Corporate reputation management through advertising:
Examination how social media advertising methods and persuasion techniques influence corporate reputation and consumer trust

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ABSTRACT

The continued increase in social media usage within society has led to a shift in relation between consumers and companies. Social media has given consumers opportunities to voice their opinions on a global scale, resulting in challenges for companies. As social media sites are accessible to everyone, it has become increasingly difficult for companies to control what individual persons criticize, positively as well as negatively about them. On the other hand, consumers are influenced by the large quantity of information online, shaping the level of trust they feel for a brand. Nonetheless, the landscape has also provided opportunities for firms to expand their marketing methods. In this research, it was attempted to determine how different social media advertising methods, namely native and traditional advertising and selective language techniques can be used to influence corporate reputation and consumer trust on the platform Facebook. Although the management of corporate reputation has been widely explored, only limited research has been done on how online advertising, and in particular social media advertising can be used for those purposes. Moreover, to the author’s knowledge there has so far been no research done on the use of native advertising methods as a corporate reputation tool. Traditional theories on offline advertising as corporate reputation tools may not be sufficient when attempting to apply them to a social media context. Furthermore, academic literature has not yet explored native advertising to a full extent. Therefore, the results of this study provided further insight into native advertising and the use of social media advertising as a tool for strengthening corporate reputation and consumer trust. The following research question was asked: “To what extent do social media advertising methods (native vs. traditional) and selective language techniques (consumer vs. corporate praising) affect consumer trust and corporate reputation?”. Based on the given research question, six hypotheses were established. By creating an online experimental survey on the platform ‘Qualtrics’ the hypotheses were tested and the research question was answered. The experiment was conducted using a 2x2x2 factorial design, which was applied between subjects. The study was based on 2 advertising styles (native vs. traditional) X 2 persuasion techniques
(corporate vs. consumer praising) X 2 Facebook advertisement types (banner vs. image). Convenience sampling through an online crowdsourcing platform was used to collect 458 responses. After cleaning the data, 426 participants remained in the final data set. For the experiment, fictitious Facebook feeds were created. They each contained the advertisement of a fictitious fairtrade coffee company called Nature Beans. Through ‘Qualtrics’ participants were randomly assigned to one of eight conditions and then asked questions about the Facebook feed. Several statistical tests were conducted after the experiment had been completed. The findings did not show significant findings for all variables. However a significant correlation was discovered between native advertising and consumer trust. This research was among the first to determine the functioning of native advertising as a corporate reputation tool. Moreover, companies advertising on Facebook have the possibility of receiving a deeper understanding of the different promotion options and techniques available to them.

**Keywords: Corporate reputation, Consumer trust, Native advertising, Facebook, Language techniques, Social media**
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1. INTRODUCTION

Within today’s society, corporate reputation is an essential component of every company’s success. It is a form of management that can be executed in numerous different ways, as for example through PR, sponsorship and corporate citizenship (Ries & Ries, 2002). In order to achieve a good corporate reputation targeting of different stakeholders such as investors, customers and the public is required (Van Riel & Fombrun, 2007). Each one of these stakeholder groups requires a different form of management. The corporate reputation companies have among consumers is heavily based on what is known as ‘consumer trust’. Trust presents a pivotal function in the perception consumers have of a company. Delgado-Ballester and Munuera-Aleman (2005) believe that a consumers trust can significantly influence corporate reputation.

In the current world, there is a continuously changing digital landscape which is making corporate reputation management more challenging for companies (Dijkmans, Kerkhof & Beukeboom, 2015). As society has become more digital, not only interaction between humans has shifted but also the way individuals communicate with companies. The rise of social media platforms in particular, has altered the influence of stakeholders such as consumers have, as they are able to share their thoughts and information globally (Dijkmans et al., 2015). The online landscape has also impacted the stability of consumer trust customers have towards a brand. According to Fiorella (2015), the immense quantity of information and opinions online has caused individuals to be skeptical about brands. However, in contrast social media has provided great opportunities for companies. As stated by Hamouda (2018), social media has provided companies with the opportunity to develop their marketing practices as for example through data collection, allowing them to analyze and improve their strategies in order to predict and avoid potential problems surrounding them. Thus, it has given them a large platform which can be used to advertise, manage reputation and gain trust at a low price, if done correctly. On a global scale, social media advertising alone has increased by 20 percent in 2019 and is considered as the third-largest advertising channel (Gesenhues, 2019). Currently, only television advertising and online paid search are producing a greater revenue.

As the effectiveness of social media advertising increases it is important that companies make use of it in order to manage their corporate reputation and interact with their stakeholders. A company who is already doing this effectively is KLM. They are
considered the frontrunners in the field of social media use. In a study done on customers and non-customers of the airline it was discovered that the high level of social media presence of KLM positively related to their perception of corporate reputation (Dijkmans, Kerkhof & Beukeboom, 2015). However, social media advertising can also go wrong if done incorrectly. A company who failed to use social media advertising in the correct way was Dove. In 2017 they published a social media campaign on Facebook for their body lotion. Within the image advertisement a native African-American women was seen taking of her brown shirt and transitioning into a Caucasian women wearing a white shirt. Shortly after going online the advertisement received great backlash. This advertisement campaign damaged the company’s reputation immensely. Impairing their reputation for showing real beauty which they had built for over a decade. This example demonstrated the delicate place companies have in the sphere of social media and that matters are able to escalate quickly beyond their control. Overall, exploring the management of corporate reputation through advertising is a very diverse and interesting topic that can be tackled from numerous different perspectives.

The focus of this research will be on examining the functioning of social media advertising as a corporate reputation tool. It will not be focusing on its use in a crisis setting, but rather as a general tool for the management of corporate reputation. Given the statement by Ballester and Munuera-Aleman (2005), that consumer trust directly relates to corporate reputation, it is important that its relation to advertising is explored as well. The study will be investigating commonly known social media advertisement techniques, defined as traditional advertisements within this study, and a relatively recent advertising form known as native advertising. Traditional social media advertisements are very bold and visible, carrying the intent to be noticed. Native advertising on the other hand is defined by Campbell and Marks (2015) as “a spectrum of new online advertising forms that share a focus on minimizing disruption to a consumer’s online experience by appearing in-stream” (p. 600). This definition has been well recognized in academic literature and will therefore provide the main definition for this research. Native advertising presents a new form of online marketing that aims to avoid disruption. The native formats mimic the appearance and style of the content surrounding it which unlike native advertisements is usually non-sponsored (Youn & Kim, 2019). Its hidden nature has caused discussions among scholars and has been criticized by some, as consumers may not be aware that they are viewing an
advertisement (Campell & Evans, 2018). In contrast however some academics have praised this new methodology as it has overcome the avoidance of online advertisements known as banner-blindness which has been triggered by the endless quantity of traditional online advertising consumers face on a day-to-day basis (Campell & Evans, 2018). Overall native advertising presents an alluring field of research that has only been studied since 2015, making it a relatively recent topic of research. Native online advertising is emerging to be a very fruitful industry (Casale, 2015). In 2015 alone it is estimated to have reached 7.9 US dollars in revenue in the USA (Casale, 2015). According to the Native Advertising Institute, which was established in 2015, the use of this advertising technique is continuously increasing (Native Advertising Institute, 2018). In 2018, it is said to have made up 20 percent of publishers overall advertising revenue (Native Advertising Institute, 2018). Native advertising offers a new technique of advertising that is swiftly growing and intended to overcome the advertising saturation through its unobtrusive nature. To what extent this form of advertising can function more effectively as a corporate reputation tool in comparison to traditional online advertising will be examined in this study.

