Brand attitude and purchase intention on sponsored blog posts: A quantitative research examining the moderating effects of product type and brand familiarity

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Master's Thesis
June 2018

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ABSTRACT

Native advertising, a novel form of paid advertising in which advertisement is tactically blended in with the design and context of the editorial content has burgeoned over the past few years. To safeguard consumers' interest, the Federal Trade Commission (FTC) has mandated a disclosure of a business relationship with an advertiser if a blogger is being sponsored to review and express opinion about a product. Though native advertising is deemed to be a potent advertising tactic, the disclosure of a sponsored relationship can potentially bring detrimental effects to advertisers, which may in turn negatively affect their brands. While sponsored blog posts are still actively adopted by marketers due to the powerful effect of eWOM, there is still a lack of studies directed towards this area, not to mention the moderating effects of other factors.

In order to respond to scholars' call for more in-depth investigations, this study was guided by the overarching objective of examining the effect of sponsorship disclosure on brand attitude and purchase intention, in which the Persuasion Knowledge Model was incorporated to account for the underlying psychological response explaining the relationship between disclosure and brand attitude. This research also aimed to provide more nuance insights by considering the moderating effects of product type and brand familiarity. A quantitative research with a factorial design of eight different experimental conditions was conducted to yield a sample containing 660 respondents. The results confirmed with previous findings that a disclosure would lead to a less favourable brand attitude, thus a lower purchase intention. However, the difference between disclosure and non-disclosure posts was significantly small. The activation of persuasion knowledge was manifested to fully mediate the effect of sponsorship disclosure on brand attitude. Additionally, persuasion knowledge was discovered to fully mediate the effect of educational level on brand attitude as well. Also, product type was found to have a moderating effect on persuasion knowledge. Interestingly, search good under disclosure was shown to have a stronger and positive moderation on persuasion knowledge than experience good. On the other hand, no significant moderating effect was discovered for brand familiarity. The findings prompt marketers to reflect and reconsider the effectiveness of native advertising in the blogosphere in order to fully exploit this advertising strategy. At the same time, more extensive research on this area is needed for both scholars and marketers to thoroughly understand the values of native advertising.

KEYWORDS: *Native advertising, sponsored blog posts, sponsorship disclosure, persuasion knowledge, product type*

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1. Introduction

In his blog, Scott, D. M. (2009), acclaimed marketing strategist and author of the international bestselling book *The New Rules of Marketing & PR,* expressed the following:

> *You can buy attention (advertising). You can beg for attention from the media (PR). You can bug people one at a time to get attention (sales). Or you can earn attention by creating something interesting and valuable and then publishing it online for free: a YouTube video, a blog, a research report, photos, a Twitter stream, an eBook, a Facebook page.*

Digital advertising is not new. It all started in 1994 when Hotwired (now Wired.com) invented the web banner ads and sold it to a number of advertisers. Later, the dot-com bubble burst and eliminated most of the online advertising players, which subsequently lowered the demand for digital advertising (Singel, 2010). It was until the development of a new business model, spurred by the more interactive Web 2.0, that the internet, once again, propelled the online advertising industry to regain its momentum. The development of social media and innovation of smart gadgets have encouraged people to spend more time on digital devices, revolutionizing the advertising industry and driving companies to heavily invest in digital advertising. A vast variety of advertising formats has sprung up online like mushrooms, and most of the social networking and media companies have been relying on digital advertising as their most crucial channel of revenue (Ha & McCann, 2008). As the amount of content in the digital landscape grows exponentially, consumers have also become increasingly overwhelmed, and consequently annoyed, by the traditional digital form of display advertising. Some consumers have even installed ad blockers to immune themselves to these advertising messages when browsing online (Singel, 2010). The increasingly saturated advertising scene has led marketers to scrutinize the effectiveness of traditional advertising, which has been based on gaining reach and frequency of advertisements (Go, 2015). Marketers have come to understand that people are not passive consumers of advertising messages and realize the importance of incorporating a creative approach that is entirely different from solely selling messages on traditional ads.

Thus, a new form of advertising in the online realm has caught remarkable attention from practitioners, which is coined by the term ‘native advertising’. According to Interactive Advertising Bureau (2013), native advertising is a form of paid advertising that is so consistent to the general context of the page content and structured to blend in with the design and editorial point of view of the outlets. Because of the tactical design of the advertisement, audience can hardly notice what they are reading is actually an advertisement (Manic, 2015). As Business Insider Intelligence (2015) forecasts, spending on native advertising is expected to escalate to 21 billion USD in 2018, which is nearly a quadruple growth compared to 2013. This is not surprising as major news outlets - from The New York Times and The Wall Street Journal to online media such as Buzzfeed and Vox - have been embracing native advertising, as it becomes an essential element within the marketing repertoire of many companies. These media outlets invested heavily in native advertising by even having their own in-house studios tailor-make advertising materials resembling to journalistic contents for their clients (Ferrer Conill, 2016). Also, compared to traditional online banner advertising, internet users are reported to be more positive towards native advertising and find it less annoying than non-native advertising (Tutaj & Reijmersdal, 2012).

The blending of commercial with editorial content in native advertising is in fact not new, and bears similarity to advertorial in print media, which is an advertisement in the form of an article containing textual product information paid by a brand to be published in newspapers or magazines (Wojdynski, 2016b). However, the close resemblance between native ads and non-commercial contents renders it very difficult for consumers to differentiate the two. This similarity has sparked growing concerns over the fairness of this tactic and questions about potential deceit in native advertising from consumer advocates, advertising regulators and professionals (Darke & Ritchie, 2007). When consumers lack the ability to identify a content as advertising, they might be prompted by the message to undergo commercial transactions (Boerman, Willemsen, & Van Der Aa, 2017). Therefore, to protect consumers from these potential misleading practices, the Federal Trade Commission (FTC) in the United States has implemented regulations by outlining a comprehensive guide that covers all types of endorsement contents in different media including traditional and social media. With social media's becoming a more prominent advertising tool, in particular, the FTC has strengthened regulations for these endorsement contents to mandate that a material connection between an advertiser and endorser must be conspicuously disclosed (Federal Trade Commission, 2017). For example, a disclosure is demonstrated by including a 'sponsored' note in a content sponsored by advertisers. In this way, consumers are more informed of the commercial intent of the message through these disclosures.

In 2016, nearly 70% of American adults reported to use at least one of the social media platforms, compared to only 5% of them in 2005 (Pew Research Centre, 2017). The relatively low cost and high interactive nature of social media has allowed it to transform into one of the most important types of advertising platforms (Smith, Fischer, & Yongjian, 2012). Companies are increasingly leveraging on social media to advertise their campaigns, as it permits them not only to communicate with their customers similarly in traditional media, but also to allow customers to communicate with one another simultaneously (Mangold & Faulds, 2009). The use of sponsored content by advertisers to promote their services and products are increasingly common on social media platforms, particularly in blogs (Mutum & Wang, 2010).

Blogs are the earliest form of social media equivalent of a personal webpage. They entail a number of variations from the form of diaries showcasing the blogger's life to providing information in one particular content area (Kaplan & Haenlein, 2010). In most cases, blogs are maintained by one person only, but there are also blogs that have content written by multiple contributors focusing on a singular topic (Kaplan & Haenlein, 2010). Although some bloggers write blogs about a product or service without a linkage to commercial purposes, a majority of blog posts actually entail a marketing purpose and are sponsored by companies (Bambauer-Sachse & Mangold, 2013). Hence, Mutum & Wang (2010) depict these sponsored posts as consumer-generated blog posts but sponsored by an advertiser.

Advertisers are keen on sponsoring blog posts as many blogs and bloggers have amassed a high level of readership and popularity. For instance, the user-generated contents of travel blogs draw about an annual revenue of $10 billion USD in terms of online travel bookings and more than 20 percent of travelers consider blog contents in their travel planning (Schmallegger & Carson, 2008). Fashion and lifestyle blogs are another prevalent platform for advertisers to engage in sponsorship marketing (Cheng & Fang, 2015). Advertisers engage with fashion bloggers because they are increasingly influential to readers by offering fashion tips and lifestyle-related opinions (Morandin, Bagozzi, & Bergami, 2013). Hence, as noted by Kapitan & Silvera (2016), bloggers in general are perceived as having the power to influence their reading audience. By engaging with bloggers to talk about a product or service, these sponsored posts resemble to online product reviews. These blog posts therefore have the power to influence consumer decision making through the use of electronic world-of-mouth (eWOM) (Chu & Kim, 2011). eWOM is defined as statements produced by potential and actual consumers regarding a product or service that is either positive or negative and is disseminated to a wide range of people through online channels (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). Since eWOM is considered as a more credible source of information about a particular product compared to advertising messages generated by firms, consumers often depend on these messages when they gather opinions on the internet to determine their purchase decision (Feick & Price, 1987).

However, as the FTC mandated that bloggers can no longer disguise their business relationships with the sponsored companies but to disclose them, these blog posts no longer function purely as genuine product reviews, but a marketing tool to promote a product. In accordance with the persuasion knowledge model (PKM), a disclosure in sponsorship revealing the advertising elements of the blog posts would activate a consumer's persuasion knowledge, which is defined as a person's knowledge and beliefs about the persuasion motives and advertising tactics (Friestad & Wright, 1994). Also, by combining the reactance theory to account for the activation of persuasion knowledge, it postulates that people in general do not want to be controlled on their decision making and tend to maintain their freedom of choice (Brehm & Brehm, 1981). Therefore, people will be more likely to restrain from persuasion attempt if it is revealed to them (Wei, Fischer, & Main, 2008; Wood & Quinn, 2003). Applying the PKM to sponsorship disclosure on blog posts would expose the effect on brand attitude given that consumers' perceptions towards the blog posts may change under a disclosure.

As companies continue to invest heavily in sponsorship marketing by collaborating with blogging platforms and bloggers (Cheng & Fang, 2015), the effectiveness of these sponsored content under disclosure would require more detailed scrutiny. As sponsored content covers a wide range of products from search goods such as electronic products and sporting equipment to experience goods such as hotels and resorts, the difference in features of product type may also affect how consumers perceive the sponsored content. On the other hand, Laroche, Kim, & Zhou (1996) discovered that consumers generally have more confidence in a brand if they are more familiar with the brand. Hence, brand familiarity towards a sponsored post may also influence consumers' perception. As different factors may involve in affecting brand attitude, these should all be taken into account when researching the influence of sponsorship disclosure.

To build upon the aforementioned research issues (further elaborated in the relevance sub-section below), the following research questions and sub-questions are proposed.

RQ: How does a disclosure of sponsored content influence brand attitude, and consequently, purchase intention among people?

Sub-question 1: What is the underlying psychological response to a disclosure in sponsored post? To what extent does it affect people's perception towards the brand?

Sub-question 2: How do different types of goods and brand familiarity moderate the impact of a disclosure?

1.1 Academic relevance

Previous research has incorporated the PKM to study the effectiveness of sponsorship content on different media. For instance, Boerman, Reijmersdal, & Neijens (2012) study the effects of duration of sponsorship disclosure of television program on triggering persuasion knowledge on brand responses. Wojdynski & Evans (2016) investigate how the disclosure language and position of the disclosure message would activate persuasion knowledge to affect the recognition and evaluation of online sponsored news story. Boerman, Reijmersdal, & Neijens (2014) have a similar study focusing on the timing of the disclosure message on television programs. The effect of activating persuasion knowledge on consumers' brand engagement is also studied on sponsored radio programs (Wei et al., 2008). Interestingly, van Reijmersdal, Lammers, Rozendaal, and Buijzen (2015) study the effect of persuasion knowledge, brand prominence and game involvement on both the cognitive and affective responses, but the research focuses on advergames and is specifically directed towards children. However, there is a sparsity of research incorporating the PKM to especially direct the study of sponsorship disclosure on blogs. While some recent studies demonstrate that the disclosure of sponsored blog contents do affect readers' perception towards the brand, blog and blogger respectively (Campbell, Mohr, & Verlegh, 2013; Colliander, & Erlandsson, 2015; Liljander, Gummerus, & Söderlund, 2015), these studies are less complex by not taking into account a variety of product types and the role of brand familiarity. Also, ever since the launch of FTC's regulation regarding sponsorship disclosure in December 2009 (Colliander & Erlandsson, 2015), this area of study focusing on sponsorship disclosure is still relatively novel, harboring an avenue of opportunities requiring more in-depth analysis. Hence, to supplement the research gap, this study can add scientific value to complement with existing studies by considering the effect of product type and brand familiarity to investigate the activation of persuasion knowledge on sponsored blog posts.

1.2 Societal relevance

This study also aims to provide social relevance in different perspectives. As the factors of product type and brand familiarity are incorporated in this research, it could add more nuance to the relationship between sponsored blogs and brands, providing a deeper understanding on how consumers perceive sponsorship disclosure of blog posts based on different product types and brand familiarity. Some previous studies have focused on online reviews of retailer's website to demonstrate that there is a differential impact of reviews across products, including search and experience goods (Jiménez & Mendoza, 2013) and even products within the same product category (Zhu & Zhang, 2010). Therefore, it is suggested that various product characteristics should also be taken into account by companies in devising their online advertising strategies (Zhu & Zhang, 2010). Although this research centers product review in terms of sponsored blog post, it could supply additional insights to brands - regarding sponsorship marketing for their current marketing strategies. Since advertisers are aware that personal blogs provide an avenue of untapped goldmine, the monetization of blog has transformed from the tone of a home-style blog to encompass a more commercial and embellished quality with sponsored contents (Smith, 2012). It has shifted these blogs from a not-for-profit endeavor to a business. While blogs are viewed by consumers as a more trusted source of information when it comes to products and services than traditional forms of advertising invested by companies in their promotion mix, many bloggers are also trying to make a living out of it rather than using blogs solely as a means of support and information sharing with their readers (Mangold & Faulds, 2009). Moreover, after the FTC's mandatory disclosure of a material connection, bloggers' mentioning of specific products or services in their posts prompt readers to contemplate if the stated opinions are completely genuine, and the casual mentioning of a brand is really casual if the posts are not sponsored (Mutum & Wang, 2010). For sponsored posts, they also lead readers to develop skepticism if the stated opinions are written at the behest of advertisers or are impacted by other factors (Mutum & Wang, 2010). Hence, the findings yielded from this study can also advise advertising industry to evaluate if sponsorship marketing, on blogs in particular, is still beneficial to a brand's overall success. By comparing disclosure and non-disclosure blog posts, this research enables regulatory bodies to reflect on their current rules of sponsorship disclosure based on the possible difference in brand attitude perceptions due to product type and brand familiarity.

1.3 Chapter outline

The remaining parts of this study are structured as follows: The theoretical framework is presented in chapter two. It explores and reviews previous researches and relevant concepts in great detail by first discussing broader concepts on eWOM and its impact on consumer behaviours and the blogging environment. Then, it further delves into the concept of native advertising, particularly on the effectiveness of sponsorship contents in blogs and disclosure effects. Afterwards, a very important model – persuasion knowledge model (PKM) serving as the theoretical basis of this study is presented to elucidate the underlying psychological response of a disclosure on sponsored blog post. Finally, the moderating role of product type and brand familiarity on activating persuasion knowledge are discussed. Corresponding hypothesis is presented in each section and a conceptual model illustrating the entire research is put forward. In order to answer the research questions, an experiment with eight different conditions is designed to test various variables. Here, the research instrument is described in-depth in chapter three, Method. The research design as well as the description of stimulus material, operationalization of variables, manipulation checks, data analysis and the issue of validity and reliability are discussed in detail. The analysis and findings from the experiment is described in chapter four, Results by presenting descriptive statistics and the test of each hypothesis. These insights are then interpreted by incorporating literature and consequently being brought back to the overall research objective to propose relevant academic and managerial implications, together with research limitations and also future research directions in the final chapter, Conclusion.

2. Theoretical framework

In this chapter, theoretical concepts are presented through first the role of electronic word-of-mouth (eWOM) and its impacts, followed by native advertising especially in the blogosphere before focusing on the core psychological mechanisms involved in brand attitude. Hypotheses are proposed based on previous empirical findings related to the arguments. Finally, a conceptual model addressing the overall research problems is presented.

2.1 Impact of eWOM on consumer behaviours

As noted earlier, electronic word-of-mouth (eWOM) refers to both good and bad opinions regarding a product or service expressed online by consumers (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). It has an influential power on consumers' decision because consumers tend to have a higher trust towards fellow consumers than advertisers (Sen & Lerman, 2007). Chu and Kim (2011) conceptualize eWOM on social media in three aspects, namely opinion seeking, opinion giving and opinion passing. The authors note that online interactivity allows dynamic eWOM to occur in which a person can simultaneously act as opinion seeker, giver and transmitter. The increased blurring roles facilitate consumers' seeking for brand recommendation, expression of opinions and the desirability to participate in opinion sharing, which is very effective in promoting brand awareness and engagement (Tsimonis & Dimitriadis, 2014).

Extensive researches have demonstrated the impact of eWOM on consumer behaviour across online platforms. For example, Bickart and Schindler (2001) and Lee and Youn (2009) investigate the influence of eWOM generated through online discussions of different platforms. These studies have found that for one, consumers exhibit greater interest in consumer-generated sources on forums and discussion platforms, and hence a stronger interest in the product than those acquired from marketer-generated sources (corporate websites) (Bickart and Schindler, 2001). Moreover, regarding consumers' intention to buy and recommend the product, they are less likely to recommend the product when they are exposed to positive reviews on personal blog than those exposed to independent review platforms (Lee and Youn, 2009). However, Lee and Youn (2009) do not take into account the source similarity, which is the similarity between consumers' interest and the topic of the eWOM platform. Source similarity between consumers and online forums not only strongly predicts consumers' purchase intention, but also indirectly influence their attitude towards the persuasiveness of the forums (Prendergast, Ko, and Yuen, 2010).

While most of the studies focus on the positive effects of eWOM, some researchers direct their analysis specifically towards negative or extremity of eWOM (Bailey, 2004; Bambauer-Sachse & Mangold, 2011; Laczniak, DeCarlo, & Ramaswami, 2001; Lee, Rodgers, & Kim, 2009). Negative eWOM found on product reviews is demonstrated to have detrimental influence towards the brand, even for brands that consumers are familiar with compared to non-familiar ones (Bambauer-Sachse &

Mangold, 2011). As Lee et al. (2009) discover, product reviews with extreme negativity pose a stronger impact on brand attitude compare to reviews that are in moderately negativity. This influence on brand attitude is dependent on the nature of the website (brand or retailer) (Lee et al., 2009). Laczniak et al. (2001) extrapolate this finding from Lee et al. (2009) by considering consumers' attributions of the eWOM message to account for the influence of negative eWOM. Their results indicate that when consumers attribute the negative eWOM communication to the brand, it will lower attitude towards the brand accordingly. Conversely, if the consumers attribute the negative eWOM to the opinion giver instead, it will produce a higher brand attitude (Laczniak et al., 2001).

Prior studies have examined that eWOM has an influence on the trust towards a company and its products. Studies on eWOM define trust as behavioural intention based on an overall judgement about a company in an online setting (Gefen, Karahanna, & Straub, 2003). In particular, trust towards a company and its offerings can be generated on online forums through the eWOM given by previous customers (Dellarocas, 2003). Potential buyers would therefore utilize these eWOM to make judgement on whether to trust the firm or not (Dellarocas, 2003). See-To and Ho (2014) relates trust by indicating a large amount of positive eWOM about a product enables consumers to develop a positive perception about the quality of the product as well as the service offered by the company. This positive judgement would therefore generate more confidence for consumers in buying the product (See-To & Ho, 2014). This also supports previous studies manifesting trust towards a firm or its product based on eWOM consequently results in higher purchase intention (Kim, Ferrin, & Rao, 2009; Sia et al., 2009). On the other hand, Lee (2014) supplements these findings by examining the effect of retrust on eWOM after a negative product experience. She incorporates inertia, which is the reluctance to change, overconfidence, which is an amplified state of being confident in making a correct decision, and the illusion of control, which is an inflated sense to control happenings as three core decision-making biases in her analysis. Consumers that are overconfident and with a higher inertia have a higher tendency to trust eWOM despite an unpleasant experience. However, consumers with a higher illusion of control are less likely to retrust eWOM again after a negative experience (Lee, 2014).

2.2 eWOM on blog communication

While a majority of eWOM researches are centered on consumer reviews generated on online retailer websites, forums or rating pages, other kinds of eWOM such as those in the form of personal blogs have obtained far less notice on academic research (Cheung and Thadani, 2012). The 'blog', arising from the more precise term 'weblog', emerged as a popular communication tool during the rise of the more interactive Web 2.0 (Kaplan & Haenlein, 2010), that facilitated - within the one-to-many mode of communication of blogs - readers to engage and interact to provide comments and suggestions to the writer (Pal & Kapur, 2010). Thorson and Rodgers (2006) examine the influence of eWOM in the form of an interactive blog of a politician on attitudes towards the political candidate, website and respondents' intention to vote. By incorporating the aspect of interactivity of the blog, high interactivity on the blog can notably impact respondents' attitude towards the website, but not attitudes towards the politician or intention to vote (Thorson & Rodgers, 2006).

