there were twelve respondents that participated in this research. If the goal is to find out how gender effects the way product placement is perceived it would make sense to perform a quantitative study as this would provide more generable results and give a fairer representation of the Dutch population.

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Appendix

Appendix A - Interview Guide

General:
- Please introduce yourself
    - Age, occupation, background, family, living situation etc.

Media usage:
- What types of social media do you use?
    - For all different types, ask why they use that particular medium.
    - For all different types, why did they start using the medium in the first place
    - When and how many hours or times a day do they access the different types of social media
    - Who do you follow / are you friends with + why

Instagram:
- For how long have you been using Instagram?
- Why did you start using it?
- Can you give some examples of reasons why you use the platform at this moment?
- Do you think the way you use Instagram has changed over the years?
- Has the way you experience Instagram changed?
- Do you follow celebrities or other influential people on Instagram?
- Why do you follow them?
- What kind of posts do they post and what aspects of the post do you look at? (caption, or just the picture etc)
- What makes a post like that interesting to you?

Experiment:

Show paper with printed Instagram post one by one.
- What do you think of the post?
- Do you like the post?
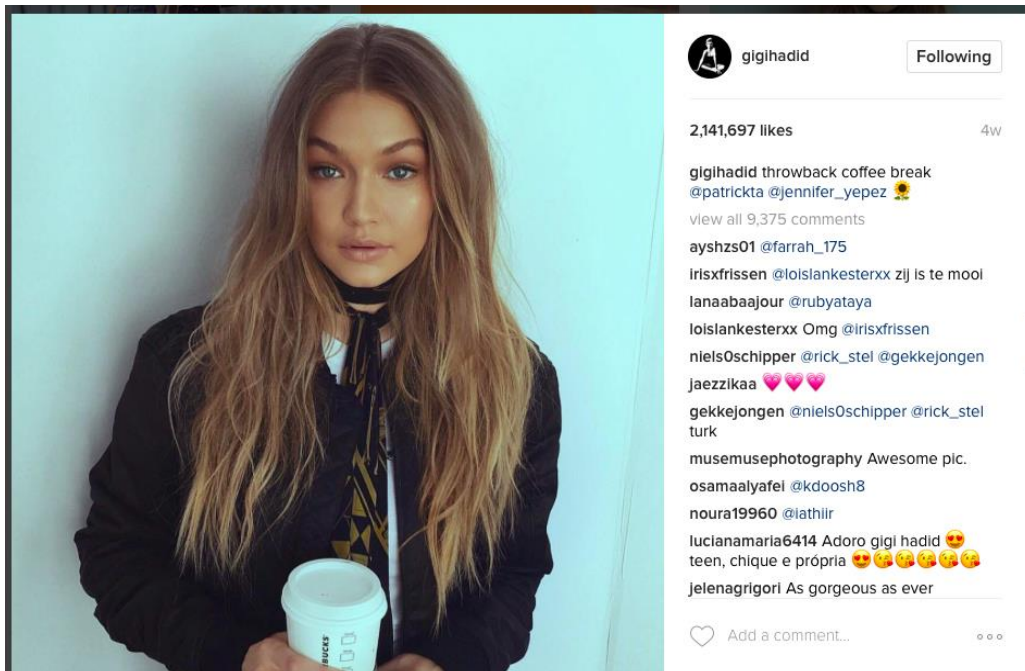- Why do you think this person posted this post?

Product Placement:
- Are you familiar with the term product placement? (if not explain)
- Do you think this is something that happens on Instagram or social media in general?
    - Why yes or no?
- Do you care if people with a lot of followers are compensated for posting certain content?
    - Why yes or no?

- Do you think there are laws in the Netherlands that cover this subject?
- Do you think there should be laws to cover this subject?

Appendix B – Pictures used in the experiment

First picture (Male – Female)

Second picture (Male – Female)

Third picture (Male – Female)