The use of selective language is an essential part of advertising. Using corporate and consumer praising presents two well-known language techniques used in this field. Among scholars these two forms of praising are sometimes also known as ‘feature’ (corporate praising) and ‘benefit’ (consumer praising) advertising (Blakeman, 2011). The former method of praising focuses on using language that expresses important factors about a particular product or company. This type of language technique is often used within the automotive or consumer electronics industry. While the latter method focuses on stating advantages for the consumer (Blakeman, 2011). Examples of this can be found in software service marketing. Both language techniques have been commonly used in both on- and offline advertisements. It has been mentioned by Blakeman (2011) that a combination of both techniques is ideal, however classifying consumer praising as more effective of the two. In contrast Jørgensen and Isaksson (2008) believe that corporate praising is mainly used as an advertising technique in sectors such as the banking industry. There are numerous different opinions on which language technique is more effective. To date, to the knowledge of the author the implementation of these techniques in native advertising has not been studied. This presents a significant gap in research given the increasing popularity of native advertising (Casale, 2016).
This study will focus on discovering the effectiveness of social media advertising as a corporate reputation tool and its effect on consumer trust. More specifically, it will be focusing on if the recent form of online advertising called native advertising presents itself to be more effective than traditional social media advertising methods. In addition, the previously addressed language techniques of corporate and consumer praising will be studied by integrating them into the presented advertisements (see Appendix A). Lastly, in order to take all components of the advertisements into consideration the use of images within social media adverts will also be explored briefly. Previous literature on the use of visual material within online advertisements has identified its high value for marketing as it for example draws stakeholders attention to the advertisement, makes it more appealing and is said to increase consumer trust (Tikno, 2017). Taking into consideration the growing social media presence in society, the increase in advertisements and its growing role for companies, this study will provide new insight of how social media advertising can be used by companies to manage corporate reputation and consumer trust. Using an experimental research design the following research question will be answered:

**RQ:** To what extent do social media advertising methods (native vs. traditional) and selective language techniques (consumer vs. corporate praising) affect consumer trust and corporate reputation?

### 1.1 Scientific and societal relevance

An important part of this study is the scientific and societal relevance it bears. This research contributes to numerous different fields, in particular to the field of corporate reputation management. Although the management of corporate reputation has been widely explored by academics, the focus often lies on crisis response strategies and corporate social responsibility. This research takes a different and more general approach dealing with advertising as a corporate reputation tool, thus exploring a quite recent form of advertising. To the authors knowledge native advertising has not been studied in relation to corporate reputation management. The study will assist in minimizing the gap in research that focuses on advertising in the context of corporate reputation. Overall social media advertising as a corporate reputation tool has only received minor attention by scholars (e.g. Szwajca, 2017 & Kick, 2015). As mentioned earlier, the increase in social media advertising is
continuously growing. It presents a cost effective tool that can be used to a company’s advantage. Therefore, it is important that this field is further explored in order to provide a tool for corporate reputation. This is exactly what this research aims at.

From a scientific standpoint this study also contributes to the literature of online advertising. Through the focus on language techniques commonly used in both traditional and online advertising and its application to native adverts, the research further explores an advanced area of advertising. It combines two components applied in the modern advertising field which have not been studied collectively.

The societal relevance of this study lies in the fact that native advertisements carry a hidden nature. This can have the effect of making it unclear to consumers that they are viewing an ad. This is an attribute which carries the risk of backlash if received wrongly by consumers, leading to societal implications. From the publics’ point of view it is relevant to understand how companies can affect consumers opinions and purchasing behavior through social media. It provides the public insight into how native advertisements function and are build, allowing them to be more aware of their visibility on social media platforms.

This research intends to contribute to recent literature concerning native advertising, corporate reputation and the use of language techniques in advertising. Studying the variables of social media advertising especially native advertising and advertising language technique like corporate and consumer praising presents an interesting constellation. This combination was chosen as it unites two topics of which one (praising techniques) has been studied relatively frequently within the field of marketing as well as corporate reputation management, while the other (native advertising) has only received academic attention since 2015 and has never been explored as a corporate reputation tool. In addition, even though simply studying native advertising could have been done adding the additional variable adds depth to the study. It not only contributes to the field of advertising but also the field of language techniques. Lastly the use of images within advertising will be briefly explored as they will play a role in the creation of the experimental conditions. Overall three variables are studied together in the context of corporate reputation management in order to examine how new and old techniques can be combined within advertising and collectively assist corporate reputation management and the management of consumer trust.
2. THEORETICAL FRAMEWORK

2.1 Managing corporate reputation

Corporate reputation presents an essential tool for any company. Weiwei (2007) states that it has been seen as a strategic resource for companies since the 1990’s. The well-known author and corporate reputation analyst Fombrun defines it as the following “a perceptual representation of a company’s past actions and future prospects that describe the firm’s appeal to all of its key constituents” (Fombrun, 1996, p.165). Within different fields, corporate reputation is viewed differently. As for example from an economist perspective it is related to products, quality and price (Wilson, 1985). While in marketing, which is of greater relevance to this work, it is associated with firm credibility, brand equity, and value judgement among society (Bennett & Rentschler, 2003; Van Riel & Fombrun, 2007). Given that this research will concentrate on advertising and the implications it has on consumer trust and corporate reputation. A marketing definition will carry greater value for this academic work.

The reputation a company has among stakeholders is established by stakeholders perception of the companies past activities and the assumptions of what sort of future behavior could be expected (Lin-Hi & Blumberg, 2018). According to Van Riel and Fombrun (2007), having a positive reputation has a beneficial impact for companies. It makes the firm more attractive to consumers but likewise to other stakeholder groups such as future employees and investors. This argument is supported by numerous other academics. Weiwei (2007) provides interesting insight into how corporate reputation and the corporate image can affect customer loyalty. In her work she draws the conclusion that customer loyalty is essential for any firm, however it is dependent on the industry of how a company’s image and reputation management is carried out. In addition it is stated by Herbig and Milewicz (1993) that the establishment of reputation requires time and repetition of positive transactions and events. Furthermore, they state that reputation can be damaged very quickly through simple actions such as unpopular actions or the conveyance of imprecise signals (Herbig & Milewicz, 1993). A damaged corporate reputation can lead to a lack in image credibility, loss of business and even boycott. This demonstrates that corporate reputation is an important factor for companies that comes with risks due to its sensitive nature.
According to Walsh and Beatty (2007) corporate reputation has a great complexity. Within their work it is stated that a company is able to have multiple reputations (Walsh & Beatty, 2007). Thus reputation can vary according to the perception of different audiences, as different stakeholders have individual criteria to evaluate a firm. It is emphasized by the authors that the reputation perspective of customer is very important. Using a survey study this stakeholder group was examined. The conclusion was made that corporate reputation that focuses on consumers is influenced by customer behavior and trust but also influences customer behavior and trust (Walsh & Beatty, 2007). This presents interesting insight into the functioning of corporate reputation. It is important to take these conclusions into consideration particularly in regards to the following concept of consumer trust. The role and functioning of corporate reputation has also been studied on both a cultural and international level (Huber, 2018). A study conducted by Huber (2018) revealed that corporate reputation can be very different within individual cultures meaning that companies must adapt their management accordingly. This emphasizes the complexity corporate reputation management brings with it.