On the other hand, from a business perspective, Kulmala, Mesiranta, and Tuominen (2013) study consumer to consumer eWOM on fashion blogs by comparing the difference between organic eWOM - which is naturally occurring comment expressed voluntarily by a person regarding a product or firm - with amplified eWOM, which is marketer-influenced comment generated by a person especially during the launch of products by a company. Amplified eWOM messages in these fashion blogs are very similar to organic messages, although the topics are not as diverse as organic ones (Kulmala et al, 2013). The role of brands in using fashion blogs through branded storytelling as a form of eWOM is underlined in their findings, which are congruous to Thomas, Peters, and Tolson (2007) and Kretz and de Valck (2010). The essential brand relationships with fashion blogs is substantiated by comparing that with online fashion magazines (Colliander & Dahlén, 2011). Relationships are able to develop between blog readers and brand as long as the blogger is an advocate of the brand, thus leading to a more favourable brand attitude and higher purchase intention for the case of blogs than online magazines (Colliander & Dahlén, 2011). However, Colliander and Dahlén (2011) also consider source credibility and the unprejudiced stance of the writer as crucial criteria on the effect of eWOM in fashion blogs.

Source credibility as an important factor in affecting eWOM has been taken into account in a number of previous studies related to blog communications. Previous studies identify expertise and trustworthiness as two main components constituting source credibility (Cheung, Lee, & Rabjohn, 2008; Flanagin & Metzger, 2007; Ohanian, 1991). Expertise is defined as the ability to show extensive knowledge and experience by providing accurate information about a product or service (Reichelt, Sievert, & Jacob, 2014). On the other hand, trustworthiness refers to how confident a reader feels about the message's veracity (Pan & Chiou, 2011), therefore relates to how the reader believes that the messenger gives unbiased and sincere information (Ohanian, 1991). Some researchers also recognise attractiveness as another component of source credibility on blog communication (Choi, Lee, & Kim, 2005; Cosenza, Solomon, & Kwon, 2015; Wu & Wang, 2011), which means the perceived likability, familiarity and resemblance of the source to the readers (McGuire, 1985). However, these researches investigate credibility based on components related to interpersonal credibility while this research studies credibility based on characteristics of the textual information.

2.3 Native advertising

Although the concept of incorporating paid content into editorials has existed before the proliferation of the internet, the latest generation of native advertising consists of a wide range of strategies with two main attributes, namely the integration with the publisher's online channel, and the provision of original content that likely interests the readers of that digital channel (Wojdynski, 2016a). The classification of native advertising as stipulated by the Interactive Advertising Bureau was consolidated into three categories: sponsored content, sponsored hyperlinks, and sponsored social media posts (Wojdynski, 2016a). The special feature of sponsored content - that differentiates it from the other types of native advertising - is the nature of the advertisement providing some form of flexibility that can be incorporated and consumed together with the publisher's personal content (Wojdynski, 2016a). While native advertising has been adopted extensively in the digital landscape in particular, it raises controversy associated with the journalistic ethics of news publications using sponsored content as a form of advertising revenue (Carlson, 2015). Based on the journalistic ideology of objectivity and trustworthiness (Deuze, 2005), consumers are more inclined to believe that these contents provide an objective and impartial judgement of the products, services, or subjects that are presented in the content due to their high resemblance to editorial content (Carlson, 2015). Correspondingly, Cole and Greer (2013) also investigate consumers' view on the credibility of media organizations using native advertising over time. Consumers deem media using non-branded frames as more credible than the ones using branded frames (Cole & Greer, 2013). However, as the internet offers flexibility in executing a wide range of strategies regarding native advertising, it is doubtful if the issue of credibility will remain a concern to both the consumers and media organizations (Wojdynski, 2016a). For instance, as the internet offers more interactivity between consumers and companies, it allows them to skilfully incorporate advertising message using non-branded frames through effective story-telling, thus minimizing the commercial value of the content and consequently the issue of credibility (Matteo & Dal Zotto, 2015).

2.3.1 Blog as an effective communication and advertising tool

While native advertising is widely adopted by media companies, it is also common for marketers to leverage this advertising strategy in the blogosphere, despite the fact that a blog is being used by many as a journalistic tool to record and express personal opinions (Neti, 2011). Blog marketing can occur in different ways. A personal blog maintained by an individual can talk about particular services or products while corporate blogs, created by companies, market and build a stronger brand image. Some corporate blogs are usually run by key and influential leaders in the company in order to lend credibility in creating a stronger brand presence in the market (Smudde, 2005).

Compared to traditional forms of advertising, blogs advertising offers a higher degree of flexibility and is not subjected to external censorship. Hence, bloggers and companies can write an authentic story to engage consumers more effectively than other media by providing opinions on particular contents (Cox, Martinez, & Quinlan, 2008; Wenger, 2008). Fu and Chen (2012) apply appeal strategies, quantity and quality of negative comments, and consumer involvement of the product to investigate how these factors influence the effectiveness of blog advertising. Information appeal is demonstrated to promote blog advertising effectiveness for products with high consumer involvement because the fact-based and objective descriptions create cognitive response to cater the extensive thought process involved for these products. Conversely, emotional appeal facilitates the effectiveness of blog advertising for products of low consumer involvement which are usually cheap and incur low risk to consumers (Fu and Chen, 2012).

The opinions expressed in blogs about a particular product or service resemble online reviews. These online reviews expressed by writers in blogs are therefore an influential form of eWOM (Dellarocas, 2003). Previous researches have studied the motives for consumers to look for online reviews about product and services. For instance, consumers mainly want to save time in decision-making and better evaluate their buying decisions through reading online reviews (Hennig-Thurau, & Walsh, 2003; King, Racherla, & Bush, 2014). Due to the power of eWOM, information on blogs are perceived as more credible than commercial advertisement (Wu & Wang, 2011) and salespeople (Wilson & Sherrell, 1993). More specifically, blogs are perceived as more credible than other media and online sources because they provide more thoughtful and in-depth analysis than traditional media (Johnson & Kaye, 2004). Consumers therefore have more confidence towards this mode of communication than traditional media (Akehurst, 2009). In this study, a personal blog is chosen as the investigative subject because it is deemed to have a more potent marketing impact and could have both positive and negative consequences on a company and its products or brands, depending on the blogger's attitude and agenda (Smudde, 2005).

2.3.2 Sponsored contents in blogs

Because of blogs' higher credibility, their recommendations serve as a convincing channel to which consumers may reach out for information about a particular product. Apart from providing information, these reviews also have the power to influence attitudes and both online and offline purchase intentions (Amblee & Bui, 2008; Hsu, Lin, & Chiang, 2013; Hu, Liu, & Zhang, 2008; Moe & Schweidel, 2012). A higher purchase intention and more positive consumer experiences are resulted when the blog recommendation is perceived as credible by the consumers (Hsu & Tsou, 2011).

The blogosphere provides an avenue for brand managers to raise brand awareness and disseminate information about their products and brands. Companies therefore engage themselves in this form of marketing strategy by sponsoring bloggers to write about their products. This form of sponsorship marketing is referred to as user-generated content (a blog post), written by a blogger and containing brand or product related information (Zhu & Tan, 2007). Sponsorship marketing in blogs is also a type of native advertising because it is a kind of paid advertisement that bears high resemblance with the editorial content from the publisher (blogger) itself (Wojdynski & Evans, 2016). The types of compensation received by bloggers for sponsored post can take on many forms, ranging from direct monetary rewards to indirect monetary rewards such as coupons or other purchase discounts (Sprague & Wells, 2010). By engaging in sponsorship marketing, companies can leverage on the power of eWOM to market their products to consumers effectively and less obviously. Since these blog posts are user-generated, consumers tend to have more favorable attitudes and higher confidence in the credibility of the information than they would for traditional marketer-generated advertisements because the opinions on blogs are perceived as unbiased, personal, and devoid of persuasion intent from companies (Kulmala et al., 2013; Libai, Bolton, Bügel, de Ruyter, Götz, Risselada, & Stephen, 2010; Uribe, Buzeta, & Velásquez, 2016).

However, the disguising of a material connection between the blogger and sponsored company has been deemed as deceit to consumers by limiting information on the truth of a product or service. Thus, the Federal Trade Commission has enforced mandatory regulation for the sponsored party to honestly reveal the advertising intent of a content to safeguard consumers' interest (Federal Trade Commission, 2017). As noted earlier by previous researchers, readers perceive blog recommendations as more trustworthy and unbiased as the contents are written based on the bloggers' personal motivation with a higher source credibility, compared to normal advertising. Therefore, revealing the sponsorship nature of a blog post would contradict this finding and hinder the persuasion process (Uribe et al., 2016). It is because a sponsored blog content usually contains more favourable information regarding the product or service due to a monetary remuneration from the advertiser to the blogger (Uribe et al., 2016). And so, a revelation of an advertising intent will destroy the reader's evaluation of an unbiased relationship between the brand and the writer. Such disclosure would have writers to be considered as financially motivated, leading to an adverse effect on the brand and a less acceptance towards the advertising message by the readers (Dichter, 1966).

While reading a blog post about a product or service, readers continuously evaluate the content for validity, trustworthiness and potential underlying motive (Metzger & Flanagin, 2013). As it is reasonable for consumers to assume that companies would like to advertise their products, blog post can be susceptible to having an advertising intent. When an advertising intent is present and explicitly disclosed in the blog contents, consumers are less likely to show a favourable behavioural intention towards the sponsored company (Zhu & Tan, 2007). On the other hand, in their studies about the deceptive effectiveness of labelled and unlabelled advertorials, Kim, Pasadeos, and Barban (2001) distinguish advertising intent as either explicit and implicit, manifesting that for the case of an implicit advertising, i.e. advertising intent or sponsorship relationship not clearly stated, readers are generally less critical towards to message. Therefore, they are more likely to be manipulated by the message to form a more positive brand attitude based on the unlabelled advertorials. Cowley and Barron (2008) discover similar findings on their study of product placement on drama series. Their research support the findings from Campbell and Kirmani (2000) regarding the perception of an ulterior motive by the consumers; that is, it is demonstrated that viewers experience a less favourable brand attitude under explicit product placement, especially for the case of high level program liking as they feel like the content was interfered. More recent studies focusing on the effects of disclosure of sponsored content further substantiate that a disclosure will lead to a decline in positive thoughts about the brand (Boerman, van Reijmersdal, & Neijens, 2013; Boerman, van Reijmersdal, & Neijens, 2015; Campbell et al., 2013; Lee, 2010). For instance, Boerman et al. (2015) study the influence of various ways revealing brand sponsorship in a TV series can impact brand responses. A combination of a disclosure text and product placement logo results in the most recognition of an advertising, which in turn results in a more negative brand attitude (Boerman et al., 2015).

A decline in brand attitude under a disclosure is manifested in most of the recent studies on sponsorship marketing in a variety of contexts such as blogs, radio, print media, movies and TV. Conversely, Colliander and Erlandsson (2015) find that though a disclosure stating that the blog is sponsored by a company would affect the attitude towards the blog and the credibility of the blog, the attitude towards the brand and purchase intention are not negatively affected despite the revelation. This discrepancy to earlier research may be due to the difference in the sources of revelation, which, in the case of their study, is a third party (a tabloid article) rather than the sponsored party itself as is the case in other sponsorship disclosure studies. Despite the deviation from findings of Colliander and Erlandsson (2015) due to a difference in revelation, major studies revealing a decrease in brand attitude based on sponsorship disclosure have been conducted in different media. Therefore, this study expects similar effect on brand attitude in blogs, which leads to the following hypothesis:

H1: A disclosure on sponsored blog post will lead to a less favourable brand attitude, compared to non-disclosure ones.

2.3.3 Effects of brand attitude on purchase intention

Online recommendations with writers being information provider has a significant influence on attitude towards the product and hence readers' decision making, such as purchase intention (Smith, Menon, & Sivakumar, 2005). As defined by Spears and Singh (2004), purchase intention refers to "a consumer's conscious plan or intention to make an effort to purchase a product". Here, the theory of reasoned action (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975) is used to explain how a person comes up with a certain behaviour based on the proposition that the person is rational and able to utilize available information systematically. It is demonstrated that both attitude and subjective norms affect the intention to undergo a certain behaviour (Ajzen, 2005). Hence, both factors contribute a motivation to influence a behaviour: attitudes reflects the extent to which a consumer has a positive or negative perception of the behaviour whereas subjective norms refer to the perception of social pressures to whether or not undergo the behaviour (Ajzen, 2005). It is postulated that consumers' attitudes will directly affect their intention to undergo a particular behavior, which consequently predict purchase intention (Ajzen, 2005).

An extended version of the model, the theory of planned behaviour (Ajzen, 1985) was developed by adding perceived behavioural control as another criterion in determining a behaviour. By incorporating perceived behavioural control, this newer version of the theory is used to better predict intention and behaviour under situations with constraints that place difficulties and limit volitional control to executive an action (Ajzen, 1985). However, it is asserted that the theory of reasoned action is sufficiently enough in anticipating behaviours that are considered as straightforward and under volitional control (Armitage & Conner, 2001). Belleau, Summers, Xu, and Pinel (2007) support the argument by demonstrating that the intention to buy a product is volitional with few constraints. Therefore, the theory of reasoned action is adequate to fit as a model to explain purchase intention. Lyong Ha (1998) applies the theory of reasoned action to study attitude towards the brand, brand loyalty and purchase intention to find out that attitude and subjective norm affect buying behaviour directly. Belleau et al. (2007) can also demonstrate that if consumers have a more positive attitude towards the brand, they will be more likely to purchase the product. However, subjective norm and other external variables do not significantly influence consumers' buying intention (Belleau et al., 2007). Despite this, their findings still partially prove that the theory of reasoned action is valid to explain the purchase intention of consumers.

Also, in the field of marketing communication, the hierarchy of effects model proposes a connection between attitudes and behavioural intention (Lavidge & Steiner, 2000). Previous studies provide further empirical support that people's attitude towards a brand can influence the purchase intention of a product in the online context (Korzaan, 2003; Prendergast, Ko, & Yuen, 2010). Washburn and Plank (2002) further substantiate by manifesting consumers' perceived quality towards the brand and its products will positively affect their buying intention. Similarly, for the case of product with high involvement, consumers' attitude towards the product endorser will affect their brand attitude, which in turn, is an important factor that directly influences their purchase intention (Lafferty & Goldsmith, 1999). Hence, it is expected that since a disclosure in sponsorship will lead to a less favourable brand attitude, it will also consequently result in a lower purchase intention. This gives rise to the next hypothesis:

H2: Less favorable brand attitude, the result of disclosure, will lead to a lower purchase intention (i.e. brand attitude positively predicts purchase intention)

2.4 Persuasion Knowledge Model

The Persuasion Knowledge Model (PKM) (Friestad & Wright, 1994) is one of the most prominent theories applied in consumer behavior, marketing and advertising researches to explain how people cope with persuasion attempts. The PKM posits that consumers acquire persuasion knowledge and recognize more of the persuasion mechanisms over time. The authors also emphasize consumers' active role in interpreting persuasive intent. Hence, the persuasive intent is not restricted to what the advertisers want to convey but at the same time consists of the consumers' interpretation of why and how the advertisers construct the persuasive message (Friestad & Wright, 1994). When a target understands the agent's message as being a tactic to persuade them, they are motivated to activate their persuasive knowledge to form more skeptical attitudes towards the message and the agent. Hence, a ‘change of meaning’ will take place where the agent will perceive the message in a different way (Friestad & Wright, 1994).

On the other hand, some extant researches apply another model – the Elaboration Likelihood Model (ELM) (Petty & Cacioppo, 1986) to explain the effectiveness of persuasive communication. According to the model, there are two distinct routes of influence leading to attitude change: the central and peripheral route. The differentiation between the two routes is determined by the amount of thoughtful consideration on the elaboration (Petty & Cacioppo, 1986). The central route of persuasion is guided by the true merits and arguments quality pertinent to the product to develop an attitude. While the peripheral route is induced by less cognitive resources to scrutinize the true merits but more on peripheral attributes such as physical attractiveness of the endorser, product colour or number of arguments presented (Petty & Cacioppo, 1986). However, the peripheral route of using peripheral cues to influence persuasion without cognitive processing of the arguments has been an inadequacy of the model as criticized by other scholars (Eagly & Chaiken, 1993; Stiff, 1986). For instance, it is argued that there is an insufficiency of complexity and theoretical precision to account for why specific peripheral cues govern the persuasion or why other peripheral cues are disregarded when the issue-related arguments are being cognitively processed (Eagly & Chaiken, 1993). Hence, as Friestad and Wright (1994) elucidate, the PKM aims to provide a greater depth of explanation to complement the vagueness of the concept of peripheral cues by explaining why and how particular cues represent significant roles. By doing so, the model constructs consumers’ reactions to the agent message as perceived tactics. The interpretation of perceived tactics integrates the presence of various cues by introducing the development and accessibility of persuasion knowledge. By examining under when and what kinds of cues give rise to an understanding of tactics, and the influence of these cues, it allows a more comprehensive interpretation of the persuasion attempts and the perception of the agent (Friestad and Wright, 1994).

Moreover, earlier studies using the ELM as a framework demonstrate that the choice of route is heavily influenced by the level of involvement consumers have with the products (Petty, Cacioppo, & Schumann, 1983). Some later advertising studies also confirm this influence of involvement in determining the elaboration mechanisms (Cho, 1999; Fu & Chen, 2012; Yang, Hung, Sung, & Farn, 2006). However, the role of involvement is not relevant in this particular research because this study is not examining the effects of persuasion under varying degrees of product involvement. Also, this study distinguishes itself from other advertising studies by specifically focusing on sponsored blog contents, but not traditional print or multimedia advertisements that have multiple explicit peripheral cues such as the aesthetic design of the ad and attractiveness of the endorsers. The focus on the textual content in this research to possibly dismiss peripheral judgements by excluding blogger information and standardizing the layout and design of the post aims to fit with the specific nature of native advertising. As noted earlier, online native advertising formats are skilfully integrated into the structure of the platform in an attempt to minimize advertising intent. Since readers of the sponsored blog posts may not be aware that they are being marketed, they may interpret the information in the post (which is actually an advertisement) in a different way as if they are reading a piece of unbiased content from the blogger. Also, unlike the ELM with persuasion theories that is established from social psychology, the PKM is especially directed towards marketing (Shrum, Liu, Nespoli, & Lowrey, 2012). Therefore, the interpretation of the textual sponsored content as a focus in this study renders the PKM a more appropriate and desirable theoretical framework to account for the effectiveness of persuasion on attitude change.

Rozendaal, Lapierre, van Reijmersdal, and Buijzen (2011) augment the PKM by arguing that persuasion knowledge consists of both conceptual and attitudinal components. While the conceptual persuasion knowledge is the cognitive component that signifies the understanding of a persuasive intent and the recognition of advertising, attitudinal persuasion knowledge deals with the affective component which relates to feelings, such as trustworthiness and credibility, and attitudes such as skepticism and disliking aroused by the persuasive message (Rozendaal et al., 2011). It is posited that the recognition of the message as having an advertising intent is the precursor to activate and apply attitudinal persuasion knowledge (Rozendaal et al., 2011). Moreover, attention to and comprehension of the disclosure are two sequential steps to successfully impact consumers to process the sponsored content (Wojdynski, 2016a). Attention means that consumers have to be aware of the disclosure whereas comprehension denotes that the expression of the disclosure should clearly convey its meaning. It is stated that the comprehension of the disclosure depends on the awareness of the message above all (Wojdynski, 2016a). However, it is not known to what degree the sponsored contents can be recognized by consumers. For instance, advertisements in alternative formats or unusual medium are more difficult to be recognized as advertising (Kuhn, Hume, & Love, 2010; Matthes, Schemer, & Wirth, 2007). However, given native advertising is pervasive and increasingly common in the digital landscape, consumers are equipped with a basic familiarity of the tactics that could enable them to recognise native advertising in newer formats despite various disclosure practices (Evans & Park, 2015).

With disclosure, consumers are explicitly provided with information about a sponsored relationship to develop an understanding of an advertising intent, thus activating their persuasion knowledge to lead to a less favorable perception of the brand (Nelson, Wood, & Paek, 2009). Therefore, a disclosure to reveal that the content is actually commercial advertising acts as a forewarning of a persuasion attempt, enabling consumers to be more resistant to the advertising content by processing the message in a more mindful manner (Quinn & Wood, 2004). A higher degree of critical processing in terms of attitudinal persuasion knowledge occurs with native advertising compared to other kinds of online content when the persuasion intent is revealed because there is a financial motive for the publisher to present a particular product or company in a positive way (Wojdynski, 2016b). Previous research has incorporated the PKM in explaining the effects of a disclosure on sponsored content on brand attitude. For instance, van Reijmersdal et al. (2016) incorporate the reactance theory to explain how consumers make use of persuasive knowledge to cope with persuasion attempt on sponsored blog post. Based on reactance theory, consumers in general resist manipulation and want to preserve their freedom of choice (Brehm & Brehm, 1981). In that case, if the message is recognized as having a persuasion attempt (i.e. activation of persuasion knowledge), it may elicit resistance strategies to confront the persuasive message, which subsequently incurs a negative impact on attitude and behavioural intention (van Reijmersdal et al., 2016). The activation of persuasion knowledge therefore mediates the relationship between a disclosure and the corresponding attitudinal perceptions. Other research focusing on sponsored contents also supply empirical findings to further support the mediating role of persuasion knowledge on disclosure, such as the case of sponsored ad on Facebook (Boerman et al., 2017), sponsored TV content (Boerman et al., 2012), advergames (van Reijmersdal et al., 2015) and sponsored radio segments (Wei et al., 2008). Therefore, based on previous findings, the following hypothesis is proposed:

H3: Activation of persuasion knowledge mediates the effect of disclosure on sponsored blog post on brand attitude, such that its activation leads to more negative brand attitude.