Using advertising as a corporate reputation tool presents one of numerous different methodologies. Advertising can be used to enhance the reputation of a company, however in order to do so the company is required to convey messages that influence the consumers positively or provides them with leverage (Rifon, Smreker, Kim, 2013). Advertising has the advantage of addressing the consumer directly allowing it to influence consumer perception more concretely than other forms of reputation management such as leadership or social responsibility. According to marketing expert Morris Denton “in the absence of corporate credibility, it really doesn’t matter what your product strategy is” (Carroll, 2013, p.41). Corporate reputation directly influences demand and brand perception, therefore it is essential that advertisers embrace the value of consumer perception (Carroll, 2013).

The management of corporate reputation through advertising has primarily been explored by authors through the concept of ‘cause-related marketing’ (CRM) (Berger et al., 1999; Chaney and Dolli, 2001; Lafferty et al., 2004; Trimble & Rifon, 2006; Yechaim et al., 2003). CRM is often referred to as ‘doing well, by doing good’. The concept is used by brands to connect the purchase of consumers to a good cause such as a non-profit organization (Carroll, 2013). According to a study conducted in 2010, 85 percent of millennials are likely to switch to a brand that use CRM (Cone Communications, 2010). CRM is often used by
companies for advertising purposes in order to enhance the corporate image among consumers (Trimble & Rifon, 2006). A well-known example is the Pampers and UNICEF Partnership. For numerous years the diaper producer has been funding tetanus vaccines by sponsoring one vaccine for the purchase of one pack of diapers. The campaign has had great success for the company’s image (Scott, Dolan and Johnstone-Louis, 2011). Overall advertising presents a form of corporate reputation management that is not always considered as a first choice tool. Nonetheless it has become evident that it presents an interesting technique that can swiftly influence stakeholders perceptions.

As mentioned in the introduction the contiguously growing field of digitalization and social media has shifted communication processes between consumers and businesses. Even though social media has created a landscape that companies can use to their advantage for communication, marketing and corporate reputation purposes, it has also constructed a space in which companies and particularly managers are unable to influence all content concerning the company (Utz et al., 2013). Corporate reputation presents a fragile concept which has led to companies becoming more vulnerable, forcing a loss of control over the public opinion of a company (Zheng, Liu & Davison, 2018). Prior to social media, they were able to manage their content in advance through TV commercials or newspaper advertisements and articles (Utz et al., 2013). In current times, aspects such as open and easy access as well as swift spread of content make it impossible for companies to manage everything that is being said about them online. From a corporate perspective social media has become a component of marketing and reputation management that cannot be ignored and must be dealt with and integrated in the best way possible.

2.2 Consumer Trust

Reducing a consumer’s uncertainty and increasing trust in a company is a key component of marketing as it encourages an increase in sales (Sichtmann, 2007). Customer skepticism is a large hurdle that companies must overcome. Due to the growth of information available online the level of skepticism among society towards brands and companies has grown (Du, Bhattacharya & Sen, 2010). This has created great challenges for firms and has required them to shift their marketing techniques. There are different ways in which uncertainty can be tackled, one of these is the establishing of consumer trust. Hiscock (2001) states that “the ultimate goal of marketing is to generate an intense bond between
the consumer and the brand, and the main ingredient of this bond is trust” (p.1). Furthermore, it is stated by Kim (2019) that stakeholder and in particular consumer trust can be created and enhanced through communication. The trust a consumer has in a company directly influences the consumers' loyalty for a company (Kim, 2019). The higher the level of trust the more likely it is that the customer will buy a product repeatedly and that therefore the level of loyalty for a company is increased.

Trust is a component that carries high value within modern society and is a valuable construct in human affairs. It is an important part within many fields of study such as psychology, sociology and management theory (Hosmer, 1995). This multidisciplinary interest for the concept has added value to the concept however making the pin-pointing of a clear definition difficult. Hess (1995) believes that trust presents a reflection of the customers’ assumption that the company has their best interest at heart, sees the customers happiness as a priority and is responsive to possible needs. In addition, Delgado-Ballester and Munuera-Aleman (2005) state that confident expectations as well as risk are important parts in the definition of trust. The provided definitions allow the assumption that trust in a company implicitly means that the customer will receive a positive outcome from the company in whatever way or form. Furthermore, Delgado-Ballester and Munuera-Aleman (2005) state that a trusted company “consistently keeps its promise of value to consumers through the way the product is developed, produced, sold, serviced and advertised even in bad times when some kind of brand crisis arises” (p.188). Even though there are numerous different definitions of trust Delgado-Ballester and Munuera-Aleman’s elaboration on the concept of trust in relation to companies it presents a clear concept that will be useful in defining consumer trust in a corporate reputational context.

The relation between consumer trust and advertising presents a fragile connection. A study conducted by Rakuten Marketing reveled that 80 percent of participants felt that online advertisements were intrusive (Davies, 2017). Furthermore, the study concluded that online advertisements had not gotten better over time (Davies, 2017). This demonstrates that consumers have a negative perspective towards online advertisements. However, the study also discovered that 70 percent of online users were open to changing their perspective if the advertisement aligned with their individual interests (Davies, 2017). Thus demonstrating the potential for advertisements as consumer trust tools. In order for advertisements to be successful they must provide consumer with information adapted to
their needs and to their satisfaction (Te’eni-Harari, 2014). If this is the case, they can trigger rational, emotional or moral motivation for the product, service or company being promoted. According to Te’eni-Harari (2014) advertisements have the ability to impact consumers’ behavior and decisions if done correctly without intruding the consumers’ online experience. Consumer trust is a fundamental component of brand management which can fluctuate easily. Finding techniques to improve or maintain consumer trust for a company is an important element which must be explored further.

2.3 A comparison: native advertising versus traditional advertising

Within recent years there has been an increase in innovative variation of online advertisements such as search engine marketing, video advertisements and pay per click. Native advertising exemplifies a further form of online advertising (Gottfried, 2015). The field of research on the topic of native advertising is not as large in comparison to other advertising techniques. Previous research on native advertising has for example focused on its recognition, different forms of native advertising, possible risks and its functioning in news and/or entertainment websites (Carlson, 2015; Campbell & Evans, 2018; Wu, Huang, Li, Bortee, Yang, Xiao & Wang, 2016; Wojdynsk & Evans, 2015). This research mainly dealt with native advertising in the context of blogs and websites, without examining its function on social media platforms.

Native advertising can be executed in different forms. One of these is known as in-feed units, these can be found in the normal feed section of different websites as well as on social media platforms (Manic, 2015). They also carry the name of ‘suggested posts’. Another type of native advertising is known as banner ads. These are sponsored ads that can also be found within a feed (Manic, 2015). This type of advertisement is not to be confused with a traditional banner advert, which will be elaborated later in this section. The fundamental differences between the suggested posts and banner ads are that the former mainly uses large visual images within the advertisement often having a significant size within the feed. While the latter mainly consists of text and small images such as a brand logo, taking up less space within a feed. Additionally banner ads can be used on different website forms other than social media, as for example news websites, making them more multifunctional than suggested posts. Both techniques carry the intent of avoiding a
disruption of the user experience, this is attempted by being placed in between related posts (Manic, 2015).

The advantages and disadvantages of this advertising technique have been elaborated by numerous authors. Campbell and Evans (2018) emphasize the problem that people often do not know that they are viewing an advertisement when coming across a native advertisement. Furthermore, consumers are given little or no decision power on the exposure of native advertisements (Campbell & Evans, 2018). Wlodarczyk (2015) has examined both positive and negative side of native advertising from a corporate respective. In regards to its disadvantages, he believes that first and foremost due to its recency, no clear guidelines have been established on how to carry out native advertising effectively, increasing a risk of failure. Additionally it is stated that native advertising requires greater level of creativity due to the fact that these advertisements are required to be specifically tailored to each platform they are used on (Wlodarczyk, 2015). Lastly there is a high risk of audience backlash due to the fact that consumers may feel that they have been tricked into reacting to a particular advert (Wlodarczyk, 2015). On the other hand there are numerous advantages to this method of advertising. Firstly its effectiveness is demonstrated by increase in revenue that has been achieved within the US, as mentioned in the introduction. In regards to its implementational advantages Wlodarczyk (2015) states that it allows advertising to be unobtrusive establishing a more user-friendly experience. In addition native advertisements can carry different degrees of transparency therefore being adaptable to the intent and product of being promoted (Campbell & Marks, 2015). Overall, there are numerous different opinions on the topic of native advertising however it has not yet become clear if it can be used by companies as a corporate reputation tool.

Native advertising has evolved out of continuous annoyance of consumers towards traditional online advertisements such as flashy banners or the opening of automatic advert tabs (Sandvig, Bajwa & Ross, 2011). A theory that can assist in understanding the effectiveness of native advertising is the Persuasion Knowledge Model (PKM) which was first introduced by Friedstad & Wright (1994). This model suggests that in order for consumers to fully grasp the messages presented in advertisements they must recognize the persuasive nature of the message (Wojdynsk & Evans, 2015). A study carried out by Matthes, Schemer and Wirth (2007) discovered that there is a more favorable response and higher credibility if the use of persuasion is not obvious. In regards to native advertising and its hidden nature
the assumption can be made that consumers will not find the content persuasive nor intrusive. This conclusion is built on the idea provided by Mansfield (2015) who states that based on PKM, advertisements that are native are more likely to lower cognitive resistance towards advertising. Thus Flanagin & Metzger (2000) believe that consumers find online information more difficult to evaluate due to the lack of regulations and policies. This therefore intensifies the argument that it is less likely for consumers to detect persuasiveness online and feel bothered by it.

It has been articulated by Wojdynsk & Evans (2015) that when consumers discover content to be a form of advertising they will use their pre-existing persuasion knowledge to interpret the level of persuasion and intent of the advertisement. Furthermore, this will have the effect of evoking defense mechanisms and ultimately shaping the consumers attitude towards the content and brand (Wojdynsk & Evans, 2015). These defense mechanisms also known as coping skills have evolved from the continuous exposure to traditional online advertisements (Evans & Park, 2015), an example of this is skepticism. Overall native advertisements have a hidden nature and apply persuasion techniques.

Since the introduction of PKM, it has been elaborately studied by scholars. However, their focus has been on TV advertisements (Derbaix & Pecheux, 2003; Oates, Blades, & Gunter, 2002) and different forms of print media (Kim, Pasadeos, & Barban, 2001). Due to the continuous evolvement of online advertising, in particular social media advertising investigating consumer response and attitude towards native advertising presents an alluring topic. PMK presents a framework for understanding how consumers cope with persuasive material, which is a vital component in discovering if native advertising can be a tool for corporate reputation management. This argument is supported by Youn and Kim (2019), who state that the use of PKM to explore native advertising presents great importance, as consumers can only make informed decisions when realizing the intent of the advertisement. The PKM presents an established theory, providing the theoretical basis and justification for further investigation of the functioning of native advertising. Overall to date three key areas have been examined in the field of native advertising: firstly, the effect of ad disclosure on consumers purchasing behavior, secondly if advertisement recognition triggers consumers’ persuasion knowledge and lastly how the persuasion knowledge of consumers influences their perception of native advertising (Youn & Kim, 2019). According to Youn and Kim (2019), who carried out a study on native advertising on social media, their research
reviled that studies carried out on persuasion knowledge and native advertising do not demonstrate clear and unison results. This highlights that academic theories on native advertising still require further developing.

In comparison to native online advertising, traditional online advertising can carry numerous different forms such as display, video and email ads. For this research commonly known advertisements such as pop-up or banner ads will be defined as traditional advertisements. The World Wide Web presents a medium that is continuously growing at a fast pace (Kay & Medoff, 2001). This continuous growth has also occurred within the online advertising industry. It has been mentioned earlier that native advertising arose out of the resistance towards traditional advertisements (Campell & Evans, 2018). This resistance has grown through the large use of online interruption-based adverts. These advertisements come in the form of pop-ups, pop-unders, and interstitials (Chan, Jiang & Tan, 2010). Chan, Jiang and Tan (2010) elaborate in their research that these particular types of traditional advertising interrupt the user experience causing society to establish a negative affiliation to visible online advertising. Furthermore it has brought about what is known as ‘banner blindness’, which can be explained as the distinct avoidance and ignorance of online advertisements (Cho & Cheon, 2004). This negative association presents an interesting component which will be integrated and further investigated within the given research.

Nonetheless, there are numerous other types of traditional advertising that can be found on the internet such as simple banner and display ads. A particular increase in the use of advertising can be found on social media platforms (Voorveld, van Noort, Muntinga & Bronner, 2018). The perfect example for this is Facebook. After introducing advertising functions in 2008 the company continuously developed new ways to advertise on their platform (Kim, Sung, Lee, Choi & Sung, 2016). Two of the most commonly used traditional advertisements which can still be found on today’s Facebook sites are banner and in-feed ads. Banner ads can be found on the right side of a Facebook page, they are not placed within the feed. An in-feed ad can be found in between a user’s regular news-feed. In contrast to native advertisement they usually have no association to other topics within the feed. These two types of traditional Facebook advertising will be incorporated into the experiment of the study, given that they are still integrated into today’s Facebook feeds.

Many scholars have discovered an avoidance among society towards traditional advertisements (Cho & Cheon, 2004). Cho and Cheon (2004) carried out a study investigating
the possible reasons behind this avoidance. The conclusion was drawn that consumers have a negative affiliation to traditional advertisements due to the overwhelming quantity online and previous bad experiences (Cho & Cheon, 2004). This judgement will be investigated within this work and contributes to the establishment of the hypotheses.