2.4.1 Product type as a moderator of persuasion knowledge

There is a sparsity of research focusing on the effects of different product types have on the activation of persuasion knowledge under a disclosure of sponsored content. Sponsored blog posts can be viewed as a kind of paid online reviews written by bloggers. As the connection between the company and the blogger is disclosed, consumers' credibility towards the source will be affected (Lee & Koo, 2012). As mentioned earlier, a disclosure will activate persuasion knowledge consisting of affective components related to feelings such as trustworthiness and credibility (Rozendaal et al., 2011), it is expected that the nature of different product types on the sponsored content will moderate the effect on persuasion knowledge.

The classification of goods by Nelson (1970) based on consumers' ability to discover the product quality prior to purchase is widely accepted in marketing literature (Franke, Huhmann, & Mothersbaugh, 2004; Klein, 1998). This classification is due to the difference in product attributes possessed by search and experience goods respectively (Lynch & Ariely, 2000). Huang, Lurie, & Mitra (2009) define search goods as having attributes most crucial in evaluating the product quality that are generally attainable without having direct interaction with the product. The attributes of search goods are therefore more objective (Huang et al., 2009). Other scholars also complement the definition by arguing the attributes of search goods are easy to compare (Mudambi & Schuff, 2010) and that the second-hand information is adequate for consumers to sufficiently assess search goods (Weathers, Sharma, & Wood, 2007). Some examples of search goods are electronics, sporting equipment and household furnishings. On the other hand, experience goods contain attributes related to product quality that are only discoverable through the course of direct interaction with the product.

Also, these information about experience goods are often more subjective, and hence more time-consuming and costly to acquire (Mudambi & Schuff, 2010). Therefore, they need consumers to directly interact with the products in order to evaluate the product attributes (Huang et al., 2009). Examples of experience goods are hotels, package tour and resorts.

One recent study by Lu, Chang, and Chang (2014) discover that consumers show a more favourable attitude and hence higher purchase intention towards sponsored blog post written about a search good compared to an experience good. Although there is a scant research exploring the moderation effect of product type regarding search and experience goods on sponsorship disclosure, previous advertising research shows different advertising effectiveness between these two products. Nelson (1974) investigates both search and experience qualities advertising and manifest that information on search goods advertisement has greater impact to persuade consumers to purchase the product due to its factual and stable qualities regarding the product information. On a contrary, consumers rely on other external attributes to evaluate advertisements with experience qualities. Hence, these ads are less potent than ads with search qualities (Nelson, 1974). Since sponsored blog post is indeed an advertisement, and this experiment makes use of written text to evaluate the moderating effect of product type on sponsorship disclosure by keeping peripheral factors such as the layout design to be similar as well as disregarding other side attributes such as the bloggers' popularity, this study integrates the insight from Nelson (1974) and the findings from Lu et al. (2014) to expect that product type will have a moderating effect on persuasion knowledge, which leads to the following hypothesis:

H4: Product type has a moderating effect on persuasion knowledge, such that disclosure of sponsored post about search good will activate less persuasion knowledge than an experience good.

2.4.2 Brand familiarity as a moderator of persuasion knowledge

Brand familiarity refers to the amount of brand-related direct or indirect experiences gained by the consumers (Alba & Hutchinson, 1987). These experiences may consist of previous exposure to the brand's advertisements, acknowledgement of the brand name, exposure to the brand in a store, acquisition and utilization of the brand (Alba & Hutchinson, 1987). Previous studies demonstrate that the higher familiarity, the more confidence consumers will have towards the brand (Laroche et al., 1996) and therefore they are more likely to have trust in that brand, leading to a higher credibility towards the brand information (Smith & Wheeler, 2002). Consumers are more susceptible to negative WOM comments and look for more information for online reviews of unfamiliar brands (Chatterjee, 2001). However, online reviews of familiar brands are treated oppositely by consumers. A high level of brand familiarity would allow consumers to develop higher trust towards the brand messages (Ha & Perks, 2005). Consumers deem a familiar brand as more reliable than unfamiliar one and they have a high likelihood to base their selection of a product on the familiarity of the brand (Macdonald &

Sharp, 2000). Hence, it is postulated that consumers will have a more favourable perception towards the brand messages of familiar brands (Macdonald & Sharp, 2000).

There may be higher motivation for consumers to pay more attention to product information on advertisement of familiar brands than non-familiar ones because they identify familiar brands as being available to them (MacInnis, Moorman, & Jaworski, 1991). Therefore, familiar brands may have a more favourable position of being liked than unfamiliar brands (Carpenter & Nakamoto, 1989). Since sponsored blog recommendations are considered as a form of advertising, it is posited that brand familiarity may also influence consumers' attitude towards the blog post information. Also, consumers have a higher tendency to react unfavourably towards persuasion attempts for advertisements of unfamiliar brands as they have limited previous knowledge to mitigate the activation of persuasion knowledge to form judgements (Campbell & Keller, 2003). Moreover, they have a higher likelihood to scrutinize the credibility of ad information for unfamiliar brands and hence a higher probability to establish critical judgements (MacKenzie & Spreng, 1992). Conversely, consumers have a lower tendency to respond unfavourably for ad of familiar brands as they have better knowledge to counteract the influence of activated persuasion knowledge (Campbell & Keller, 2003). In their research on covert marketing of radio shows, Wei et al. (2008) further substantiate these previous findings by demonstrating that the activation of persuasion knowledge due to the disclosure of a paid sponsorship is moderated by the familiarity of the brand. The unfavourable effects of activated persuasion knowledge is attenuated given a high brand familiarity (Wei et al., 2008). Therefore, based on the aforementioned arguments, the following hypothesis is proposed:

H5: Brand familiarity has a moderating effect on persuasion knowledge, such that sponsored post with a familiar brand will activate less persuasion knowledge than one with a less familiar brand.

2.5 Conceptual model

A conceptual model presenting all the aforementioned hypotheses by illustrating the relationships between different variables are shown below.

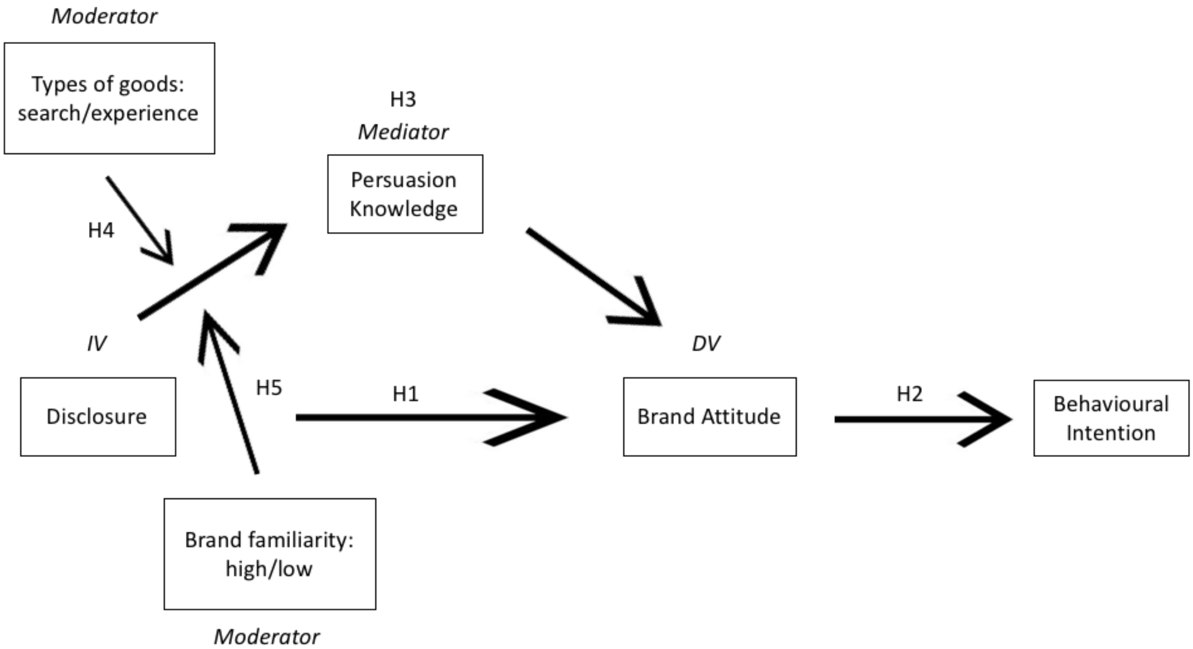

Figure 2.5.1 Hypothesized path model of this study

3. Methodology

Based on the conceptual model developed under the theoretical framework, it is hypothesized that there is a moderated and mediated relationship with a disclosure of sponsored message on brand attitude. In order to test the hypotheses, the methodologies, experimental design, operationalization of variables and choice of data analysis are justified and presented in detail in this chapter. Finally, the issue of validity and reliability of this research is also addressed.

3.1 Research design

Quantitative research was used because this design facilitated a “top-down” approach by first examining theories to account for potential explanations of a particular phenomenon (Fallon, 2016). Hypotheses in this research were then proposed based on previous theories and empirical findings. Also, the conceptual model presented in the theoretical framework was developed based on distinct independent, dependent, moderating and mediating variables, which in the case of using quantitative research, data could be numerically quantified and statistically analyzed to measure the effects and examine the relationships among variables precisely (Fallon, 2016). Also, as the hypotheses were built on cause-effect relationship between variables, the causality of these hypotheses was best suitable to be tested using quantitative approach to deduce conclusions.

In particular, experimental research was chosen because it was considered as the most effective and powerful test to provide evidence for causal relationships compared to other social research methods (Neuman, 2014). It was due to the fact that experiment could be deliberately designed to fulfill the three criteria of causality including the proof of an association, elimination of alternative causes and the temporal order of independent variables predating dependent ones (Neuman, 2014). By undertaking an experimental design, this study was consciously controlled by targeting suitable variables while isolating variables that showed no causal inference in a specific setting. Consumers’ perceptions towards sponsorship disclosure were the main focus of this research. In particular, the PKM model was incorporated to examine the underlying psychological response. As Neuman (2014) noted, an experimental technique would be best for studying a narrow scope and micro-level theoretical concerns such as individual psychological behavior.

As this research considered the moderating effects of product type and brand familiarity in relation to sponsorship disclosure, a factorial design, with eight conditions, was used to study multiple variables in combination, in which a 2 (disclosure presence: no sponsorship disclosure vs. sponsorship disclosure) x 2 (types of goods: search vs. experience goods) x 2 (brand familiarity: high vs. low) between-subject design was employed (see table 3.1.1 for an overview). Between-subject rather than within-subject design was chosen as it would minimize “demand effect”, which was the tendency for respondents to interpret the researcher’s intentions to answer questions in accordance to the experimenter’s expectations, either consciously or unconsciously (Rosenthal, 1976). Also, between-subject design was more preferable especially when studying the exposure of an effect (Charness, Gneezy, & Kuhn, 2012). This design represented a more conservative test which was less susceptible to demand effects compared to within-subject design, provided that random assignment was attained across all conditions (Charness et al., 2012).

Random assignment of conditions was ensured to allow an equal probability for each condition to be chosen. It raised confidence to the experimental design so that the cases would not vary in a systematic way. Also, this method was unbiased since it paid no attention to the personal preference of a respondent during the selection process (Neuman, 2014). In this case, each combination of the variable categories was examined separately. Conclusion could be drawn by comparing and synthesizing the findings from each condition. By utilizing factorial design, apart from discovering main effects, it also unveiled the possibility of interaction effects due to the combination of two variables producing an effect larger than that of individual variable alone (Neuman, 2014). The discovery of whether an interaction (i.e. moderating) effect existed between product type and brand familiarity was important in this research as it offered additional insights by suggesting unique effects under specific conditions.

Table 3.1.1 Overview of the eight experimental conditions

<table>
<tr><th colspan="3">Case 1: Presence of a sponsored message (Disclosure)</th></tr>
<tr><td></td><td colspan="2">Brand familiarity (High vs Low)</td></tr>
<tr><td rowspan="2">Product type (Search vs Experience)</td><td>C1: Blog post about a search good of high brand familiarity</td><td>C2: Blog post about a search good of low brand familiarity</td></tr>
<tr><td>C3: Blog post about an experience good of high brand familiarity</td><td>C4: Blog post about an experience good of low brand familiarity</td></tr>
<tr><th colspan="3">Case 2: Absence of a sponsored message (Non-disclosure)</th></tr>
<tr><td></td><td colspan="2">Brand familiarity (High vs Low)</td></tr>
<tr><td rowspan="2">Product type (Search vs Experience)</td><td>C5: Blog post about a search good of high brand familiarity</td><td>C6: Blog post about a search good of low brand familiarity</td></tr>
<tr><td>C7: Blog post about an experience good of high brand familiarity</td><td>C8: Blog post about an experience good of low brand familiarity</td></tr>
</table>

3.2 Stimulus material

Two types of fictitious blog posts that resembled online blogs found on the internet were created to focus on a search and experience good respectively. A fitness watch was chosen as the search good because this product was of interest to both men and women, and the product attributes were objective and easy to understand (Mudambi & Schuff, 2010). A blog post created in the style of a lifestyle and fitness blog was adopted to match the fitness watch and increase the simulation of a real blog post.

For the experience good, a hotel was chosen; its product features were less stable and more subjective (Mudambi & Schuff, 2010). To fit this experience good, a blog post resembling the design of a travel blog was utilized in order to improve the authenticity of the blog post. Also, for each product type, a familiar and unfamiliar brand were chosen. For example, an unfamiliar brand name would replace the one with high familiarity for condition testing for low brand familiarity. To manipulate the sponsorship disclosure, a disclosure stating “This post is sponsored by [Brand]” was placed on top of the blog post under the heading, with a font size smaller than the core content by one unit. The disclosure statement was formulated based on the official endorsement guidelines of FTC (Federal Trade Commission, 2017). No disclosure statement was inserted for the non-disclosure condition.

The blog post focusing on the search good (in Appendix D.2) talked about how the blogger thought about his new fitness watch by describing the product attributes such as functionalities and practical features. On the other hand, the blog post regarding the experience good (in Appendix D.2) described a blogger’s experience with staying at a hotel in Oslo, the content covered was more subjective emphasizing the service and hospitality received. For the purpose of a valid comparison, the differences regarding other variables that would possibly alter the experimental results to account for a causal relationship were strictly controlled. Hence, the two types of blog posts were kept as similar as possible in all aspects except for the testing variables, so that the differences observed in the outcomes would be attributed to the causality aimed to be tested. By doing so, the word count of both blog posts was fixed at around 300 words. Longer blog post would cause fatigue to participants or raise the risk of dropping out from impatient respondents. This length took reference from the study by Jiménez and Mendoza (2013), which two sets of fictitious online review were created to examine the purchase intentions of search and experience products. As this research centered on blogs, the length of the post was longer than Jiménez and Mendoza (2013). According to Weidert Group, a B2B marketing agency, a word count of 600 words or less would suffice the value of a short blog post (Sobal, 2014). To minimize potential confounds, the brand name was mentioned once, and both posts were double-sided to include a total of eight positive and two negative comments. Price information was not mentioned. The layout, structure and design of the blog posts were constructed in the same fashion as well.

3.3 Sampling

3.3.1 Age group

Young adults (from 21-34 years old) were targeted in this research for two reasons. First, according to Nielsen (2016), this age group fell into the group of active social media users who devoted the highest percentage of time on ‘social’ out of their entire time spent across all forms of media. It suits this research’s focus as blog is a form of social media. Also, Nielsen (2015) demonstrated that there was a difference in the level of trust towards advertising in general across age groups. To minimize this confounding effect, the age group of 21-34 was chosen as it exhibited the highest level of trust towards all forms of advertising in general. Thus, the effect of disclosure on brand attitude and how it might be moderated by product type and brand familiarity could be more precisely investigated.

3.3.2 Pre-test

As people may have different perceptions in terms of brand familiarity due to the difference in brand knowledge and previous experience, in order to select the most suitable brand representing high and low brand familiarity, a list of five brands for each product type with varying brand familiarity were chosen to undergo a pretest of brand familiarity. For fitness watch, the five brands selected were Fitbit, Garmin, Polar, Runtastic and TomTom. For hotel, Hilton, Millennium, Moxy, Pullman and Radisson were chosen. A convenience sampling was utilized to recruit participants fitting the experimental age group through the researcher’s social network.

The pre-test sample was recruited between 12 to 17 Mar 2018. Participants with the same age range as the research sample (from 21 to 34 years) were recruited. A total of 27 respondents were collected in the pre-test and two of them dropped out during the course of the survey. After removing the incomplete samples, the pre-test consisted of a sample size of 25 participants. The final sample had a mean age of 26.04 years (*SD* = 2.81). The gender was quite equally distributed, with 52% (*n* = 13) of female and 48% (*n* = 12) of male respondents. Since the respondents were recruited based on the researcher’s social network, 44% (*n* = 11) of them were from Hong Kong and the rest were mostly Europeans (*n* = 12) and a minority from China (*n* = 1) and India (*n* = 1). Table 3.3.1.1 presents the results of the pre-test score for each brand respectively.

Table 3.3.1.1 Mean and standard deviation of brand familiarity for all the brands under the pre-test

Search good brands	*M*	*SD*	Experience good brands	*M*	*SD*
Fitbit	3.86	2.63	Hilton	5.44	2.12
Garmin	2.46	1.85	Millennium	1.94	1.29
Polar	2.06	1.62	Moxy	1.12	.30
Runtastic	2.54	2.26	Pullman	2.90	2.37
TomTom	3.58	2.78	Radisson	3.28	2.23

To determine if the mean difference between the highest and lowest brand familiarity score for each product type was significant, a paired sample t-test was conducted. For search good, there was a statistically significant difference in brand familiarity between Fitbit (*M* = 3.86, *SD* = 2.63) and Polar (*M* = 2.06, *SD* = 1.62), $t(24) = 3.26$, $p = .003$. The mean difference between Fitbit and Polar was 1.80, 95% CI [.66, 2.94]. For experience good, a significant difference in brand familiarity was also discovered between Hilton (*M* = 5.44, *SD* = 2.12) and Moxy (*M* = 1.12, *SD* = .30), $t(24) = 10.19$, $p <$

.001. The mean difference between Hilton and Moxy was 4.32, 95% CI [3.44, 5.20]. Hence, Fitbit, Polar, Hilton and Moxy were chosen to represent high and low brand familiarity for search and experience good respectively.

3.3.3 Experimental data

For the final experiment, typical convenience sampling was not employed although it was easy, inexpensive and quick to obtain data in order to prevent skewing towards the researcher's personal background. Also, the use of standard convenience sampling raised the issue of producing very biased and non-representative sample that could impact the results (Neuman, 2014). Hence, in order to improve the diversity and representativeness of the sample, the data was collected through random sampling (albeit partly convenience) via an online crowdsourcing platform. Crowdsourcing platforms are websites requesting online workers to help with small tasks such as web research, transcription and content generation by offering them a small monetary incentive in return (Kaufmann, Schulze, & Veit, 2011). Previous research found out that using these platforms could enable the data set to contain a diverse range of demographics with regards to age, education and nationality (Ross, Irani, Silberman, Zaldivar, & Tomlinson, 2010). There are a number of crowdsourcing options available online but Prolific (www.prolific.ac) was chosen in this study over more well-known ones such as Mechanical Turk (MTurk) and CrowdFlower (CF). First, there was a heightened concern on MTurk due to more time-consuming subject pool replenishment and increasing lack of naivety among participants (Chandler, Paolacci, Peer, Mueller, & Ratliff, 2015). A newly conducted research by Peer, Brandimarte, Samat, and Acquisti (2017) also substantiated this argument by demonstrating that participants on Prolific and CF were both more diverse in demographics, naive to experimental research duties and honest than that on MTurk. The data quality collected on Prolific was therefore higher than that of CF (Peer et al., 2017). Second, Prolific is a crowdsourcing platform explicitly accommodate to researchers to mobilize respondents for economic and social science experiments (Palan & Schitter, 2017). By doing so, the platform offers a wide range of flexible prescreening filters to cater the specific needs of each researcher. For instance, the platform allows researcher to select respondents based on any specific age group, which facilitates the collection of a certain target sample of participants.