It has become evident that in theory native advertising carries a hidden nature avoiding intrusiveness. Traditional advertising on the other hand has contradictory characteristics to this in both a website and social media context. All in all, in regards to the literature, traditional advertising carry negative associations and the given hidden nature and to this point still unknown potential effects of native advertising, it is expected that native advertising will have a more positive effect on consumer trust and corporate reputation. Based on these findings the following hypotheses were examined:

H1a: In comparison to traditional advertising, native advertising affects corporate reputation more positively.

H1b: In comparison to traditional advertising, native advertising leads to a higher consumer trust.

2.4 A comparison: corporate praising versus consumer praising

Within advertising there are numerous different language techniques used, such as repetition, association, composition and praising (Fam & Grohs, 2007). The final two components which are of importance for this research are the construction of attitudes towards brands and the use of persuasion techniques within advertising which in this case will be corporate and consumer praising. There is an abundance of academic material that focuses on how attitudes are formed. A definition provided by Gardner (1986) states that attitudes towards brands are shaped by the consumers’ attitude towards an advertisement. This presents a key feature for this study given the fact that the differences in language techniques will be examined in order to investigate if consumer or corporate praising is more effective in influencing consumer attitudes. Sallam and Wahid (2012) have expanded on this idea and believe that there is a positive correlation between the attitude towards an advertisement and the brand being presented.
Advertising can be carried out in numerous different forms, two of the techniques that are used are consumer praising, which is also known as flattery or benefit advertising and corporate praising sometimes referred to as feature advertising. Literature has demonstrated that the preferability of such persuasion techniques is dependent on the product and services that are being promoted (Fam & Grohs, 2007). Overall consumers do not want to buy products unwillingly but rather to solve their problems (Shewan, 2018). The two techniques are closely liked however when examined in detail are very different.

Exploring the management of corporate reputation through online advertising is a subject that has only received minor attention within the scholarly field. A study was carried out in 2008 by Jørgensen and Isaksson regarding the use of advertising as a corporate reputation tool within the banking industry. The scholars discovered that within this industry advertisements mainly focus on the corporate competences and achievements, while ignoring any focus on the customers and their needs (Jørgensen and Isaksson, 2008). This academic text exemplifies how corporate praising is used in a particular industry. It presents a useful guidance and knowledge on how corporate praising is executed, providing guidance for the creation of experimental material for this study. Later literature on corporate praising includes the work of Shewan (2018). He defines corporate praising as advertising that focuses on the features of the product that is being sold (Shewan, 2018). This form of advertising often presents statistics and technical information dependent on the product that is being promoted (Shewan, 2018). It is often used in the automotive industry as well as electronics sector. Blakeman (2011) in her book Advertising Campaign Design: Just the Essentials further elaborates the concept of feature advertising by stating that the focus lies on the attributes of the product. The analysis of Blakeman provides greater depth as she states that the use of corporate praising techniques is only effective when the consumer has knowledge about the features being presented (Blakeman, 2011).

In comparison, consumer praising is defined by Blakeman as ‘benefit’ advertising. With this technique, the advertisements “should offer a solution to a problem, enhance image, or improve the target’s quality of life” (Blakeman, 2011, p.18). It is emphasized that benefits are able to sell products while features can only support them (Blakeman, 2011). For benefit advertising the focus lies on what the user can do and accomplish with the product or service (Shewan, 2018). Hence, it is emphasized by Blakeman (2011) that the use of benefit language techniques allows for a greater creative freedom. The author encourages
a use of consumer praising and believes it to be more effective in influencing customer perception. This language technique is frequently found in pharmaceutical and financial advertisements. In line with the given literature it is expected that the use of a consumer praising strategy will influence corporate reputation and consumer trust more positively. In order to examine if consumer praising has a more favorable effect on corporate reputation the following hypothesis was established:

H2a: In comparison to corporate praising, consumer praising affects corporate reputation more positively.

Secondly it was stated earlier that consumer trust is based on the assumption that a product or service will provide a positive outcome for the consumer. Given that consumer praising focuses on defining advantages for the customer it is likely that this language technique will have a positive effect on consumer trust. In order to determine if consumer praising correlates to higher consumer trust the given hypothesis was constituted:

H2b: In comparison to corporate praising, consumer praising leads to a higher consumer trust.

Overall the fundamental difference between consumer and corporate praising within advertising is that the former influences the consumer on an emotional level therefore making it more likely to influence the consumer perception of the ad and consecutively as mentioned by Sallam and Wahid (2012) their perception of the company.

2.5 The use of visual material in social media advertisements

The use of images within advertisements is a topic that has been widely studied by different scholars from numerous different perspectives. Therefore, the focus of the study will primarily lie on the previously elaborated concepts. Nonetheless, it is important that literature on the use of images in social media advertisements is explored. This literature is used to construct the final hypotheses of this research.

On social media platforms, advertisements can be displayed in numerous different ways. For example on Facebook there is a variety of formats that can be applied within
advertisements (York, 2020). Some of which are the following: firstly there are banner ads, these adverts usually do not contain any images and only present the logo of the company with text. The second type of advertising ads consists of images, the logo of the company and the text. The image usually takes up the majority of the ad. This type of advertisement is also larger than a simple banner ad. A further type of advertisement on Facebook is a video ad. Instead of using an image a company is able to insert a video to promote their product or service. Overall Facebook is currently offering six different advertising formats with over 1,300 targeting options (Ad formats, n.d.). The possibilities for advertising on the platform are continuously developing.

The saying ‘a picture is worth a thousand words’ not only applies to personal images but is also applicable to the advertising industry. The features an image contains play an important role to consumers. According to Abu Barak, Mat Desa and Mustafa, (2015) factors such as the use of a human face or figure, the use of celebrities, size, color and background complexity all impact the consumers perception on an advertisement. According to the authors the use of visual elements in online advertisements is an essential component. Another study conducted by Taylor et al. in 2008 on the use of images within online advertisements discovered the same result. Stating that the use of images and pictures can have a positive effect on the attractiveness a consumer has towards an advertisement. Further examined research revealed that the use of different types of media in social media advertisements had different effects (Tikno, 2017). It was discovered that the use of videos in advertisements established higher consumer trust than the use of banner or image advertisements.

Given the presented literature it can be deducted that a greater usage of visual material results in a higher level of consumer trust. Based on the given findings the following hypothesis was tested:

H3a: In comparison to banner advertisements, advertisements containing an image affect consumer trust more positively.

Researchers have also focused on the use of characteristics of banner ads and their effectiveness. A study conducted by George Baltas (2003) discovered that numerous different components of banner ads have a negative effect. It was discovered that lengthy
texts in advertisements reduced direct responses and interaction. Furthermore his study discovered that the use of logos within banner ads had a negative effect because the consumer knew who the advertisement was from. Leading to decreasing interest in the company for consumers who are not primarily interested in the specific brand. Additional research carried out by Lee and Ahn (2012) discovered that use of animation in banner advertisements was often perceived negatively and intrusive by participants however unconsciously assisted them in remembering the brand. To a certain extent this contradicts the previously mentioned research which stated that video advertisements were established greater consumer trust. Nonetheless, the literature has mainly demonstrated that the use of banner advertisements has a negative impact. It is therefore believed that the use of banner advertisements affects corporate reputation more negatively than advertisements containing an image. Taking the given literature into account the following hypothesis was analyzed:

H3b: In comparison to banner advertisements, advertisements containing an image lead to a higher level of corporate reputation.
3. METHODOLOGY

3.1 Research design

In this thesis, a quantitative research method was chosen in order to answer the research question. This method was selected as it allows the exploration of qualifiable data and the performance of statistical techniques (Bhattacherjee, 2012). Furthermore, a quantitative approach was chosen due to its numeric and objective characteristics. This form of study presented itself as the ideal method as it enables one to measure causality (Avery, Lariscy, Kim & Hocke, 2019). It follows standardized procedures, decreasing the risk of unreliable results (Newman, 2011). Using a qualitative approach to the research question would have not been sufficient due to its interpretive nature. An experimental research design was used, given it functions to test and focus on causal relationships (Newman, 2011). As the aim of this experiment was to examine the effect Facebook advertising types and language techniques have on corporate reputation and consumer trust the experimental design form of an online survey was chosen. According to Roh (2017) online participants are ideal, and are often used for studies concerning the perception of online content. This presents a great importance to this study given that participants are exposed to fictitious social media feeds.

This experimental research is conducted using a 2x2x2 factorial design equating to a total of eight different conditions. The experiment is based on 2 advertisement styles (native vs. traditional) X 2 persuasion techniques (consumer vs. corporate praising) X 2 Facebook advertisement types (banner vs. image). The factorial design was applied between subjects meaning that each respondent was exposed to one condition only. The participants were randomly assigned to the experiment conditions. Collecting data online allows for a greater amount of authentic data giving its automatic randomization of conditions assigned to participants (Roh, 2017). The online survey was constructed using the online platform Qualtrics (See Appendix B).

Overview of research conditions:

<table>
<thead>
<tr>
<th>Native advertisement style</th>
<th>Image</th>
<th>Banner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>Feed 2</td>
<td>Feed 3</td>
</tr>
<tr>
<td>Corporate</td>
<td>Feed 1</td>
<td>Feed 4</td>
</tr>
</tbody>
</table>
Traditional advertisement style

<table>
<thead>
<tr>
<th></th>
<th>Image</th>
<th>Banner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>Feed 5</td>
<td>Feed 7</td>
</tr>
<tr>
<td>Corporate</td>
<td>Feed 6</td>
<td>Feed 8</td>
</tr>
</tbody>
</table>

3.2 Social media platform: Facebook

With the rise of digitalization numerous different social networking sites were created, even today there are new platforms gaining popularity. They are integrative platforms that allow engagement of individuals and sharing of information on a global scale (Kietzmann, Hermkens, McCarthy & Silvestre, 2011). Some of the most frequently used sites that are currently used all over the world include Facebook, Instagram and Twitter. Each platform distinguishes itself through certain characteristics, as for example Instagram has its focus on sharing images while Facebook focuses on communities and individual opinions. This study focuses on the use of different forms of advertising on social media in order to establish consumer trust and corporate reputation. Facebook was chosen as the platform to examine the previously mentioned variables.

Facebook is a social media platform which was founded by Mark Zuckerberg in 2004 (Hughes, Rowe, Batey & Lee, 2012). The site allows users to set-up personal profiles which allows them to share information, image and videos about their experiences and preferences. Through Facebook, users are able to engage in real-time messaging and send each other private messages (Hughes et. al, 2012). On average, users use the platform for 21 minutes every day (Kim et. al, 2016). Besides the personal pages for users, Facebook allows for companies to create business pages. These profiles allow firms to engage with customers, share content and communicate with people who share their interests. According to Kim and others (2016), it is considered the main platform where firms communicate using advertisements with consumers. Facebook states that brands are able to specify the target audience of their advertisements by location, age, interests and numerous other factors. It allows businesses to choose from numerous different advertisement formats and styles, some of which were elaborated earlier on in this study. Overall, the platform is said to have the largest worldwide social network advertisement spending of 64.8 percent (eMarketer, 2015). Furthermore, 72 percent of B2C businesses and 43 percent
of B2B marketers state that Facebook is their top advertising channel (Smith, 2019), overtaking other platforms such as the business platform LinkedIn.

3.3 Sampling and data collection

Prior to the official data collection a pre-test was conducted in order to optimize all components of the experiment. It was important to examine if everything within the survey was clear to respondents, the survey was structured in the correct way and if all conditions were explored. The pre-test helped modify the survey in order to ensure that there was no confusion among participants and assisted in reducing the risk of invalid data. It was conducted among 18 different respondents, which were asked to provide feedback on the survey. The pre-test survey was distributed through WhatsApp. The data collected from these participants was not used in the final data set. After the 18 respondents had completed the pre-test a few minor changes were made. Some of the respondents had issues with understanding one of the questions as English was not their native language. The question was optimized by adding a short definition to clarify the unknown term of ‘praising’. The survey questions followed a 7-point Likert scale instead of a 5-point Likert scale. The use was justified, as all questions used within the survey were validated and according to Finstad (2010) 7-point Likert scales are “more likely to reflect a respondent’s true subjective evaluation” (p.108). Lastly the block settings of the survey flow on Qualtrics were changed in order to make the data cleaning process for the actual experiment easier.

The data for the final study was collected using convenience sampling. The participants were acquired through an online crowdsourcing platform. The platform Amazon Mechanical Turk was chosen for the study due to its large quantity of members. According to Pew Research Center the platform has more than 500,000 actively registered members (Hitlin, 2016). No defined target population was set for the experiment. Participants were only required to fulfill the necessity of owning a Facebook account when completing the study. Initially, the study aimed to collect around 240 participants however, given that there were eight different conditions, the number was adjusted to 450. The final sample consisted of 458 participants. The Qualtrics survey link was distributed on Amazon Mechanical Turk for a period of two days. This presented itself to be more than enough time as the total number of aspired participants was acquired after only two hours. Respondents were given 30 minutes to complete the survey. At the beginning of the experiment respondents were presented with a brief introductory text to provide them with an idea on the topic and what
to expect from the survey. It was stated that the research was going to be about advertisements on Facebook, more detailed information on the research aim was not given in order to avoid the revelation of the true purpose. Furthermore, participants were assured that their participation would remain anonymous.

Firstly, two demographic questions were asked to guide participants into the experiment, namely ‘What is your gender’ and ‘What is your age’. Following this, participants were asked questions about their Facebook usage and their general opinion on the usefulness of advertisements on Facebook. This was then followed by four 7-point Likert scale questions asking them to rate between ‘strongly disagree’ (1) and ‘strongly agree’ (7). Some of the questions were the following: ‘In my opinion Facebook is a company I have a good feeling about’ and ‘In my opinion Facebook is a company that I trust’. Intending to measure Facebook reputation, the questions were taken from Ponzi et al. (2015) corporate reputation scale. This scale was developed to measure peoples’ opinion on a company and their admiration and trust towards it. The final question that was asked prior to the condition exposure was ‘How often do you consume coffee’, as the following content of the questionnaire was related to fictitious advertisements for coffee.