3.4 Operationalization

3.4.1 Persuasion knowledge

As illustrated in the theoretical framework, the effect on brand attitude due to sponsorship disclosure was mediated by persuasion knowledge, which was the underlying psychological response to explain the influence on brand attitude. Persuasion knowledge consisted of a cognitive and an affective dimension, which was referred as cognitive and attitudinal persuasion knowledge respectively

(Boerman et al., 2012; Rozendaal et al., 2011). To measure cognitive persuasion knowledge, a 7-point question developed by Rossiter (2011) ranging from 1 (strongly disagree) to 7 (strongly agree) was used to ask respondents to indicate to what extend they agreed with the statement "The blog post is advertising". According to Rossiter (2011), this scale with a single item was adequate enough to assess the subject about conceptual persuasion knowledge. This single-item scale was also adopted by previous researches to measure respondents' ability to identify advertising element in similar studies related to sponsorship disclosure in advertising (Boerman et al., 2012; Boerman et al., 2017; Ham, Nelson, & Das, 2015).

On the other hand, the critical feelings of respondents towards the blog post were measured by the attitudinal persuasion knowledge scale developed by Ohanian (1990). It was measured by asking respondents to select based on a 7-point semantic differential scale, having five items, to what extent did the statement "I think the blog post is …": "honest/dishonest," "trustworthy/untrustworthy," "convincing/unconvincing," "credible/not credible" and "unbiased/biased" best described their feelings. Some adjustments on the scale were changed to better fit this study. The items "credible/not credible" and "unbiased/biased" were originally reversed in the scale. The suggestion of reversing some items in a scale was to aware inattentive participants of the changing items and minimize acquiescence bias among some respondents (Drolet & Morrison, 2001; Watson, 1992). However, it was argued that short items in a scale would not cause participants to become fatigue to consciously or unconsciously produce the same response (Swain, Weathers, & Niedrich, 2008). Also, it raised the concern of miscomprehension when including items with reversed meanings (Swain et al., 2008), which in this case if reversed, "unbiased" would be highly susceptible to miscomprehension with items such as "untrustworthy" and "unconvincing" in the same scale. Therefore, in this study, it was decided that no reversed item was needed for this scale.

3.4.2 Brand attitude and purchase intention

A 7-point semantic differential scale with five items measuring brand attitude developed by Bruner (2009) was adopted to measure brand attitude. This scale was extensively used in previous marketing and advertising researches (Boerman et al., 2012; Campbell, 1995; van Reijmersdal et al., 2015; Wojdynski, 2016b; Wojdynski & Evans, 2016). Respondents were asked to select to what extent did the statement "I think [brand] is…": "bad/good," "negative/positive," "unfavourable/favourable," "uninteresting/interesting" and "unappealing/appealing" best described their attitude.

Purchase intention was measured based on a five-item scale adapted from Putrevu and Lord (1994) as well as Taylor and Baker (1994) respectively. Some items were similar that they were combined as one. The five items are "I would consider buying this product (search good) / I would consider staying at this hotel (experience good)," "I have no intention to buy this product (reversed) (search good) / I have no intention to stay at this hotel (reversed) (experience good)," "It is possible that I would buy this product (search good) / It is possible that I would stay at this hotel (experience good)," "I will purchase (brand) the next time I need a fitness watch (search good) / I will stay at (brand) the next time I need a hotel (experience good)," and "If I am in need, I will buy this fitness watch (search good) / If I am in need, I will stay at this hotel (experience good)". Respondents were asked to rate from 1 (strongly disagree) to 7 (strongly agree) of how relevant these statements applied to them. The second item for this scale was kept reversed because unlike the scale for attitudinal persuasion knowledge, these are longer items. In order to keep inattentive participants aware of the changing items and minimize acquiescence bias among some respondents, this item was kept reversed (Drolet & Morrison, 2001; Watson, 1992). Also, unlike the case for the scale of attitudinal persuasion knowledge, this reversed item was less likely to raise the concern of miscomprehension by respondents due to longer wordings.

3.4.3 Manipulation checks

To promote internal validity of the research, manipulation checks were included in the experiments. These checks aimed to justify the measurement validity of both the independent and dependent variables in the study. In that sense, their objective was to be sure that these variables in each condition were functioned as intended to eradicate potential threats to internal validity (Neuman, 2014).

The manipulation of sponsorship disclosure was performed by asking respondents the question "Do you notice a sponsored message in the blog post?" in conditions where a statement of a sponsorship disclosure was placed underneath the title. O'Keefe (2003) argued that manipulation check concerning the influence of a message variable (presence or absence of disclosure message) on the persuasion effects was not required, which in this case is the notice of a sponsorship disclosure message underneath the title. O'Keefe (2003) further explained that the stimuli material either with or without the disclosure message was quite independent of the perception of respondents. Hence, when the research question was associated with the impact of a message variation (presence or absence of the disclosure message) on the persuasive effect, it was not necessary to include manipulation check. However, this question was still included in this experimental design with a view to obtain additional insights to potentially add value and complement with the findings.

By investigating the relationship among brand familiarity, brand trust, brand attitudes and purchase intention, Laroche et al. (1996) discover that brand familiarity would affect trust towards a brand and consequently buying intention. Brand attitude was also influenced by the customer's familiarity with the brand. This research could reference from the findings of Laroche et al. (1996) as these variables were taken into account in the experiment but specifically in a blog setting involving sponsorship disclosure. Therefore, the manipulation check for brand familiarity was measured based on a scale of two items adapted from Laroche et al. (1996). Respondents were asked to rate from 1 (no knowledge) to 9 (a great deal of knowledge) about their knowledge of the brand and from 1 (no previous experience) to 9 (a lot of previous experience) regarding their previous experience with the brand.

As theorized earlier, search and experience goods are distinguished mainly by their difference in product attributes (Lynch & Ariely, 2000), in which search goods possess attributes that are more objective (Huang et al., 2009) whereas experience goods exhibit attributes that are more subjective and ambiguous (Hoch & Deighton, 1989). Krishnan and Hartline (2001) conducted a survey to determine whether customers could discern differences among search, experience and credence goods. Although credence goods were out of the scope of this study, the scale developed by Krishnan and Hartline (2001) was still highly applicable as a manipulation check of product type. Respondents were asked to rate on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree) on two items to evaluate the degree to which they were able to make an accurate judgement of the product quality *before the purchase* and *after using it* respectively. Krishnan and Hartline (2001) concluded that having high scores for both items would be considered as search goods as their product quality could be assessed prior to purchase. On the other hand, products having a lower score in *before purchase* but a higher score in *after using* would be evaluated as experience goods. This argument was also congruous to Mudambi and Schuff (2010), who underlined that it was more difficult for consumers to assess the quality of experience goods before purchase or using them than search goods. Therefore, the manipulation check for product type was adapted from Krishnan and Hartline (2001) by asking respondents to rate the two items "If I have to buy a fitness watch/book a hotel, I am able to make an accurate judgement of the fitness watch/hotel quality before the purchase" and "If I have to buy a fitness watch/book a hotel, I am able to make an accurate judgement of the fitness watch/hotel quality after using it." using the same 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

3.5 Experimental procedure

The research was deployed online using Qualtrics, an online surveying platform. Online experiment facilitated a wide reach of respondents in an absence of interviewer bias in a convenient and inexpensive way (Van Selm & Jankowski, 2006). Also, as this study was directed towards people between 21-34 years old who were considered as active social media users (Nielsen, 2016), conducting the research online was suitable to target this group of digitally engaged respondents.

The procedure began by a brief introduction of the study to the participants. After giving consent to the research and entering their Prolific ID and age, participants were directed to one of the eight experimental conditions randomly by the system. Random assignment was implemented to distribute the cases evenly to make sure that each condition had a similar number of respondents. This was necessary as an unbiased method to improve the confidence that each case would not vary in a systematic way (Neuman, 2014). Then, respondents were shown with one of the eight fictitious blog posts as a stimulus material. In order to ensure that they paid full attention to the material, a timer was set to force participants to spend at least 1.5 minute to read the entire post before moving on to the questions. Also, an attention check question "What kind of product/experience is written in the blog post?" was asked when respondents proceeded to the next page after reading. The purpose of including such question was to ensure respondents' attention and screen out participants who did not pay attention during the course of experiment (Peer, Vosgerau, & Acquisti, 2014). Researches directed especially towards online crowdsourcing platform manifested that including attention check questions could effectively enhance the quality of data gathered (Aust, Diedenhofen, Ullrich, & Musch, 2013; Oppenheimer, Meyvis, & Davidenko, 2009). Next, participants were asked about their opinions on questions aiming to measure the experimental variables, followed by the manipulation check questions. It ended by asking some basic demographic information of the participants and finally a debrief of the experiment.

For each condition, a minimum of 30 participants were required, meaning that this study aimed to recruit at least 240 participants for all eight experimental conditions. However, due to possible drop-out and failing to answer the attention check question correctly, the experiment sought to gather more than 240 samples, and collected N = 699, resulting in N = 660 usable respondents.

3.6 Data analysis

The data collected on Qualtrics was loaded to SPSS, a statistical software package for data analysis. First, the data was cleaned of incomplete and erroneous samples to increase the internal validity of the study. Incomplete samples and those who failed to answer the attention check question correctly were therefore removed from the data set. Also, Prolific requires the researcher to manually approve or reject submission case by case with the indication of survey completion time before offering remuneration to respondents who have successfully been approved. Hence, outliers such as those completed the experiment in an exceptionally fast manner were removed from the sample based on their Prolific ID. Also, despite using the age prescreening filter to gather data, respondents were still required to provide their age at the beginning of the survey. Some respondents were not within the age requirement despite the presence of this prescreening age filter. One possible reason would be some respondents did not fill in their age correctly in their user profile so Prolific wrongly targeted them in the sample. Therefore, these respondents were excluded as well because of not meeting the age requirement. Then, reorganization of data and reverse coding were undergone to facilitate data analysis.

Separate tests were performed to validate manipulation checks and the reliability of scales. Afterwards, specific statistical analysis was performed for each hypothesis. For H2 stating the relationship between brand attitude and purchase intention, a hierarchical regression with sociodemographic factors as control was performed to test the hypothesis. In that case, the regression analysis could show if the independent variable brand attitude can predict the dependent variable purchase intention in the conceptual model. On the other hand, the Hayes PROCESS macro (version 2.16) (Hayes, 2017) was installed as an add-on package on SPSS to conduct the remaining hypothesis testing including the moderating and mediating effects. Hayes (2012) argued that there were other options to statistically test moderation and mediation effects, but each of these tools only fulfill a specialized task, and further his approach employed the more robust bootstrapping to assess 95% confidence intervals for the direct and indirect effects from variable predictors, mediator, and moderators. In particular, PROCESS was especially useful to test the combined effects of moderated mediation for this conceptual model, or conditional process modeling as referred by Hayes (2012) because it was a versatile computational tool by integrating various popular functions into one single tool which was both easy and convenient for researchers to use. It also eradicated the need for researchers to be acquainted with various tools that only accomplished a single analysis (Hayes, 2012). To facilitate the analysis using PROCESS, dummy variables were created for both the independent and moderating variables. PROCESS was able to sophistically analyze a diverse combination of moderation and mediation by allowing researchers to choose from a number of available model templates. In this research, PROCESS model 4 for simple mediation was used to test H1 and H3 and model 9 for moderated mediation was employed to test H4 and H5.

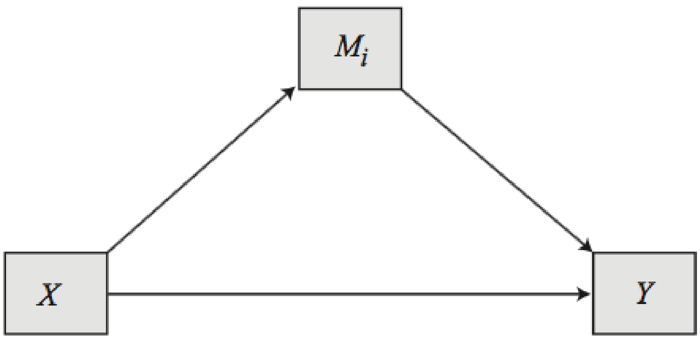

Figure 3.6.1 Conceptual diagram of PROCESS model 4 - Simple mediation

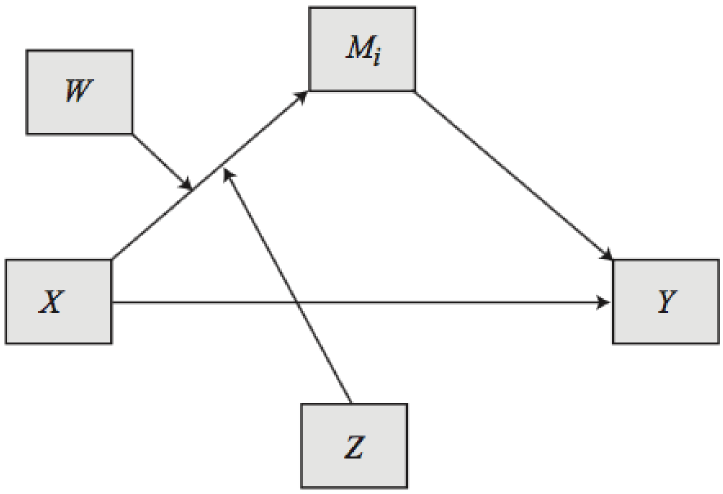

Figure 3.6.2 Conceptual diagram of PROCESS model 9 - Moderated mediation

3.7 Validity and reliability

While it was impossible to achieve perfect validity and reliability as every research had limitations, some measures were adopted to strengthen the validity and reliability of this study. As Neuman (2014) noted, validity was referred as the truthfulness of study connecting with the reality. In order to strengthen validity, the operationalization of a scale was based on established studies with the inclusion of multiple items adopted in previous similar researches. Using multiple items for a single scale took into account that a measurement was based on a broad range of content comprising the conceptual definition. Hence, triangulation was attained as various dimensions of the construct were measured with its own indicator (Neumen, 2014). Moreover, to make sure that the effect on the dependent variable was only due to the presence of independent variables under investigation, control variables were incorporated by including manipulation check questions to isolate the possible exogenous factors influencing the experimental outcomes. A specific age group was chosen by taking into account the possibility of the difference in trust towards advertising based on the study by Nielsen (2015). Also, a pre-test of brand familiarity was conducted to verify that the specific brand chosen was representable in terms of high and low brand familiarity. By including a randomizing feature on Qualtrics, it assured a random assignment of the eight experimental conditions to prevent possible extraneous variables of the respondents from causing bias within the experiment. All these measures aimed to promote the internal validity of the research. While convenience sampling as a channel to recruit respondents for the pre-test might be more prone to the lack of generalizability of result (Neumen, 2014), it was not employed to gather the experimental data. Instead, random selection of respondents through the use of random sampling was chosen to recruit participants fitting the age criterion. This was done through the use of crowdsourcing platform Prolific to promote the diversity of participants. As random sampling was based on the law of probability, it yielded a sample that could most likely to draw inference to the general population (Neumen, 2014). It also enabled the researcher to statistically calculate the association between the sample and population to effectively reinforce external validity of the results.

On the other hand, reliability was related to the extent to which the statistical results were absent from measurement error (Muijs, 2011). Internal reliability was promoted by performing data cleaning to remove erroneous samples and outliers in the data set. Moreover, the use of PROCESS strengthened the reliability of the analysis due to the presence of an option for a heteroscedasticity-consistent standard error estimator. One of the assumptions for OLS regression was that the variance of the residuals was homoscedastic. If this assumption was violated, the OLS standard error estimator would be biased, which in turn undermined the reliability of the hypothesis tests (Long & Ervin, 2000). It would be troublesome when the subsequent analysis of mediation or moderation were based on these biased standard errors, such as in the case of Sobel test (Hayes, 2012). The heteroscedasticity-consistent standard error estimator in PROCESS was consistent and diminished the bias with sample size even under the presence of heteroscedasticity, thus promoting the reliability of the moderated mediation analysis (Long & Ervin, 2000). Also, in order to strengthen internal consistency and reliability of scales constituting multiple items, factor analysis was undergone to ensure there is orthogonality across all scales and analysis using Cronbach's alpha was performed to confirm that the scales could sufficiently correlate to promote reliability. Compared to field or lab experiment, conducting an online experiment could further enhance the external reliability as an online context provided a more natural setting to participants and it was easier for other researchers to control and replicate the experiment.

4. Results

This chapter contains the reporting of the results based on the analysis of the data collected. These findings are essential to yield insights regarding the research objective, so that they can be discussed by integrating back to the literature context in the subsequent chapter. This section begins with descriptive statistics, followed by the reliability and manipulation check analysis, and subsequently the results of hypothesis testing.

4.1 Descriptive statistics

Respondents were recruited from 2 to 19 April 2018 via Prolific. A total of 699 samples were collected eventually, which was more than the minimum requirement of 240 respondents. Due to possible drop-out, not meeting the age criterion and failing to answer the attention check question correctly, the final sample consisted of N = 660 participants who were qualified to be utilized for the subsequent stages of statistical analysis. Table 4.1.1 shows the distribution of respondents for each condition based on the final sample. Among the respondents, 36.2% (n = 239) were male and 62.7% (n = 414) were female[1]. The age ranged from a minimum of 21 to a maximum of 34 years, with an average age of 28 years (SD = 3.79). As the experiment was conducted solely in English, the nationality of the respondents was heavily skewed towards English-speaking countries. In the sample, 70.6% (n = 466) were British, 21.7% (n = 143) were Americans, 3.6% (n = 24) were Canadians, 2.3% (n = 13) were from other parts of Europe apart from the United Kingdom, 1% (n = 6) were from Oceania, 0.6% (n = 3) were from Asia, 0.6% (n = 3) were from Africa, and 0.4% (n = 2) were from South America. 54.2 % (n = 358) of the respondents have obtained a degree, with bachelor's degree as the majority (41.7%, n = 275). 27.4% (n = 181) were high school graduates and 16.5% (n = 109) attended vocational trainings. Most of the participants were working adults, with 43% (n = 284) working full-time, 20.9% (n = 138) working part-time, and 8.6% (n = 57) being self-employed. Students also constituted 10.8% of the sample (n = 71).

Table 4.1.1 Overview of the distribution of respondents for each experimental condition

<table>
<tr><th colspan="2">Case 1: Presence of a sponsored message (Disclosure)</th></tr>
<tr><th colspan="2">Brand familiarity (High vs Low)</th></tr>
<tr><td>C1: Blog post about a search good of high brand familiarity (n = 82)</td><td>C2: Blog post about a search good of low brand familiarity (n = 83)</td></tr>
<tr><td>C3: Blog post about an experience good of high brand familiarity (n = 78)</td><td>C4: Blog post about an experience good of low brand familiarity (n = 83)</td></tr>
<tr><th colspan="2">Case 2: Absence of a sponsored message (Non-disclosure)</th></tr>
</table>

[1] The remaining 1.1% (n = 7) identified themselves as 'other'.

Brand familiarity (High vs Low)	
C5: Blog post about a *search* good of *high* brand familiarity (n = 84)	C6: Blog post about a *search* good of *low* brand familiarity (n = 81)
C7: Blog post about an *experience* good of *high* brand familiarity (n = 84)	C8: Blog post about an *experience* good of *low* brand familiarity (n = 85)

4.2 Factor analysis and reliability check of scales

When using scales to measure the variables, it was important that these scales were reliable by considering their internal consistency and orthogonality across all scales. In this study, a confirmatory factor analysis was first performed to test the factorial structure of the established scales to ensure that there was partitioning across all scales. The 18 items measuring persuasion knowledge, brand attitude, purchase intention and brand familiarity which were all in Likert-scale were included in the factor analysis using principal components extraction with Varimax rotation based on Eigenvalues (> 1.00), $KMO = .918$, $\chi 2$ (N = 660, 153) = 9147.22, $p < .001$. The *KMO* was used to measure sampling adequacy of both individual variable and the entire model as a whole. The value of *KMO* should be above .5 if the sample was adequate (Field, 2013), so the result of the *KMO* test indicated that the sample was of a high adequacy. The resultant model constituting all the four components could explain 74.4% of the variance and after the fourth component there was a bend in the screen plot (see figure A.2 in Appendix A). All the items measuring persuasion knowledge, brand attitude, purchase intention and brand familiarity respectively were positively correlated to their corresponding components. The factor analysis confirmed that all 18 items had a sufficient factor loading (i.e., > .45) on their designated component, demonstrating a high orthogonality across all scales. The factor loadings of individual items on the four factors and the scree plot are presented in Appendix A.