The experiment continued with the random assignment to the eight different conditions. Participants were shown a fictional screenshot of a Facebook feed. Within the feed an advertisement of a fictitious Fairtrade coffee company called ‘Nature Beans’ was placed. In order to highlight the post a black-lined border was placed around it. This type of company was chosen as it is applicable to a lot of people and does not appeal more to a particular group or sex. The decision was made to use a fictional company in order to eliminate any potential bias or prior knowledge of the company. The advertisements were created using official Facebook guidelines and inspired by existing advertisement content from Costa Coffee and Nespresso. Each Facebook-feed contained three different independent variables: one advertisement style (native vs traditional), a persuasion technique (consumer vs corporate praising) and one advertisement type (banner vs image). Within the feed the native advertisement was placed in the middle, above and below content relating to the Nature Beans post was placed. For example, posts containing information on fairtrade and other coffee related topics. For the traditional ads the content around the advertisement did not have any relation to the Nature Beans post. In the scenarios where corporate praising was applied the focus lied on demonstrating the positive
aspects of the company such as it being Fairtrade and its use of environmentally friendly import methods. In comparison, the consumer praising adverts emphasize the positive implications for the user, stating that by buying the coffee they were making the world a fairer place. Lastly, if the shown advertisement was a banner ad, it only contained the logo of the company with the name and the persuasion text while an image ad was bigger and contained a large image. All formats and placements of the fictional advertisements were created using the Facebook guidelines for developers\(^1\).

As a manipulation check, three questions were asked at the end of the survey regarding the advertisement style, type and persuasion technique. For the style, the following question was asked: Did you notice any advertisements in the shown feed? Participants were given the answer options of ‘Yes’ and ‘No’. As for advertisement type, the placement of the advertisement was questioned. Participants were asked the following: Where was the Nature Beans advertisement placed within the image of the Facebook feed? As answers, responders could choose between ‘On the side of the feed’, ‘Within the feed’ and ‘Neither’. The final manipulation question focused on persuasion technique, the following question was asked: Who was praised within the content of the Nature Beans advertisement? As answers, participants could choose from ‘Consumer’, ‘Company’ and ‘Neither’. The experiment ended with a message thanking the participant for their participation and providing them with a completion code which they had to copy into Amazon Mechanical Turk to receive their reward. Additionally this ensured that the participant had completed the survey. To prevent questions not being answered and data loss the mandatory response option on Qualtrics was activated. In order to measure the eight conditions, Independent Samples t-tests were conducted.

### 3.4 Experimental scenarios

The stimuli used in this online experiment contained an advertisement of a fictitious coffee company named Nature Beans and a fictitious Facebook feed. This social media platform was chosen as it has the largest number of users worldwide (Castillo, 2016). Additionally the platform provides businesses with a variety of advertisement options. The sample for this experiment was collected from an online crowdsourcing platform. Due to the simplicity and general nature of the experimental subject the platform presented itself as

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\(^1\) https://developers.facebook.com/docs/audience-network/guides/ad-formats
ideal. The use of a fictitious company eliminated possible bias, when measuring corporate reputation. The experiment incorporated stimuli in order to test the influence of native advertising and corporate praising on consumer trust and corporate reputation. Since the advertisement style native advertising and the persuasion technique of corporate praising stand at the center of this study it was important to compare each of these independent variables to a different type of advertisement and persuasion technique in order to receive comparable results. A fictitious feed was provided with a short introduction asking the participants to take a detailed look at the image of the feed before proceeding to answer the following questions. They were then exposed to the different conditions.

In terms of the difference of traditional and native advertisement styles, for the native feeds the fictitious advertisement was placed in the middle (see Appendix A1 – A4). It either contained a large image of a coffee cup, a large Fairtrade log, title and text or it was a native banner advert meaning that the advertisement did not contain a large image but rather only text, title and the Nature Bean logo. At the top of all the feeds there is an advertisement focusing on Fairtrade fashion, followed by a fabricated post of a person asking a question about Fairtrade. Below, a fabricated post of an individual was placed mentioning coffee. This was followed by a post from ‘Fairtrade International’. The native advertisements were all placed within the feed. All of the surrounding posts share some relation to the Nature Beans post, the intention behind this was to construct a feasible native ad that would, as stated by Campbell and Evans (2018), not be directly recognized as an advertisement. This was applied on four out of eight conditions. In comparison, the remaining four conditions all used the advertising style of traditional advertising (see Appendix A5 – A8). The advertisements used the same composition and the image, text and title as the native advertisements. When a traditional banner ad was used, only the logo, text and title were shown. Within the Facebook feed the fictitious traditional advertisement was placed in two different positions. Position one was within the feed whereas position two was on the right side next to the feed where birthdays, events and stories can also be found. This advertisement type had a square shape while all other advertisements which were within the feed were rectangular. These two options were chosen as Facebook offers the possibility to post traditional advertisements in both positions. For position one, the fictitious advertisement was placed in the middle of the feed. Above and below the feed random posting were placed. These posts do not carry any association to the Nature Bean
posts. The content surrounding the advert in position two also did not have any relational content to the fictitious advertisement.

In regards to the persuasion techniques the advertisements using corporate praising stated that Nature Beans is the first company to import 100% Fairtrade, works environmentally friendly and is helping families in developing countries. The advertisements where consumer praising was applied stated that through consumption, the buyer is helping the world and assisting local farmers to provide for their families. All native and traditional adverts using the same persuasion technique had the same text and title.

3.5 Operationalization

Within the experiment, all independent variables were manipulated. These were two advertising styles, two persuasion techniques and two types of Facebook advertising. Further, four different attributes were tested in the experiment, namely the reputation of Facebook as a platform, consumer trust, behavioral intension and corporate reputation of the fictional company. All scales used to analyze these components were validated and taken from earlier studies. They were measured using a seven-point Likert scale with the response options ranging from ‘strongly disagree’ to ‘strongly agree’. It must be noted that the scale used to measure the reputation of Facebook as a social media platform was integrated into the experiment in order to receive further insight into how users view the platform. The measurement was not constructed to directly test the hypotheses but rather provide greater depth to the study and demonstrate how the users view of Facebook impacted the other tested variables.

3.5.1 Measurements

Consumer trust. The level of consumer trust was measured using the ‘adtrust’ scale developed by Soh, Reid, Whitehill King (2009). Using a three-stage, nine-step research design a Conbach’s alpha of 0.92 was established. The four components that made up the attributed of ‘adtrust’ were: reliability, usefulness, affect and willingness to rely on. Each of these attribute was made up of a total of twenty sub-components such as ‘honest’, ‘likeable’, ‘dependable’ and ‘credible’. Only five components were used. A reliability test was conducted. Looking at the reliability statistic table a Cronbach’s alpha of 0.913 was found, therefore the scale is reliable (Hinton et. al., 2004). Since the scales were reliable they were combined into a mean scale called ‘Consumer trust’ ($M = 5.39, SD = 1.13$). The mean scale indicated the weighted average of the newly constructed factor.
The Factor analysis on these five measures found that one had an eigenvalue of 3.712 and explained 74.24% of the variance. All other components were negligible (eigenvalue <1). Given this analysis a new overarching measure was computed: Consumer trust. From the questions that establish this measure we can treat ‘Consumer trust’ as a scale in which 1 is most negative, 4 is neutral and 7 is most positive.