Next, the corresponding items of each scale were combined by averaging all the items to produce the scale. The internal consistency of these scales was then measured using Cronbach's alpha, which was the most commonly used indicators suggested by Pallant (2013). For a scale to be considered as reliable, the Cronbach's alpha should be above .7 (DeVellis, 2012). Before checking the reliability of the purchase intention scale, the second item "I have no intention to buy this product/ stay at this hotel" measuring purchase intention was reversely coded because this item was negatively worded compared to the other items in the scale. The Cronbach's alpha measuring persuasion knowledge was $\alpha = .89$, indicating a good reliability. If the cognitive persuasion knowledge item was deleted, the Cronbach's alpha would increase slightly to $\alpha = .91$. Given the scale with the cognitive item included already possessed a good reliability with a Cronbach's alpha above the minimum benchmark of $\alpha = .7$ to a great extent, it was decided to keep all the items including both cognitive and attitudinal dimensions for the scale of persuasion knowledge in all the analyses. The scale of purchase intention and brand familiarity both yielded a Cronbach's alpha of good reliability as well, with α = .89 and α = .82 respectively. Finally, brand attitude had an excellent Cronbach's alpha of α = .94. Therefore, all the scales adopted to measure the variables revealed a good reliability.

4.3 Manipulation checks

For condition 1 to 4 with the presence of a sponsorship message shown on the blog post, respondents were asked at the end of the survey with the manipulation check question "Do you notice a sponsored message in the blog post?". Surprisingly, although the sponsorship message was placed right underneath the topic, it was not noticed by many respondents. Table 4.3.1 shows the response from respondents for each condition. With the exception of condition 1, there were more respondents reported not noticing the sponsored message in the other three conditions. Also, the sponsored message shown in the blog post written about a search good was more noticeable by respondents than that of an experience good.

Table 4.3.1 Distribution of the manipulation check question – Do you notice a sponsored message in the blog post?

Condition	**Yes**	**No**
1 (search, high brand familiarity)	56.1%	43.9%
2 (search, low brand familiarity)	47.0%	53.0%
3 (experience, high brand familiarity)	47.4%	52.6%
4 (experience, low brand familiarity)	30.1%	69.9%

The second manipulation check was to test if the four brands chosen for search and experience goods reflected high and low brand familiarity among participants. To test the familiarity of the brand, respondents were asked to rate their knowledge and previous experience with the brand respectively. A higher score after averaging the two combined items represented a higher familiarity towards the brand and vice versa. Since there were both search and experience goods, an independent samples t-test was performed to compare the means of the brand familiarity between the two brands for each product type. Before conducting the statistical analysis, the condition variable was first recoded to represent four different brands by combining two conditions (disclosure and no disclosure) talking about the same brand, with 1 = Fitbit, 2 = Polar, 3 = Hilton and 4 = Moxy. After conducting the independent samples t-test to compare the brand familiarity between Fitbit and Polar, the Levene's test revealed a significance level of $p < .001$, indicating that equal variances were not assumed, and the standard deviation of both brands were different. Significant difference in means was shown, $t(254.50) = 12.45$, $p < .001$. The brand familiarity of Fitbit ($M = 4.48$, $SD = 2.45$) reported by the respondents was significantly higher than Polar ($M = 1.79$, $SD = 1.32$). Hence, the manipulation of brand familiarity for search good was successful. For the independent samples t-test between Hilton and Moxy, the Levene's test indicated a significance level of $p < .001$, meaning that equal variances were not assumed, and the standard deviation of both brands were different. Significant difference in means was shown as well, $t(244.39) = 12.53$, $p < .001$. The brand familiarity of Hilton ($M = 4.24$, $SD = 2.13$) reported by participants was significantly higher than Moxy ($M = 1.88$, $SD = 1.14$). Therefore, the manipulation of brand familiarity for experience good was successful as well.

The third manipulation check tested if the two products (fitness watch and hotel) chosen revealed product attributes representing a search and experience good. To test if the manipulation check for product type was successful, respondents were asked to rate two statements - if they were able to make an accurate judgement of the product quality *before purchase* and *after usage* respectively. A higher score indicated that respondents were more agreeable to the statement. The evaluation of product type was based on Krishnan and Hartline (2001) that a search good would be able to have higher scores for both before purchase and after usage whereas an experience good would be likely to exhibit a lower score in before purchase but a higher score in after usage. To evaluate this manipulation check, a paired samples t-test was performed to compare the means of before purchase and after usage for each product type. Prior to conducting the statistical test, the condition variable was recoded to represent fitness watch and hotel respectively by each combining four conditions talking about the same product, with 1 = fitness watch and 2 = hotel. After conducting the paired samples t-test, it was discovered that for fitness watch, there was a statistically significant difference between before purchase ($M = 4.89$, $SD = 1.43$) and after usage ($M = 5.71$, $SD = 1.15$), $t(329) = -9.96$, $p < .001$. The mean difference between before purchase and after usage was -.82, 95% CI [-.98, -.66]. For hotel, the paired samples t-test revealed a statistically significant difference between before purchase ($M = 4.95$, $SD = 1.13$) and after usage ($M = 6.11$, $SD = 1.03$), $t(329) = -15.57$, $p < .001$ as well. However, the magnitude of the mean difference between before purchase and after usage was bigger at -1.16, 95% CI [-1.30, -1.01]. Though both fitness watch and hotel reflected a significant difference in the means of before purchase and after usage, the greater magnitude in the means difference of hotel confirmed with Krishnan and Hartline (2001) that it exhibited more of an experience good attribute due a lower score in before purchase but a higher score in after usage. On the other hand, the smaller means difference of fitness watch revealed that it was more of a search good attribute due to a relatively high score for both before purchase and after usage.

4.4 Hypothesis testing

This section discusses the results of the five hypotheses proposed in the conceptual model (see figure 2.4.1). First, a test for a significant relationship between sponsorship disclosure (independent variable) and brand attitude (dependent variable) was conducted; this is denoted by H1 in the model, and whether this relationship is mediated by persuasion knowledge, which is denoted as H3. At the same time, if this mediated relationship is moderated by product types (search/experience) and brand familiarity (high/low), which are denoted by H4 and H5 respectively. Finally, if there is a significant relationship between brand attitude and purchase intention, which is presented by H2. H2 was tested by a hierarchical linear regression in SPSS, where $p < .05$ was considered as statistically significant. For the rest of the hypotheses, the add-on package of PROCESS macro (Hayes, 2017) was used. The mediated relationship was first tested to see if it was statistically significant. If that was the case, the moderated mediation, which was coined by Hayes (2012) as conditional process modelling, would then be tested subsequently. The analyses using PROCESS macro were conducted based on a bootstrap of 5,000 samples with a default generation of biased-corrected estimates and confidence intervals of 95% (Hayes, 2012). The option for a heteroscedasticity-consistent standard error estimator was checked for all the analyses using PROCESS macro to diminish the bias unless heteroscedasticity was present in the sample to promote the reliability of the moderated mediation analysis (Long & Ervin, 2000).

4.4.1 Effect of disclosure on brand attitude (H1) and persuasion knowledge as a mediator (H3)

For H1, it was hypothesized that a disclosure (independent variable) on sponsored blog post would lead to a less favourable brand attitude (dependent variable), compared with no disclosure. Moreover, H3 hypothesized that persuasion knowledge would mediate the effect of disclosure on sponsored blog post on brand attitude, such that its activation would lead to more negative brand attitude. Model 4 (see figure 4.4.1.1 below) denoting a simple mediation model in PROCESS macro was utilized to test H1 and H3 accordingly. This model followed the traditional mediation analysis proposed by Baron and Kenny (1986). According to them, there would be mediation if the subsequent conditions were met. First, the total direct effect between the independent variable X and the dependent variable Y was significant, which was denoted by Hayes (2017) as path c. Second, the direct effect between X and the mediating variable (M_i) was significant, which was represented as path a (Hayes, 2017). Third, there was a significant relationship between M_i and Y when X and M_i were predicting Y together, which Hayes (2017) considered as path b. Finally, the effect of X on Y was no longer significant when the mediating variable Mi was included in the model, meaning that controlling for M_i removed all the effect of X. This was denoted as path c' (Hayes, 2017). While the Sobel test (Sobel, 1982) was widely used by some previous scholars to test the indirect effect of X and Y in the mediation model (MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002), it was less preferable than bootstrapping confidence intervals as the assumption of the sampling distribution of the indirect effect as normal was unrealistic as an inferential process (Hayes, 2012). Hence, PROCESS macro was considered as more superior than Sobel test to provide a robust analysis.

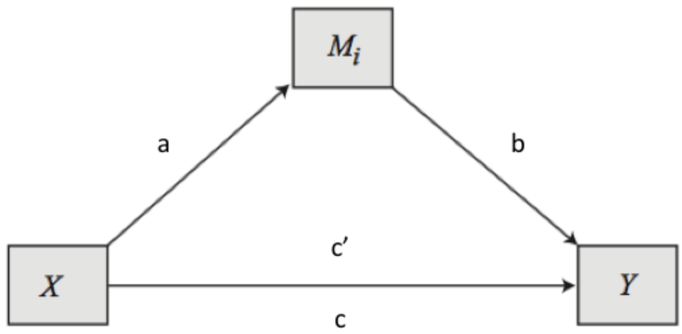

Figure 4.4.1.1 Conceptual diagram of PROCESS model 4 - Simple mediation

Although PROCESS macro allows the incorporation of a heteroscedasticity-consistent standard error estimator to diminish bias unless heteroscedasticity was present, it does not assess the other assumption of linear regression – normality of errors, this regression assumption was tested separately by examining the normal probability plot of each of the regression analysis of path a, b, c and c' respectively. The visual inspection of the four normal probability plots all revealed that the points lay very close to the line. Hence, the assumption of normality of errors was met. The normal probability plot of the four regressions were included in Appendix B.

Before running the analysis, brand attitude was reversely coded so that the scale ran in the same direction as persuasion knowledge, with a higher score indicating less favourable brand attitude. A dummy variable for disclosure was created based on the conditions. Condition 1 to 4 were recoded as 1 in the dummy variable, which represented disclosure, whereas condition 5 to 8 were recoded as 0, which denoted no disclosure. For the mediation analysis using model 4 (N = 660), X was denoted as the disclosure variable with 1 being disclosure and 0 being no disclosure, Y was the reversed brand attitude and M_i was the persuasion knowledge. To facilitate a more robust analysis, sociodemographic variables including age, gender, level of education and employment status were included as controls to be placed as covariates in the PROCESS analysis.

PROCESS model 4 was then run to test H1 and H3 accordingly. To check if the first condition was met, meaning path c - the total effect of disclosure on brand attitude was significant, the regression analysis of the total effect model was examined. The model was found to be significant, $F(5, 654) = 6.77$, $p < .001$ (one-tailed), $R^2 = .05$. The variance explained (5%) is low, but not uncommon for social data. Interestingly, of all the sociodemographic factors, gender was found to be a significant predictor of brand attitude, $b = -.36$, $t(654) = -4.11$, $p < .001$, 95% CI [-.53, -.19]. so as educational level, $b = .14$, $t(654) = 3.54$, $p = .004$, 95% CI [.06, .21]. This revealed that both gender and educational level satisfied the first criterion of a mediation analysis. Apart from that, disclosure was shown to be a significant predictor of brand attitude, $b = .22$, $t(654) = 2.42$, $p = .008$ (one-tailed), 95% CI [.04, .39], indicating that when disclosure was increased by one unit, brand attitude would increase by .22 unit, while controlling for the presence of sociodemographic variables, where in this case, a higher score in brand attitude signified a less favourable brand attitude. Hence, the first criterion was met. Since this statistically significant relationship of path c also represents H1 in the conceptual model (see figure 2.4.1**)**, this result shows that H1 is supported. To enable a more nuance understanding of the effect of disclosure on brand attitude, a separate OLS regression was performed. According to Gelman (2007), a more appropriate scaling of the dependent variable (reversed brand attitude) when the independent variable (disclosure) was binary involved scaling the mean centred dependent variable by two standard deviations. However, it resulted in a *b* value that was equivalent to the *b** of the OLS regression using disclosure as the independent variable and reversed brand attitude as the dependent variable. Based on the regression analysis with reversed brand attitude as the dependable variable without scaling, the resulting model was significant, $F(1, 658) = 5.93$, $p = .0075$ (one-tailed). However, it showed a very weak predictive power such that a total of 1% of the variance in reversed brand attitude could be accounted for by disclosure ($R^2 = .01$). Disclosure was found to have a positive and significant effect on the reversed brand attitude, meaning that a sponsorship disclosure would lead to a less favourable brand attitude. However, this disclosure effect was very weak, $b^* = 0.10$, $t = 2.44$, $p = .00375$ (one-tailed).

Next, the second condition of the mediation analysis was considered, which stated that there would be a significant effect for path a between disclosure and persuasion knowledge. The results of the regression analysis for the model indicating persuasion knowledge as the outcome was examined. This model was found to be significant, $F(5, 654) = 7.88$, $p < .001$ (one-tailed), $R^2 = .05$. The model showed a weak predictive power as only 5% of the variance could be explained. Again, both gender ($b = -.30$, $t(654) = -3.26$, $p = .001$, 95% CI [-.49, -.12]) and educational level ($b = .17$, $t(654) = 4.09$, $p < .001$, 95% CI [.09, .25]) were discovered to be significantly predicting persuasion knowledge. Disclosure was found to be a significant predictor of persuasion knowledge, $b = .28$, $t(654) = 3.00$, $p = .0015$ (one-tailed), 95% CI [.10, .47], indicating that when disclosure was increased by one unit, persuasion knowledge would increase by .28 unit, while controlling for the presence of sociodemographic variables. Hence, gender, educational level and disclosure continued to fulfill the second criterion of a mediation analysis.

Then, the third condition was analyzed, which indicated that a significant effect should be present for path b between persuasion knowledge and brand attitude when disclosure and persuasion knowledge were predicting brand attitude together. By looking at the results of the regression model indicating brand attitude as the outcome and persuasion knowledge being one of the variables, the model was found to be significant $F(6, 653) = 56.50$, $p < .001$ (one-tailed), $R^2 = .38$. The resultant model revealed a moderate predictive power, such that 38% of the variance could be explained. Persuasion knowledge was found to be a significant predictor of brand attitude, $b = .56$, $t(653) = 17.07$, $p < .001$ (one-tailed), 95% CI [.49, .62], meaning that when persuasion knowledge was increased by one unit, brand attitude would increase by .56 unit, meaning a less favourable brand attitude, while controlling for the presence of disclosure and sociodemographic variables. Again, the third criterion was satisfied.

Finally, the last condition was examined, which stated that the effect for path c' between disclosure and brand attitude would not be significant anymore when persuasion knowledge was included as a mediating variable. The same regression model assessing the third criterion was used but the results of the disclosure variable was analyzed. It was found that disclosure no longer had a significant effect on brand attitude, $b = .06$, $t(653) = .82$, $p = .2075$ (one-tailed), 95% CI [-.08, .20]. Additionally, educational level was no longer a significant predictor of brand attitude as well, $b = .04$, $t(653) = 1.33$, $p = .186$, 95% CI [-.02, .10]. Therefore, the fourth criterion was met for both disclosure and educational level. Since PROCESS macro generated results with all the four conditions met as put forward by Baron and Kenny (1986), the activation of persuasion knowledge fully mediated the effect of sponsorship disclosure on brand attitude. Thus, H3 is supported. On top of that, educational level was discovered as an additional finding to also be fully mediated by persuasion knowledge. On the other hand, although the magnitude of *b* for gender was smaller, it remained to be a significant predictor of brand attitude, $b = -.19$, $t(653) = -2.61$, $p = .009$, 95% CI [-.34, -.05], meaning that controlling for persuasion knowledge removed some of the effect of gender, but not all of it. According to Baron and Kenny (1986), this result meant that persuasion knowledge could partially mediate the effect of gender. Table 4.4.1.1 summarizes the regression results for each path.

Table 4.4.1.1 Mediation analysis of persuasion knowledge on brand attitude (unstandardized coefficients)

	b	*SE*	*t*	*p* (two-tailed)	CI (lower)	CI (upper)
Outcome: Brand attitude (reversed) (path c)						
Constant	2.39***	.40	5.92	.000	1.60	3.19
Disclosure	.22*	.09	2.42	.016	.04	.39
Age	.01	.01	.83	.407	-.01	.04
Gender	-.36***	.09	-4.11	.000	-.53	-.19
Educational level	.14**	.04	3.54	.004	.06	.21
Employment status	.02	.02	.70	.486	-.03	.06
Outcome: Persuasion knowledge (path a)						
Constant	3.48***	.44	7.87	.000	2.61	4.35
Disclosure	.28**	.09	3.00	.003	.10	.47

Age	-.01	.01	-.44	.660	-.03	.02
Gender	-.30**	.09	-3.26	.001	-.49	-.12
Educational level	.17***	.04	4.09	.000	.09	.25
Employment status	.02	.02	.69	.488	-.03	.07
Outcome: Brand attitude (reversed) (path b & c')						
Constant	.46	.35	1.30	.194	-.23	1.15
Persuasion knowledge	.56***	.03	17.07	.000	.49	.62
Disclosure	.06	.07	.82	.415	-.08	.20
Age	.01	.01	1.35	.176	-.01	.03
Gender	-.19**	.07	-2.61	.009	-.34	-.05
Educational level	.04	.03	1.33	.186	-.02	.10
Employment status	.01	.02	.35	.724	-.03	.05

Note:
Significance level: * $p < .05$, ** $p < .01$, *** $p < .001$.

4.4.2 Moderation of product type (H4) and brand familiarity (H5) on the mediated model

Since the mediated effect of persuasion knowledge was supported, the moderating effects of product type and brand familiarity were tested. H4 hypothesized that product type would have a moderating effect on persuasion knowledge, such that disclosure of sponsored post about search good would activate less persuasion knowledge than an experience good. On the other hand, H5 hypothesized that brand familiarity would have a moderating effect on persuasion knowledge, such that sponsored post with a familiar brand would activate less persuasion knowledge than one with a less familiar brand. To test the moderating effects on the mediated relationship, model 9 of PROCESS macro was employed (see figure 4.4.2.1 below).

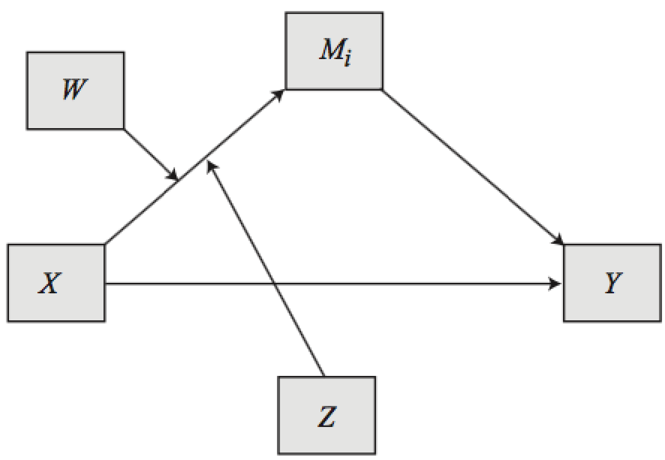

Figure 4.4.2.1 Conceptual diagram of PROCESS model 9 - Moderated mediation

For this analysis (*N* = 660), the independent variable X, mediating variable M_i and the dependent variable Y represented the same variables as in model 4, meaning they symbolized disclosure, persuasion knowledge and reversed brand attitude respectively. W and Z both indicated the binary moderating variables in the model, in which W represented product type whereas Z signified brand familiarity. Before running the analysis, a dummy variable was created for product type and brand familiarity respectively. For product type, 1 represents search good and 0 represents experience good. For brand familiarity, 1 depicted high and 0 indicated low brand familiarity. Again, to facilitate a more robust analysis, sociodemographic variables including age, gender, level of education and employment status were included as controls to be placed as covariates in the PROCESS analysis.

To determine the moderating effects of product type and brand familiarity, the results of the regression model directed towards persuasion knowledge was examined (see table 4.4.2.1). The overall model was found to be significant $F(9, 650) = 9.11$, $p < .001$ (one-tailed), $R^2 = .12$. The resultant model revealed a weak predictive power such that 12% of the variance could be explained. Product type as a main effect was found to be a significant predictor of persuasion knowledge, *b* = .40, *t*(650) = 3.21, *p* = .001, 95% CI [.15, 64], indicating that when product type increased one unit from 0 to 1 (search), persuasion knowledge would increase by .40 unit, controlling for brand familiarity, disclosure and sociodemographic variables. Brand familiarity individually did not significantly predict persuasion knowledge, *b* = -.02, *t*(650) = -.14, *p* = .892, 95% CI [-.26, .23]. Gender (*b* = -.31, *t*(650) = -3.46, *p* = .001, 95% CI [-.49, -.13]) and level of education (*b* = .18, *t*(650) = 4.34, *p* < .001, 95% CI [.10, .26]) were both found to be significant predictors of persuasion knowledge. The effect of gender and educational level on brand attitude were demonstrated to be partially and fully mediated by persuasion knowledge respectively earlier in section 4.4.1. For the moderating effects, the interaction between product type and disclosure was found to be significant, *b* = .35, *t*(650) = 1.94, *p* = .026 (one-tailed), 95% CI [-.00, .71], meaning that product type could moderate the effect of disclosure on persuasion knowledge. However, the significant positive interaction effect (*p* = .026, one-tailed) indicated that search good under disclosure would lead to more persuasion knowledge, meaning that sponsored post about search good would result in a stronger moderating effect on persuasion knowledge than an experience good. Hence, although product type did have a moderating effect on persuasion knowledge due to a significant *p*-value, it applied on the opposite direction of the hypothesis. Therefore, H4 is partially supported. On the other hand, the interaction between brand familiarity and disclosure was positive, meaning that sponsored post with a high brand familiarity would result in more persuasion knowledge, but this moderating effect was not significant (*b* = .25, *t*(650) = 1.37, *p* = .085 (one-tailed), 95% CI [-.11, .61]). The result demonstrated that brand familiarity could not significantly moderate the effect of disclosure on persuasion knowledge. Hence, H5 is rejected. Table 4.4.2.1 summarizes the regression results of the moderated mediation model on persuasion knowledge.

Table 4.4.2.1 Moderated mediation model on persuasion knowledge

	b	*SE*	*t*	*p* (two-tailed)	CI (lower)	CI (upper)
Constant	3.29***	.45	7.35	.000	2.41	4.17
Disclosure (X)	-.03	.16	-.16	.876	-.34	.29
Product type (W)	.40**	.12	3.21	.001	.15	.64
X x W[a]	.35*	.18	1.94	.026[c]	-.00	.71
Brand familiarity (Z)	-.02	.12	-.14	.892	-.26	.23
X x Z[b]	.25	.18	1.37	.085[c]	-.11	.61
Age	-.01	.01	.42	.674	-.03	.02
Gender	-.31**	.09	-3.46	.001	-.49	-.13
Educational level	.18***	.04	4.34	.000	.10	.26
Employment status	.009	.02	.38	.707	-.04	.06

Notes:

[a] Interaction between product type and disclosure, i.e. moderation of product type.

[b] Interaction between brand familiarity and disclosure, i.e. moderation of brand familiarity.

[c] *p*-value shown is one-tailed by dividing by two due to a directional hypothesis.

Significance levels: * $p < .05$, ** $p < .01$, *** $p < .001$.

In addition, the direct and indirect effects of disclosure on brand attitude (reversed) (table 4.4.2.2) also provided some indication of a possible mediation effect. The results showed that the magnitude of the direct effect of disclosure was smaller than most of the conditional indirect effects and was not significant ($b = .06$, $t(653) = .82$, $p = .415$, 95% CI [-.08, .20]) when persuasion knowledge was introduced as a mediator. This possible sign of mediation was already proven to be significant in section 4.4.1 by running a simple mediation analysis using PROCESS model 4.

Table 4.4.2.2 Direct and indirect effects of disclosure on brand attitude (reversed)

	b	*SE*	*t*	*p (two-tailed)*	CI (lower)	CI (upper)
Direct effect						
Disclosure	.06	.07	.82	.415	-.08	.20

Conditional indirect effects [a]						
Experience, low BF [b]	-.01	.09	-	-	-.19	.16
Experience, high BF [b]	.13	.09	-	-	-.05	.30
Search, low BF [b]	.18*	.08	-	-	.02	.34
Search, high BF [b]	.32*	.09	-	-	.15	.50

Notes:

[a] Persuasion knowledge as the mediator.

[b] Brand familiarity was denoted as BF.

[*] Since the 95% confidence interval was significantly different from zero, it indicated that there was an indirect effect of disclosure on brand attitude.

4.4.3 Effect of brand attitude on purchase intention (H2)

Finally, H2 hypothesized that less favourable brand attitude would lead to a lower purchase intention. Since the independent variable (brand attitude) and the dependent variable (purchase intention) both exhibited an interval level of measurement, a linear regression was used to test H2 to examine the relationship between brand attitude and purchase intention. However, since sociodemographic factors often help predict human behaviours, a hierarchical linear regression was performed to take into account the impact of sociodemographic factors on purchase intention. Before running the analysis, tests for assumption of regression were performed to check if the analysis violated the assumption of normality of errors and their homoscedasticity.

The visual inspection of the normal probability plot showed that the points lay close enough to the line. Hence, the assumption of normality of errors was not severely violated. On the other hand, the scatterplot did not seem to show an equal distribution of residuals across all predicted values of the independent variable. Therefore, the assumption of homoscedasticity was not met. A detailed description of the assumption tests with the relevant graph and plot were included in Appendix C. Since the regression assumption of homoscedasticity was violated, the reliability of the test results may be slightly biased due to a possibility of inflated standard errors of the regression coefficients.

Nevertheless, a hierarchical linear regression was conducted by putting sociodemographic factors including age, gender, level of education, employment status as independent variables in the first block of the regression analysis. In the second block, the original brand attitude score (not reversed) was included together with the sociodemographic factors as independent variables. Table 4.4.3.1 summarizes the analysis of the hierarchical regression. The results (N=660) demonstrated that the first model with only sociodemographic factors as predictors was significant, $F(4, 655) = 2.49$, $p = .042$. The regression model could therefore predict purchase intention, but the predictive power was very low such that a total of 2% of the variance in purchase intention could be accounted for by the sociodemographic factors (R^2= .02). Gender was found to have a weak, positive and significant association (correlation in this case) with purchase intention (b^* = 0.08, t = 2.01, p = .045). Moreover, the level of education was also discovered to have a weak, negative and significant association (correlation in this case) with purchase intention (b^* = -.09, t = -2.41, p = .016), meaning that a higher educational level of the respondents would result in a lower purchase intention. Next, when brand attitude was included in the second model, it indicated that this model with both sociodemographic factors and brand attitude was again significant, $F(1, 654) = 91.53$, $p < .001$ (one-tailed). With a ΔR^2 = .39, the second model revealed a significantly better predictive value than the first model, such that a total of 41% of the variance in purchase intention could be explained by all the factors (R^2= .41). However, when the independent variable of brand attitude was introduced in this model, both gender and the level of education were no longer significant predictors for purchase intention. Brand attitude was found to have a strong, positive and significant association (correlation in this case) with purchase intention (b^* = 0.64, t = 21.00, $p < .001$ (one-tailed). For each unit of increase on the brand attitude scale, which goes from 1 (negative) to 7 (positive), there would be a positive increase in purchase intention by .76 unit (b = .76), meaning that participants with a more favourable brand attitude would result in a higher purchase intention. The insignificant correlations of sociodemographic variables in the second model demonstrated that these factors did not confound the significant causal association between brand attitude and purchase intention. Hence, though the reliability of the analysis may be slightly biased due to the violation of the assumption of homoscedasticity, H2 is supported.

Table 4.4.3.1 Regression model for predicting the purchase intention (N = 660)

	Purchase intention	
	Model 1 b^*	Model 2 b^*
Constant	-	-
Age	.01	.03
Gender	.08*	-.02
Level of education	-.09*	-.01
Employment status	-.04	-.02
Brand attitude		.64***
R^2	.02	.41
F	2.49*	91.53***
ΔR^2		.39

Note:

Significance levels: * $p < .05$, *** $p < .001$.

4.5 Summary of the analyses and hypothesis testing results

By combining the results from all the analyses, figure 4.4.4.1 presents an overview of the conceptual framework again with all the path coefficients and significance level. For PROCESS analysis to test H1 and H3-5, the dependent variable was based on the reversed brand attitude scale. Whereas for the regression analysis to test H2, the independent variable was based on the original non-reversed brand attitude scale. Table 4.4.4.1 also shows a summary of the hypothesis testing results.

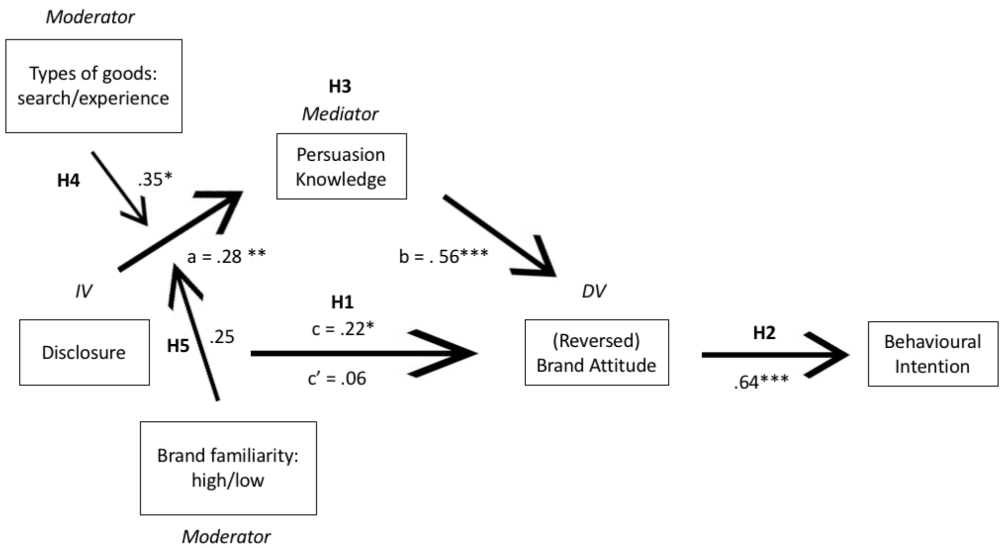

Figure 4.4.4.1 Conceptual framework with path coefficients and significance level[2]

Table 4.4.4.1 An overview of the hypothesis testing results

Hypothesis	**Outcome**
H1	Supported
H2	Supported
H3	Supported
H4	Partially supported
H5	Rejected

[2] N = 660, * $p < .05$, ** $p < .01$, *** $p < .001$.
Coefficients were reported based on *b* value for all paths except for H2 (*b** was reported instead).

5. Conclusion

Marketers are constantly thinking of new ways on how to circumvent consumers' skepticism towards traditional advertising to entice and better convince potential customers through novel advertising tactics. Native advertising has risen to popularity among companies through effective content creation by blending into the original editorial content, so consumers could not recognize its hidden commercial source easily. Because of a possible deceit of native advertising, the FTC has mandated the sponsored party to disclosure a business relationship with the advertiser. Previous researches have studied the effect of sponsorship disclosure on consumer behaviour (Boerman et al., 2012; Boerman et al., 2017; van Reijmersdal et al., 2015; Wei et al., 2008; Wojdynski, 2016b). However, due to the ever-changing of native advertising in the digital landscape, particularly in the context of social media, the FTC is constantly reviewing and revising its regulations on how to better safeguard consumers' interests. Also, there is a limited research on the effect of sponsorship disclosure that is especially directed towards a blog setting (Colliander & Erlandsson, 2015; van Reijmersdal et al., 2016). Therefore, this study aimed to supply more insights on the disclosure of sponsored blog post based on empirical evidence. In particular, this research also supplemented existing research gap to provide additional insights by exploring the moderating effects of product type and brand familiarity. Hence, by conducting an online experiment, the main objective of this study was to answer the following research questions: *How does a disclosure of sponsored content influence brand attitude thus purchase intention among people? What is the underlying psychological response to a disclosure in sponsored post? To what extent does it affect people's perception towards the brand? How do different types of goods and brand familiarity moderate the impact of a disclosure?* Hypotheses connected to previous findings were proposed to answer these questions.

5.1 Summary of findings

H1 stated that a disclosure on sponsored blog post would lead to a less favourable brand attitude, compared to non-disclosure ones. H1 was confirmed by the analysis of the experimental data. Thus, the findings of this study supported previous scholars such as Campbell et al. (2013) and Lee (2010) that the disclosure of sponsored content would result in a less positive brand attitude than those without disclosure. This finding further confirmed with Kim et al. (2001) that there was a difference in consumer's perception under explicit and implicit advertising intent in which consumers would generally be less critical towards the advertising message when there was an implicit message, thus a more positive brand attitude if there was no clear declaration of a sponsored relationship. Therefore, the result of H1 confirmed major findings and disapproved with Colliander and Erlandsson (2015) that a disclosure would not lead to a less positive attitude towards the brand. However, one additional finding to highlight was the change in brand attitude resulted from non-disclosure to disclosure. Though there was a less favourable brand attitude towards disclosure, this effect was significantly small, as demonstrated by the separate OLS regression result. Hence, a disclosure would not substantially undermine consumers' perception towards the brand, compared to those without disclosure. Ashley and Leonard (2009) demonstrated that whether disclosure would lead to a more positive or negative perception towards the advertiser may depend on how consumers considered the appropriateness of this advertising technique, which was closely linked with the level of emotional connection between the brand and the consumers. On the other hand, this small difference in brand attitude could perhaps also resonate with Darke and Richie (2007) that consumers would feel disclosure enabled a high level of transparency on the blogger's native content and felt that the blogger was more genuine to explicitly reveal the sponsorship intention. Hence, attitude towards the brand was not drastically impacted in a negative way.

H2 proposed that a less favourable brand attitude due to the result of a disclosure would result in a lower purchase intention. The results of the hierarchical regression analysis proved that H2 was supported. Therefore, this finding further strengthened the established theory of reasoned action (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975) and the hierarchy of effects model (Lavidge & Steiner, 2000) to explain that the attitude of a person would affect the intention to perform a certain behaviour, in which a more positive brand attitude would result in a higher purchase intention and vice versa. Also, the analysis of the experimental data revealed a strong and significant correlation between brand attitude and purchase intention, which aligned with the findings from Belleau et al. (2007) that attitude was able to significantly predict behavioural intention without considering other external variables. Since this research especially investigated the relationship between brand attitude and purchase intention in a blog context, the result also confirmed with previous findings (Korzaan, 2003; Prendergast, Ko, & Yuen, 2010) that the connection between brand attitude and purchase intention was valid even on an online setting.

H3 hypothesized that the activation of persuasion knowledge mediated the effect of disclosure of sponsored blog post on brand attitude, such that its activation would lead to more negative brand attitude. The findings showed that H3 was supported. This was in line with previous researches demonstrating the mediating role of persuasion knowledge on sponsorship disclosure in various media (Boerman et al., 2012; Boerman et al., 2017; van Reijmersdal et al., 2015; Wei et al., 2008). The result also aligned with Nelson et al. (2009) that the activation of persuasion knowledge could account for a less favourable brand perception when consumers were explicitly shown with a disclosure of a sponsored relationship indicating an advertising intent. Moreover, the use of the PKM as a theoretical model to justify the underlying psychological response to a disclosure was proven to be valid, despite the adoption of the ELM in some other studies investigating advertising effectiveness (Bart, Stephen, & Sarvary, 2014; Grohs & Reisinger, 2014; Trampe, Stapel, Siero, & Mulder, 2010). However, unlike the current research with an emphasis on persuasive intent through a sponsored textual material mimicking ordinary content, previous studies using the ELM focused on the use of display, traditional print or multimedia advertising content as the investigative material which could effectively distinguish the difference in influence via the central and peripheral route leading to an attitude change. The significant mediating effect of persuasion knowledge in this study did not disregard that the ELM was a well-established and suitable theoretical model in accounting for attitude change. Instead, it confirmed with Friestad and Wright (1994) that the PKM was a more appropriate theoretical model to interpret the vagueness of the peripheral route in the ELM by explaining why and how particular cues lead to significant attitude change through the development and use of persuasion knowledge, which was especially applicable when the textual element of the advertisement could possibly dismiss the peripheral cues.

Some other interesting findings were unveiled from the mediation analysis of persuasion knowledge on brand attitude. The effect of gender on brand attitude was found to be partially mediated by persuasion knowledge in which female respondents revealed less persuasion knowledge than male, meaning that they were less skeptical towards the blog message. Moreover, the effect of educational level on brand attitude was shown to be fully mediated by persuasion knowledge, which was not expected in the theoretical framework. It revealed that a higher level of education resulted in more persuasion knowledge, meaning that more educated respondents would possess greater persuasion knowledge to hold a more skeptical perception of a possible persuasive intent, leading to a less favourable brand attitude towards the blog post. Previous scholars studying the effect of native advertising did not demonstrate educational level to be fully mediated by persuasion knowledge. These findings provided more implications in terms of sociodemographic factors on the effect of native advertising.

H4 stated that product type would have a moderating effect on persuasion knowledge, such that disclosure of sponsored post about search good would activate less persuasion knowledge than an experience good. The result of the analysis revealed a significant moderating effect on product type. However, the positive unstandardized coefficient of the interaction effect between product type and disclosure showed that disclosure of a sponsored post about search good actually yielded a stronger moderating effect on persuasion knowledge than experience good, meaning that consumers would generate more persuasion knowledge to be more skeptical on sponsored blog post about a search good. This finding disconfirmed with the second part of the hypothesis and H4 was therefore only partially supported. The findings from Klein (1998) may help account for the deviated results. Though the traditional product attributes of experience goods are difficult to assess without prior experience, the rise of the internet gradually transforms these goods to search ones due to the prominence of online reviews (Klein, 1998). The internet provides an avenue to offer indirect experiences regarding the dominant features of experience goods to consumers, making the information search less costly (Bae & Lee, 2011). The interactivity of the online environment promotes the development of various platforms dedicated to reviews where past customers could share their experiences to obtain more definite opinions about experience products, thus reducing the uncertainty of experience goods and blurring the lines between the two product types (Bae & Lee, 2011). For example, there are various online consumer review sources, whether it is company-managed, independent agent-operated or like the case of this research - consumer-developed ones. These sites are very common and have been widely used by consumers, especially in the travel industry (Ayeh, Au, & Law, 2013). Therefore, consumers might be more likely to be persuaded via eWOM through online review sources for some experience goods than for search products (Bei, Chen, & Widdows, 2004). These findings could support the possibility for some respondents to associate hotel (experience good) with less ambiguous characteristics than a fitness watch (search good). Hence, it could explain why not only H4 was partially supported, but the opposite was found to be significant.

Finally, H5 proposed that brand familiarity would have a moderating effect on persuasion knowledge, such that sponsored post with a familiar brand would activate less persuasion knowledge than one with a less familiar brand. The result of the analysis showed that the interaction effect between brand familiarity and disclosure was not significant. Brand familiarity did not have a moderating effect on persuasion knowledge. Hence, H5 was rejected. The findings contradicted with earlier advertising studies that ads with a high brand familiarity had a lower tendency to be scrutinized in terms of their persuasion attempts by consumers (Campbell & Keller, 2003; MacKenzie & Spreng, 1992). It also disagreed with Wei et al. (2008) that the activation of persuasion knowledge due to a disclosure of a paid sponsorship could be moderated by the familiarity of the brand. This possible discrepancy of results could be due to the difference in the nature of ad used as a stimuli compared to Campbell and Keller (2003). While this experiment employed sponsored blog post as an advertising stimuli, Campbell and Keller (2003) utilized TV commercial with a more explicit persuasion attempt. Although Wei et al. (2008) also utilized native ad as a stimuli, their study was based on investigating sponsored radio ad. There was a possibility that the difference in the nature of ad under studied would affect the hypothesized moderating effect, leading to a deviated result. Hence, it could explain why brand familiarity did not produce moderating effect on persuasion knowledge as expected.

5.2 Theoretical and practical implications

Overall, this research presents both theoretical and practical implications in several ways. First, the general finding that a disclosure would lead to less favourable brand attitude, which was mediated by persuasion knowledge, provides further scientific validation on the effect of sponsorship disclosure. This finding together with previous researches again, acknowledges marketers the potential drawback brought by the mandatory disclosure as stipulated by the FTC. On the other hand, this study also discovered that the effect of educational level and gender on brand attitude were fully and partially mediated by persuasion knowledge respectively. These additional findings have not been raised by previous scholars before, thus adding more nuance insights to existing studies on native advertising regarding sociodemographic factors. Moreover, it was revealed that product type did have a moderating effect on persuasion knowledge, even though this was partially supported. The moderating effect of product type was demonstrated in the case of online reviews of retailer's website (Jiménez & Mendoza, 2013). There was even a differential impact on reviews within a single product category as discovered by Zhu and Zhang (2010). However, their findings were limited to online reviews, but not emphasized on sponsored ad content. Therefore, the result discovered in this research is able to provide additional theoretical significance and support the findings from Lu et al. (2014) that product type did have a moderating effect on sponsored blog post.

Next, this study tested the effect of disclosure by including the message "This post is sponsored by [Brand]" under the heading of the blog post, which was formulated based on the official guidelines of the FTC. Though including this disclosure message led to a less favourable brand attitude, as reflected from the result of the manipulation check, not many respondents reported a recognition of this sponsorship disclosure. It might be possible that some respondents may have noticed about the disclosure message but later forgot about it. However, as noted by Kim et al. (2001) which also employed labelling as a disclosure method in their research of print advertorials, the low recognition rate may signify that some respondents could assume the blog post being sponsored and functioned like an advertisement based on the nature of the content, instead of the presence of the disclosure message. This might also account for the small difference in brand attitude between disclosure and non-disclosure blog post. This provides implications to regulatory bodies to be vigilant enough to review the policy towards sponsorship marketing so as to mitigate confusion and not mislead consumers. This research proved that sponsorship disclosure is significant to lead to a change in brand attitude due to the activation of persuasion knowledge. However, while disclosure is a necessary measure to inform consumers about an advertising intent, it raises concern if this would be a sufficient notice in the context of native advertising. Wojdynski and Evans (2016) adopted eye-tracking methods to investigate under what circumstances consumers were more likely to notice sponsorship disclosure based on disclosure position. Disclosure message that was inserted within the body of the sponsored content was noticed by respondents at a lot higher tendency than when it was placed above the title or at the end of the article (Wojdynski & Evans, 2016). While placing disclosure message underneath the title was utilized by most advertisers at a higher frequency than other positions, the FTC also did not mandate the position of a sponsorship disclosure message (Wojdynski & Evans, 2016). If disclosure message is not noticed by consumers to differentiate between advertising and editorial message, the only hint to differentiate would be the content, such as the style and persuasive tone of the message. Therefore, this research prompts regulatory bodies to contemplate if a set of more stringent guidelines is needed to better safeguard consumers' interest.

On the other hand, the small difference in brand attitude between disclosure and non-disclosure blog post demonstrated in this study suggests that although a disclosure of sponsored ad will lead to a less favourable brand attitude, it does not imply that consumers view native advertising in a completely negative way. Previous researches also demonstrated that consumers had a more positive perception towards native advertising than traditional form of online advertising (Tutaj &

Reijmersdal, 2012). As young people similar to the experimental subjects in this research are socially active and considered as frequent internet users, the ubiquity of online information has quickly transformed these consumers to learn to effectively filter out or avoid advertising content during the course of their online consumption experience (Drèze & Hussherr, 2003). The standardization of traditional online advertising causing it to become less potent in influencing consumers (Goldfarb & Tucker, 2014). Although the mandatory disclosure could potentially lead to less favourable brand perceptions, the phenomenon of avoiding advertisement pushes advertisers to seek for novel ways such as native advertising to increase advertising effectiveness, which explains why it is still gaining immense popularity among marketers (Howe & Teufel, 2014). Native advertising enables consumers to be more likely to engage with, as well as hold their attention longer to the content, compared to other types of online advertising, making marketers to foresee a higher potential on their return on investment with these ads (Wojdynski, 2016a). Hence, native advertising is still a more effective marketing tactic to engage consumers. Though a less positive brand attitude is caused by a disclosure of sponsored ad as manifested in this research, focusing on the content of the advertisement by using creative approaches could result in a more favourable perception (Rosengren, Dahlén & Modig, 2013). Also, native content ads, such as sponsored blog posts in this case, provide authentic portrayals to effectively attract and engage with consumers (Wojdynski, 2016a). Some consumers even find these contents more informational than traditional ads: thus, the relevance and value of these sponsored contents can potentially cancel out the less favourable attitude resulted from a disclosure (Kim & Sundar, 2010). Therefore, this research prompts marketers to reflect on their advertising strategies, if the less positive brand attitude brought about by the mandatory disclosure of sponsored contents will necessarily diminish the value of native advertising. At the same time, it allows advertisers to contemplate on how to harness this tactic by improving the relevance, value and authenticity of the content.

5.3 Limitations

Although the key findings of this research add value to existing researches in the area of native advertising, particularly in the context of sponsored blog post, the moderating effects of product type and brand familiarity were either partially supported or even rejected. Several limitations may give rise to such conclusions that limited the researcher to yield more valuable insights.

First, based on the manipulation check of product type, the mean difference between *before purchase* and *after usage* of fitness watch and hotel respectively did reveal a disparity. However, the mean difference between the two was not as large as expected. Services offered by hotel, which were traditionally regarded as experience goods by many previous scholars (Litvin, Goldsmith, & Pan, 2008; Pan & Chiou, 2011; Ye, Law, Gu, & Chen, 2011), did not exhibit very distinct attributes of experience goods as manifested from the manipulation check. This small difference might be attributed by the vast amount of reviews available on the internet which decrease the ambiguous attributes of these services by making them ‘searchable’, thus potentially transforming hotel services to exhibit properties of search goods (Bae & Lee. 2011; Huang et al., 2009). Because of the small difference in product attributes as reported by the respondents, the use of hotel as an experience good might impact the results of the moderating effect of product type, thus giving rise to a partially supported H4. This limitation also exposes the need for including a variety of goods of the same product type to effectively test the moderating effect in such a study, but is out of scope of a Master’s thesis project.

Second, since native advertising in the context of sponsored blog post is still an untapped avenue for scholars, there is a sparsity of studies investigating the moderated effects of product type and brand familiarity on sponsored contents. Most of the previous studies exploring the moderated effect of product type centred on traditional advertisements (Bahl & Rohm, 2008; Nelson, 1974). There was only one research from Lu et al. (2014) that explored the moderated effect of product type on sponsored contents. However, Lu et al. (2014) did not study the effects between disclosure and non-disclosure by solely focusing on sponsored recommendations with disclosure. On the other hand, most previous researches investigating the moderating effect of brand familiarity focused on traditional advertising such as print and TV commercials (Campbell & Keller, 2003; MacInnis et al., 1991; MacKenzie & Spreng, 1992). Wei et al. (2008) studied the moderating effect of brand familiarity on sponsored contents, but their research focused on the study of sponsored radio contents, which was quite different from textual contents. Since there was limited previous research directing the focus especially to sponsored blog post, the author of this thesis had to formulate the hypotheses by extrapolating previous findings and addressing the fact that sponsored blog post under disclosure was in fact a kind of advertisement. This might impact the research results and potentially account for the rejection of brand familiarity as having a moderated effect on persuasion knowledge.

Third, this research specifically focused on investigating consumers’ perception based solely on the textual content of sponsored ad content. However, sponsored blog content exists in different varieties and often with the inclusion of other peripheral cues such as the attractiveness of the bloggers and aesthetic design of the blog. These cues relate to source credibility also play important roles in affecting how consumers perceive about the sponsored contents as demonstrated by previous researchers (Cheung et al., 2008; Cosenza et al., 2015; Reichelt et al., 2014). This study only focused on textual sponsored contents and dismissed judgements based on peripheral cues could potentially limit the generalizability of the findings.

Fourth, the statistical analyses from SPSS revealed that the assumptions for regression with regards to homoscedasticity was mildly violated. Though the analysis proved that there was a significant effect of brand attitude on purchase intention, the reliability of the results was slightly hindered by the violation of this regression assumption. However, this relationship has been successfully proven in many other advertising studies (Belleau et al., 2007; Korzaan, 2003; Lyong Ha, 1998; Prendergast et al., 2010; Washburn & Plank, 2002). Therefore, the results of this analysis could substantiate and further support previous scholars.

Lastly, this study employed online crowdsourcing platform in order to obtain a diverse and representative sample of data that was not possible through typical convenience sampling. The crowdsourcing platform Prolific was chosen because it is especially designed to accommodate data collection for social science researches and offers demographic filters to gather data based on specific criteria (Palan & Schitter, 2017). However, since Prolific is a British crowdsourcing platform and the experiment was conducted in English, the resulting data set did not contain a diverse range of demographics with regards to nationality as demonstrated by Ross et al. (2010). Instead, it was tilted towards British respondents. The imbalanced response from British participants could potentially limit the generalizability of the results.

5.4 Directions for future research

The proliferation of native advertising has brought revolutionary changes to the traditional landscape of digital advertising. This transformation has prompted researchers to ponder and reconsider the effectiveness of sponsorship marketing by incorporating persuasion model to explain the advertising intent. Undoubtedly, further research is essential for both scholars and marketers to fully understand the values of native advertising. Therefore, based on the results of this research, several directions of future research are proposed.

First, as noted earlier, the interactivity of the internet has gradually transformed some of the experience goods to exhibit the attributes of search goods, which was manifested in this study by the small difference in product attributes between fitness watch and hotel. In order to further validate the moderating effect of product type, future research could first carry out a more comprehensive pre-test with a wider list of search and experience goods to determine the items that could best display the product attributes of a search and experience good respectively.

Second, apart from examining the moderated effects of product type and brand familiarity, an additional finding that product type has a direct effect on persuasion knowledge was discovered. As limited research has suggested this possible relationship before, this raises an interesting research area for scholars to further investigate the direct effect of product type, and could also possibly consider if there are other factors directly contributing to persuasion knowledge based on earlier persuasion studies.

Third, persuasion knowledge was unveiled to also fully mediate the effect of educational level and partially mediate gender. While previous studies did not propose these sociodemographic factors to be mediated by persuasion knowledge, these additional findings offer an interesting avenue of research opportunities to further validate if the mediating effect regarding these sociodemographic variables can be generalizable to other kinds of sponsored contents. In that case, it could facilitate marketers to better formulate their native advertising strategies towards different sociodemographic groups.

Fourth, previous studies on sponsored contents together with this current research have focused on the effect of sponsorship disclosure on brand attitude. However, as highlighted in the practical implications, the quality, authenticity and relevance of the sponsored ad content could potentially outweigh the negative impact of disclosure on brand attitude (Kim & Sundar, 2010; Rosengren et al, 2013). This yields a fascinating avenue of research opportunities for future scholars to take into account the appropriateness of sponsorship marketing as a possible moderating effect when examining the impact of native advertising.

Fifth, while the main findings were confirmed by examining native advertising specifically based on both textual disclosure and ad content, more researches are vital to generate a breadth of insights to strengthen the generalizability of the conclusions across different nature of sponsored contents and disclosure tactics.

Finally, while ads in alternative formats or new medium might not be easily recognizable as advertising (Kuhn et al., 2010; Matthes et al., 2007), the prevalence of native advertising has trained consumers to identify the advertising intent more effectively (Evans & Park, 2015). Nevertheless, native advertising is constantly evolving as the internet provides an avenue for marketers to develop sophisticated advertising tactics. While the current research provides implications that the use of sponsored content could be an ethical and potent advertising tool, provided that if the techniques are mastered proficiently, it is suggested to undergo longitudinal study to explore the possible changes in how consumers judge and perceive native advertising due to the increased pervasiveness of this tactic.

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Appendices

Appendix A – Factor analysis and reliability check of scales

Table A.1 Factor analysis with 18 item loadings on a four factor principal components solution

Items	Brand attitude	Persuasion knowledge	Purchase intention	Brand familiarity
I think [brand] is unfavourable/favourable	.816			
I think [brand] is negative/positive	.808			
I think [brand] is bad/good	.802			
I think [brand] is unappealing/appealing	.792			
I think [brand] is uninteresting/interesting	.770			
I think the blog post is trustworthy/ untrustworthy		.838		
I think the blog post is credible/not credible		.804		
I think the blog post is honest/dishonest		.803		
I think the blog post is unbiased/biased		.765		
I think the blog post is convincing/ unconvincing		.694		
The blog post is advertising		.599		
It is possible that I would buy this product/ stay at this hotel			.841	
I would consider buying this product/staying at this hotel			.799	
I have no intention to buy this product/stay at this hotel (reversed)			.758	
If I am in need, I will buy this fitness watch/ stay at this hotel			.757	
I will purchase/stay at (brand) the next time I need a fitness watch/hotel			.696	
I have no knowledge/a great deal of knowledge about [brand]				.905
I have no previous experience/a lot of previous experience with [brand]				.896

Cronbach's alpha	.94	.89	.89	.82
Eigenvalue	8.45	2.32	1.39	1.24

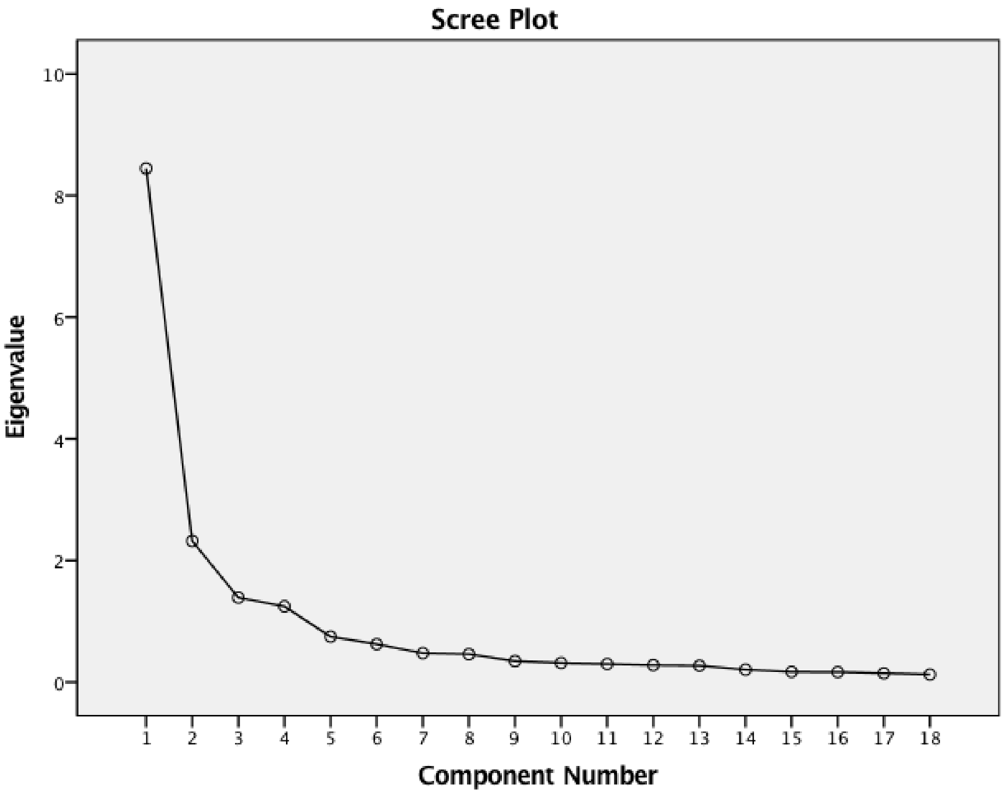

Figure A.1 Scree plot of the factor analysis using principal components extraction

Appendix B – Tests for normality of errors of PROCESS analysis

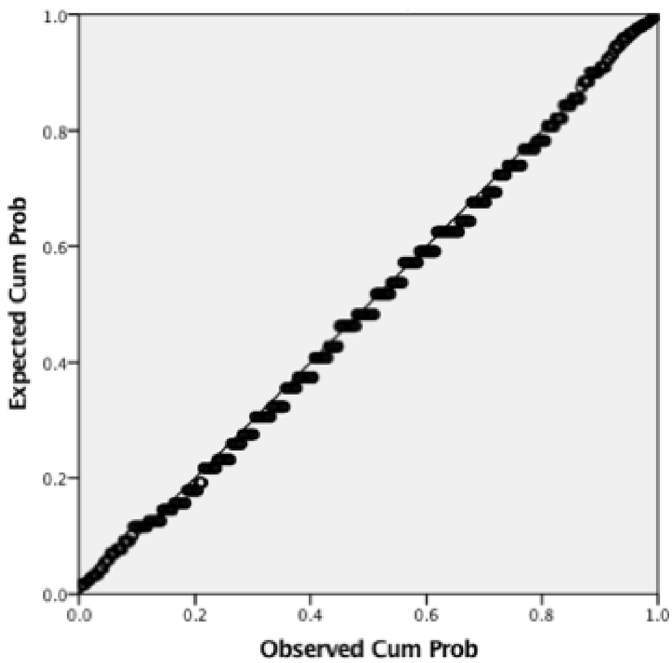

Figure B.1 Normal P-P plot of regression standardized residual denoting path a of PROCESS model 4 (persuasion knowledge as dependent variable)

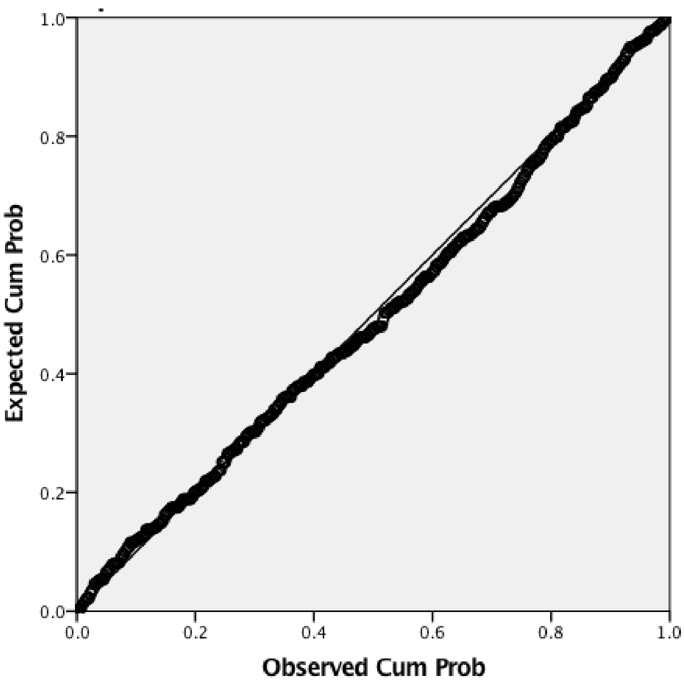

Figure B.2 Normal P-P plot of regression standardized residual denoting path b of PROCESS model 4 (reversed brand attitude as dependent variable)

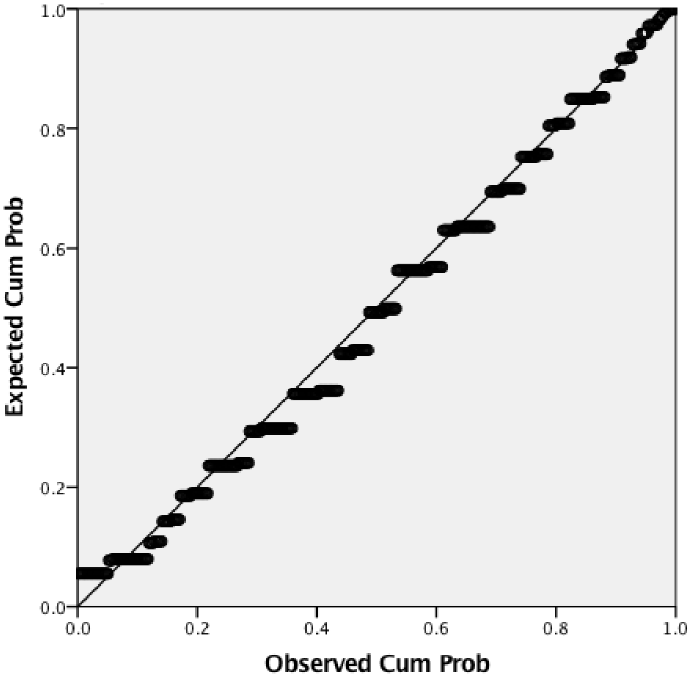

Figure B.3 Normal P-P plot of regression standardized residual denoting path c of PROCESS model 4 (reversed brand attitude as dependent variable)

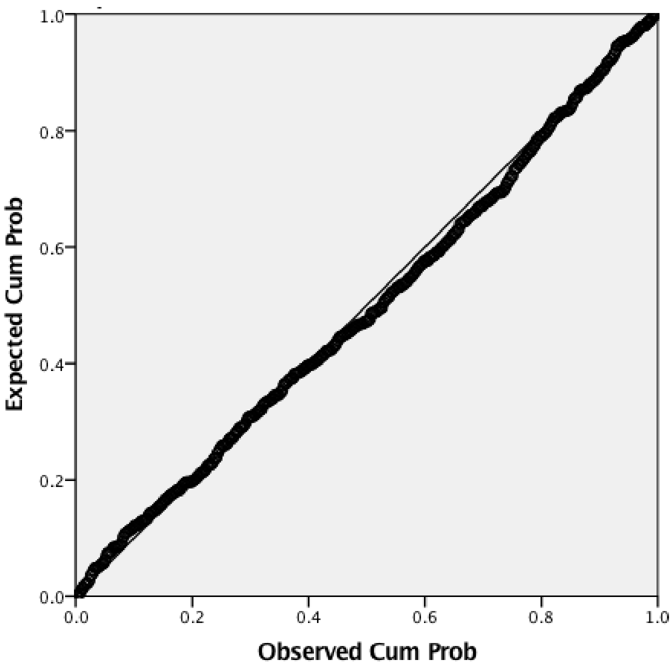

Figure B.4 Normal P-P plot of regression standardized residual denoting path c' of PROCESS model 4 (reversed brand attitude as dependent variable)

Appendix C – Tests for assumptions of regression of H2

Figure C.1 shows a normal probability plot that was generated to test the normality of errors. The visualization showed that the points lie near the line. Hence, the assumption of normality of errors was not severely violated.

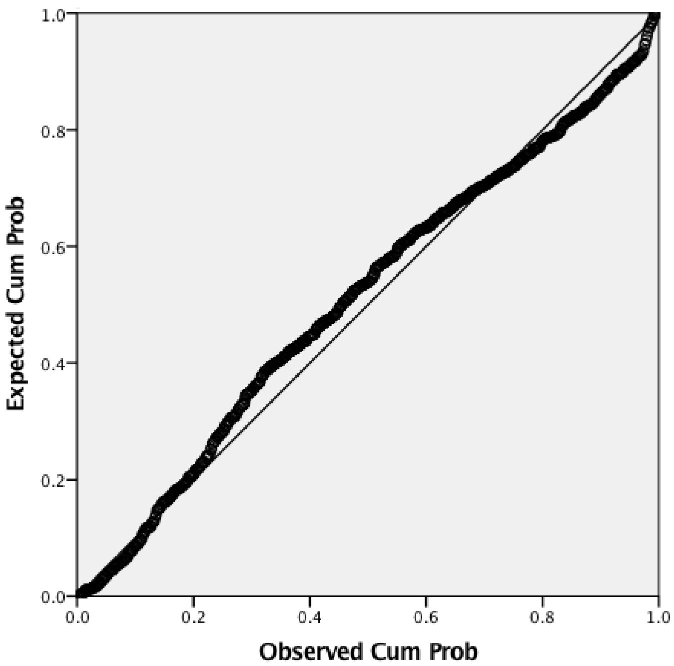

Figure C.1 Normal P-P plot of regression standardized residual (purchase intention as dependent variable)

Next, the assumption of homoscedasticity was tested by creating a scatterplot with the dependent variable Y as the standardized residual and the independent variable X as the standardized predicted value. The distribution of the Y values at each value on the X-axis should be relatively the same in order for the data to fulfill the regression assumption of homoscedasticity. However, the scatterplot did not seem to produce a distribution of residuals with similar variance across all predicted values of the independent variable (see figure C.2). Hence, the assumption of homoscedasticity was not met.

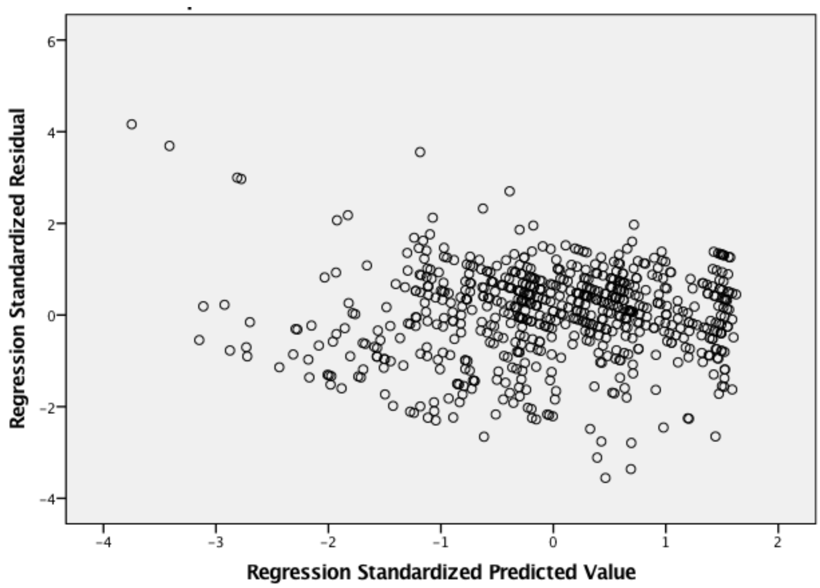

Figure C.2 Scatterplot showing the distribution of errors (purchase intention as dependent variable)

Appendix D – Online experiment including stimulus material

D.1 Introduction and informed consent

Thank you very much for participating in this study regarding the blogging phenomenon on social media. This study will take around 5 minutes and is of invaluable help to this research. In the following section, you will be shown a blog post written by the owner of the blog and then asked some questions about it. Please read all instructions carefully.

Please be aware that your participation is completely voluntary, and anonymity is guaranteed at all times. Your personal information will be kept strictly confidential and the findings will solely be used for this research.

This is a research project of Verna Kwan at Erasmus University Rotterdam (EUR), Rotterdam, The Netherlands. If you have any questions or comments after your participation, please feel free to contact me at kwanwingtakverna@student.eur.nl

After answering all questions or reading the material on each page, please press the red arrow at the bottom of each page to continue with the survey.

Please click on the following text box to agree and proceed to the survey.

I understand the above and agree in participating in this research.

Figure D.1.1 Screenshot of introduction and consent

D.2 Stimulus material for the eight experimental conditions

My Healthy Track

HOME LIFESTYLE FITNESS ABOUT ME CONTACT

MY NEW FAVOURITE GADGET

This post is sponsored by Fitbit.

January 30, 2018 / 26 comments

As my readers would know, I am a rather health-conscious person. However, whether it's for running or hitting the gym, I've never really felt the need to get a fitness tracker. I mainly didn't feel like it really helps with my workout habits and I've managed well enough without relying on one since I was 15. I didn't really think anything would change my mind until I tried out Fitbit Surge, which is currently my new favourite fitness tracker. This fitness watch looks fairly basic with a simple design. Though it does look a bit chunky on my wrist, it is still comfortable to wear.

Multiple functionalities and practical features

The menu of the watch is easy to navigate with lots of built-in functionalities. This is especially user-friendly for beginners and less tech-savvy users. I really like the large LCD display because it shows things like your step-count, the weather, time and date clearly. It also operates with a touchscreen designed to track your running habits, fitness and monitors your sleep patterns. It has an extra function of collecting heart rate data during your workouts and throughout the day. All these features are easy to access by swiping the screen and selecting with a button or tapping the screen. Apart from fitness use, the display allows me to get all my phone notifications, read texts and display caller ID while my phone is tucked away in my pocket. It also enables me to display and control music during training. Though it would be even better if the battery is more durable so that it could last for more than two days.

To sum up...

The fitness tracker is packed with features that are more functional than an ordinary watch. It goes beyond what I expected, and the data collected is very accurate! What more could I ask for from a fitness tracker?

26 comments

Figure D.2.1 Screenshot of condition 1 – Disclosure/ Search good/ High brand familiarity

My Healthy Track

HOME LIFESTYLE FITNESS ABOUT ME CONTACT

MY NEW FAVOURITE GADGET

This post is sponsored by Polar.

January 30, 2018 / 26 comments

As my readers would know, I am a rather health-conscious person. However, whether it's for running or hitting the gym, I've never really felt the need to get a fitness tracker. I mainly didn't feel like it really helps with my workout habits and I've managed well enough without relying on one since I was 15. I didn't really think anything would change my mind until I tried out Polar M600, which is currently my new favourite fitness tracker. This fitness watch looks fairly basic with a simple design. Though it does look a bit chunky on my wrist, it is still comfortable to wear.

Multiple functionalities and practical features

The menu of the watch is easy to navigate with lots of built-in functionalities. This is especially user-friendly for beginners and less tech-savvy users. I really like the large LCD display because it shows things like your step-count, the weather, time and date clearly. It also operates with a touchscreen designed to track your running habits, fitness and monitors your sleep patterns. It has an extra function of collecting heart rate data during your workouts and throughout the day. All these features are easy to access by swiping the screen and selecting with a button or tapping the screen. Apart from fitness use, the display allows me to get all my phone notifications, read texts and display caller ID while my phone is tucked away in my pocket. It also enables me to display and control music during training. Though it would be even better if the battery is more durable so that it could last for more than two days.

To sum up...

The fitness tracker is packed with features that are more functional than an ordinary watch. It goes beyond what I expected, and the data collected is very accurate! What more could I ask for from a fitness tracker?

26 comments

Figure D.2.2 Screenshot of condition 2 – Disclosure/ Search good/ Low brand familiarity

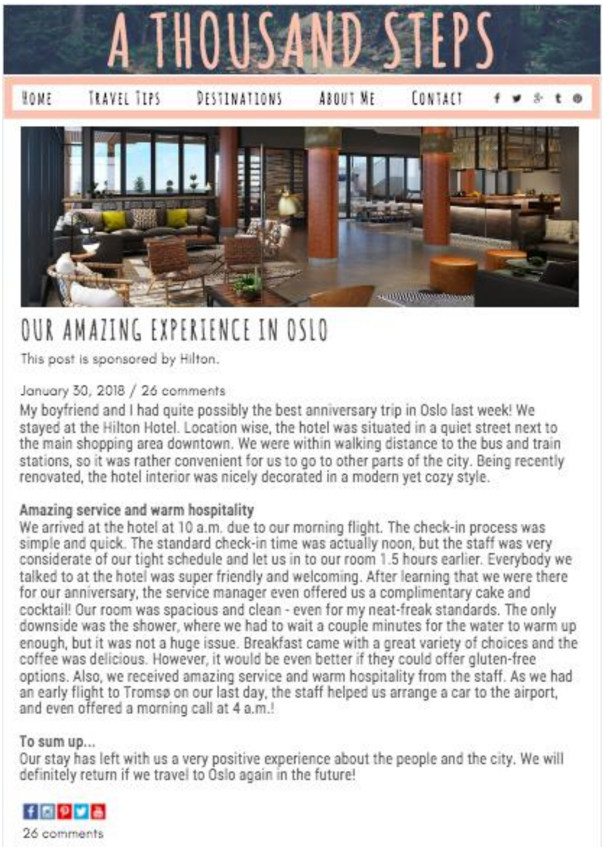

Figure D.2.3 Screenshot of condition 3 – Disclosure/ Experience good/ High brand familiarity

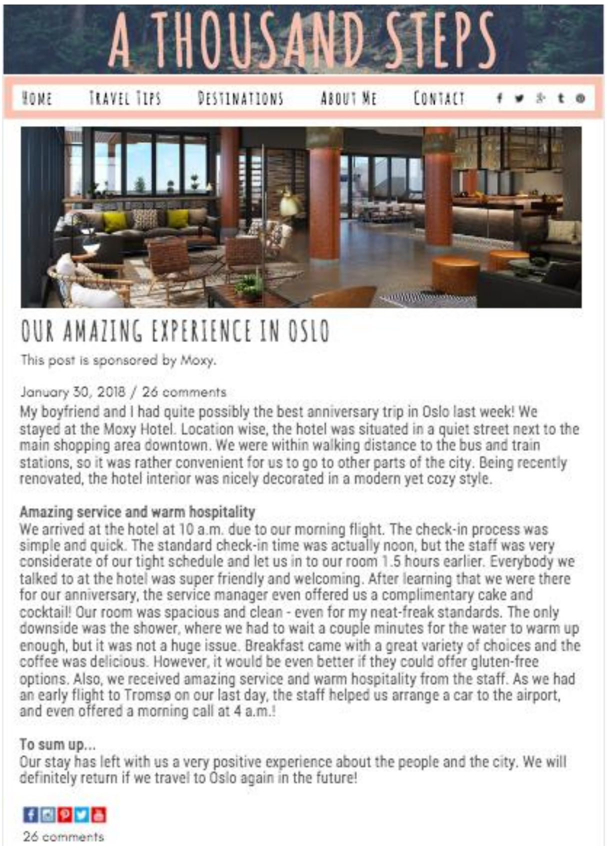

Figure D.2.4 Screenshot of condition 4 – Disclosure/ Experience good/ Low brand familiarity

My Healthy Track

HOME LIFESTYLE FITNESS ABOUT ME CONTACT

MY NEW FAVOURITE GADGET

January 30, 2018 / 26 comments

As my readers would know, I am a rather health-conscious person. However, whether it's for running or hitting the gym, I've never really felt the need to get a fitness tracker. I mainly didn't feel like it really helps with my workout habits and I've managed well enough without relying on one since I was 15. I didn't really think anything would change my mind until I tried out Fitbit Surge, which is currently my new favourite fitness tracker. This fitness watch looks fairly basic with a simple design. Though it does look a bit chunky on my wrist, it is still comfortable to wear.

Multiple functionalities and practical features
The menu of the watch is easy to navigate with lots of built-in functionalities. This is especially user-friendly for beginners and less tech-savvy users. I really like the large LCD display because it shows things like your step-count, the weather, time and date clearly. It also operates with a touchscreen designed to track your running habits, fitness and monitors your sleep patterns. It has an extra function of collecting heart rate data during your workouts and throughout the day. All these features are easy to access by swiping the screen and selecting with a button or tapping the screen. Apart from fitness use, the display allows me to get all my phone notifications, read texts and display caller ID while my phone is tucked away in my pocket. It also enables me to display and control music during training. Though it would be even better if the battery is more durable so that it could last for more than two days.

To sum up...
The fitness tracker is packed with features that are more functional than an ordinary watch. It goes beyond what I expected, and the data collected is very accurate! What more could I ask for from a fitness tracker?

26 comments

Figure D.2.5 Screenshot of condition 5 – Non-disclosure/ Search good/ High brand familiarity

My Healthy Track

HOME LIFESTYLE FITNESS ABOUT ME CONTACT

MY NEW FAVOURITE GADGET

January 30, 2018 / 26 comments

As my readers would know, I am a rather health-conscious person. However, whether it's for running or hitting the gym, I've never really felt the need to get a fitness tracker. I mainly didn't feel like it really helps with my workout habits and I've managed well enough without relying on one since I was 15. I didn't really think anything would change my mind until I tried out Polar M600, which is currently my new favourite fitness tracker. This fitness watch looks fairly basic with a simple design. Though it does look a bit chunky on my wrist, it is still comfortable to wear.

Multiple functionalities and practical features
The menu of the watch is easy to navigate with lots of built-in functionalities. This is especially user-friendly for beginners and less tech-savvy users. I really like the large LCD display because it shows things like your step-count, the weather, time and date clearly. It also operates with a touchscreen designed to track your running habits, fitness and monitors your sleep patterns. It has an extra function of collecting heart rate data during your workouts and throughout the day. All these features are easy to access by swiping the screen and selecting with a button or tapping the screen. Apart from fitness use, the display allows me to get all my phone notifications, read texts and display caller ID while my phone is tucked away in my pocket. It also enables me to display and control music during training. Though it would be even better if the battery is more durable so that it could last for more than two days.

To sum up...
The fitness tracker is packed with features that are more functional than an ordinary watch. It goes beyond what I expected, and the data collected is very accurate! What more could I ask for from a fitness tracker?

26 comments

Figure D.2.6 Screenshot of condition 6 – Non-disclosure/ Search good/ Low brand familiarity

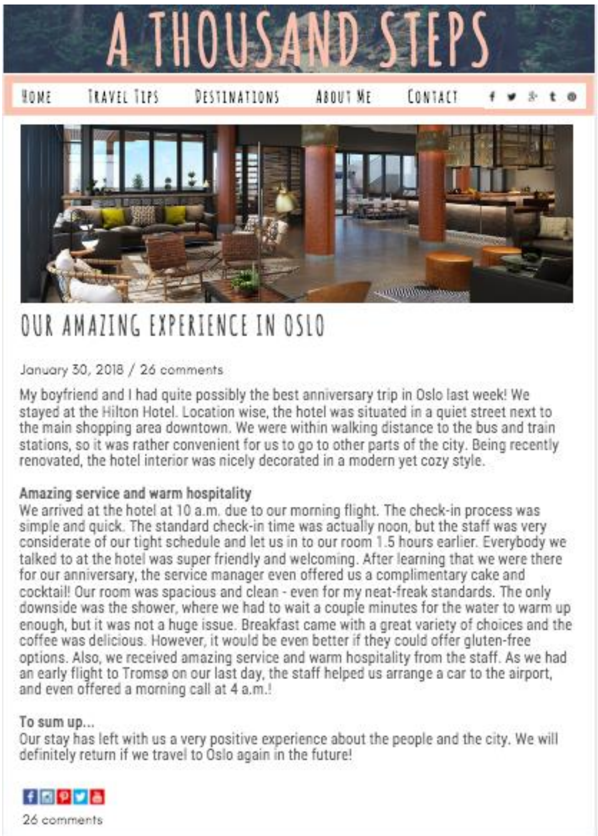

Figure D.2.7 Screenshot of condition 7 – Non-disclosure/ Experience good/ High brand familiarity

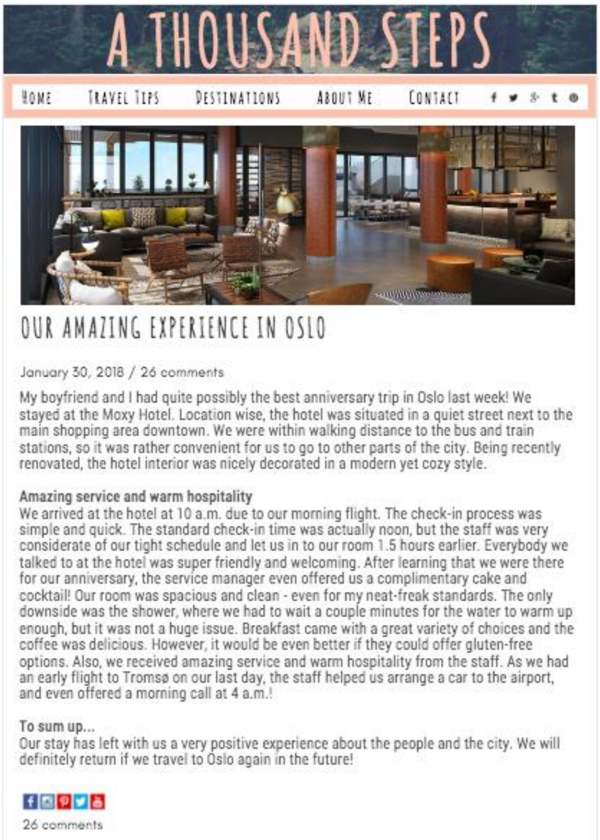

Figure D.2.8 Screenshot of condition 8 – Non-disclosure/ Experience good/ Low brand familiarity

D.3 Attention check questions


What kind of product is written in the blog post?

Chest strap

Earbuds

Fitness watch

Training mask

Figure D.3.1 Screenshot of attention check question for search good conditions (C1/2/5/6)


What kind of experience is written in the blog post?

Lounge bar

Restaurant

Sauna

Hotel

Figure D.3.2 Screenshot of attention check question for experience good conditions (C3/4/7/8)

D.4 Questions measuring persuasion knowledge, brand attitude and purchase intention

Please indicate what do you think about the below statement.

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
The blog post is advertising.	○	○	○	○	○	○	○

Please indicate below your opinion based on the statement "I think the blog post is …" using the following criteria.
For example, for the first criterion, if you feel the blog post is mostly honest, but not completely, you would select the 2nd or 3rd circle from the left.

Honest	○	○	○	○	○	○	○	Dishonest
Trustworthy	○	○	○	○	○	○	○	Untrustworthy
Convincing	○	○	○	○	○	○	○	Unconvincing
Credible	○	○	○	○	○	○	○	Not credible
Unbiased	○	○	○	○	○	○	○	Biased

Figure D.4.1 Screenshot of items measuring persuasion knowledge

Please indicate below your opinion based on the statement "I think Hilton is …" using the following criteria.

Bad	○	○	○	○	○	○	○	Good
Negative	○	○	○	○	○	○	○	Positive
Unfavourable	○	○	○	○	○	○	○	Favourable
Uninteresting	○	○	○	○	○	○	○	Interesting
Unappealing	○	○	○	○	○	○	○	Appealing

Figure D.4.2 Screenshot of items measuring brand attitude (citing the example of experience good with high brand familiarity, i.e. C3/7)

Please indicate what do you think about the below statements.

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I would consider staying at this hotel.	○	○	○	○	○	○	○
I have no intention to stay at this hotel.	○	○	○	○	○	○	○
It is possible that I would stay at this hotel.	○	○	○	○	○	○	○
I will stay at Hilton the next time I need a hotel.	○	○	○	○	○	○	○
If I am in need, I will stay at this hotel.	○	○	○	○	○	○	○

Figure D.4.3 Screenshot of items measuring purchase intention (citing the example of experience good with high brand familiarity, i.e. C3/7)

D.5 Manipulation check questions

Please indicate below your knowledge about Hilton.

No knowledge ○ ○ ○ ○ ○ ○ ○ ○ ○ A great deal of knowledge

Please indicate below your previous experience with Hilton.

No previous experience ○ ○ ○ ○ ○ ○ ○ ○ ○ A lot of previous experience

D.5.1 Screenshot of manipulation check questions for brand familiarity (citing the example of experience good with high brand familiarity, i.e. C3/7)

Please indicate what do you think about the below statements.

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
If I have to book a hotel, I am able to make an accurate judgement of the hotel quality **before the purchase**.	○	○	○	○	○	○	○
If I have to book a hotel, I am able to make an accurate judgement of the hotel quality **after using it.**	○	○	○	○	○	○	○

D.5.2 Screenshot of manipulation check questions for product type (citing the example of experience good, i.e. C3/4/7/8)

Do you notice a sponsored message in the blog post?

Yes.

No.

D.5.3 Screenshot of manipulation check question for sponsorship disclosure (only included in disclosure conditions, i.e. C1/2/3/4)

D.6 Demographic questions and debriefing

Please enter your Prolific ID:

What is your age?

What is your gender?

Male

Female

Other

Which country are you from?

What is the highest educational level that you have obtained?

Less than high school

High school graduate

Trade/Technical/Vocational training

Bachelor's degree

Master's degree

Professional degree

Doctorate

What is your current employment status?

Employed full-time

Employed part-time

Unemployed looking for work

Unemployed not looking for work

Self-employed

Retired

Student

Figure D.6.1 Screenshots of demographic questions

Important note: The blog post presented in this study is entirely fictional and created solely for the purposes of this research. Except for the product and brand name, the blog content depicted is completely fictitious.

Figure D.6.2 Screenshot of debriefing