Table: Consumer trust Factor Loading

| In my opinion information conveyed in the Nature Beans post is... - Honest | .866 |
| In my opinion information conveyed in the Nature Beans post is... - Credible | .832 |
| In my opinion information conveyed in the Nature Beans post is... - Convincing | .868 |
| In my opinion information conveyed in the Nature Beans post is... - Valuable | .873 |
| In my opinion information conveyed in the Nature Beans post is... - Likable | .868 |

Behavior intention. The measure of behavior intention was measured using three out of four different components derived from the ‘adtrust’ scale by Soh et. al. (2009) (Cronbach’s α= .92). Only three components were used as one of the attributes was not fitting to the company used within the study. The attribute of ‘Willingness to rely on’ consists of three components: ‘I am willing to consider the conveyed information when making a purchasing-related decision’, ‘I am willing to rely on the conveyed information when making a purchasing-related decision’ and ‘I am willing to recommend the product conveyed to my friends or family’. In order to validate the scales a reliability test was done using the three items of the ‘adtrust’ scale. Looking at the Reliability statistics table, a Cronbach’s alpha of 0.871 was found for it. This indicates that the scale is reliable (Hinton et. al., 2004). Since the scales were reliable they were combined into a mean scale called ‘Behavior intention’ ($M = 4.69$, $SD = 1.33$). The mean scale indicated the weighted average of the newly constructed factor.

The factor analysis on these three measures found that one component had an eigenvalue of 2.387 and explained 79.57% of the variance. The other two components were
negligible (eigenvalue <1). A new overarching measure was computed using this analysis:

**Behavior intention.** From the questions that establish this measure we can treat ‘Behavior intention’ as a scale in which 1 is most negative, 4 is neutral and 7 is most positive.

<table>
<thead>
<tr>
<th>Table: Behavior intention Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>After looking at the Nature Beans post... - I am willing to consider the conveyed information when making a purchasing-related decision</td>
</tr>
<tr>
<td>After looking at the Nature Beans post... - I am willing to rely on the conveyed information when making a purchasing-related decision</td>
</tr>
<tr>
<td>After looking at the Nature Beans post... - I am willing to recommend the product conveyed to my friends or family</td>
</tr>
</tbody>
</table>

**Corporate reputation.** The ‘corporate reputation’ scale was extracted from Walsh and Beatty’s (2007) study on company reputation (Cronbach’s $\alpha= .88$). It was used in order to measure the level of reputation for the company ‘Nature Beans’ after being exposed to the condition. Walsh and Beatty (2007) developed the following five dimensional scale categories: Customer Orientation, Good Employer, Reliable and Financially Strong Company, Product and Service Quality, and Social and Environmental Responsibility. Equating to 28 components such as ‘Is a strong reliable company’, ‘Is aware of its responsibility to society’ and ‘Supports good causes’. For this study eight components from the ‘Corporate reputation’ scale were used. The Reliability statistics table shows a Cronbach’s alpha of 0.916 was found for the ‘Company reputation scale’, demonstrating a high reliability (Hinton et. al., 2004). Since the scales were reliable they were combined into a mean scale called ‘Company reputation’ ($M = 5.03$, $SD = .93$). The mean scale indicated the weighted average of the newly constructed factor.

The factor analysis on these eight measures found that one component had an eigenvalue of 5.059 and explained 63.24% of the variance. The other two components were negligible (eigenvalue <1). A new overarching measure was computed using this analysis: **Corporate reputation.** From the questions that establish this measure we can treat ‘Behavior intention’ as a scale in which 1 is most negative, 4 is neutral and 7 is most positive.
Facebook reputation. In order to measure Facebook’s overall reputation among participants as social media platform, four questions were asked. The questions were adopted from the scale developed in Ponzi et. al (2015). The questions carry the intention to measure peoples opinion of a company and the level of trust and admiration they have for it (Ponzi et. al, 2015). The four questions were ‘is a company I have a good feeling about’, ‘is a company that I trust’, ‘is a company I admire and respect’ and ‘has a good overall reputation’. Ponzi et al. (2015) conducted four separate studies in order to establish a Cronbach’s alpha of 0.96, indicating a high reliability. According to Hinton, Brownlow, Cozens and McMurry (2004) a Cronbach’s alpha above 0.7 is seen as reliable and therefore recommended. A reliability test was done resulting in a Cronbach’s alpha of 0.942, which according to Hinton et. al (2004) proves its reliability. All items were computed into a mean scale called ‘Facebook reputation’ (\(M = 4.99, SD = 1.57\)). The mean scale indicated the weighted average of the newly constructed factor.

Following this a Factor analysis (i.e. principle component analysis with varimax

<table>
<thead>
<tr>
<th>Table: Corporate reputation Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>In my opinion Nature Beans... - Looks like a company with strong prospects for the future</td>
</tr>
<tr>
<td>In my opinion Nature Beans... - Recognizes and takes advantage of market opportunities</td>
</tr>
<tr>
<td>In my opinion Nature Beans... - Is aware of its responsibility to society</td>
</tr>
<tr>
<td>In my opinion Nature Beans... - Is a strong, reliable company</td>
</tr>
<tr>
<td>In my opinion Nature Beans... - Supports good causes</td>
</tr>
<tr>
<td>In my opinion Nature Beans... - Is an environmentally responsible company</td>
</tr>
<tr>
<td>In my opinion Nature Beans... - Sells trustworthy goods</td>
</tr>
<tr>
<td>In my opinion Nature Beans... - Is a honorable company</td>
</tr>
</tbody>
</table>
rotation) was conducted on these four measure. It was found that one component had an eigenvalue of 3.412 and explained 85.3% of the variance. The other three components were negligible due to their eigenvalue < 1. Using this analysis a new overarching measure was computed: Facebook reputation. Using the questions that comprise the measure of Facebook reputation we can treat is as a scale in which 1 is most negative, 4 is neutral and 7 is most positive.

Table: Facebook reputation Factor Loading

<table>
<thead>
<tr>
<th>Question</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>In my opinion Facebook – is a company I have a good feeling about</td>
<td>.850</td>
</tr>
<tr>
<td>In my opinion Facebook – is a company that I trust</td>
<td>.869</td>
</tr>
<tr>
<td>In my opinion Facebook – is a company I admire and respect</td>
<td>.837</td>
</tr>
<tr>
<td>In my opinion Facebook – has a good overall reputation</td>
<td>.856</td>
</tr>
</tbody>
</table>

Table: Statistical variable information (Minimum, Maximum, Mean and Standard deviation)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer trust</td>
<td>1.00</td>
<td>7.00</td>
<td>5.39</td>
<td>1.13</td>
</tr>
<tr>
<td>Behavioral intention</td>
<td>1.00</td>
<td>7.00</td>
<td>4.69</td>
<td>1.33</td>
</tr>
<tr>
<td>Corporate reputation</td>
<td>1.00</td>
<td>7.00</td>
<td>5.03</td>
<td>0.93</td>
</tr>
<tr>
<td>Facebook reputation</td>
<td>1.00</td>
<td>7.00</td>
<td>4.99</td>
<td>1.57</td>
</tr>
</tbody>
</table>

3.6 Description and demographics

The original data-set consisted of 458 participants (N=458), from this 32 participants were removed as they either stated that they did not own a Facebook account or failed to obey the time criteria. The final and clean data consisted of N=426 participants, who all successfully completed the survey. When examining the demographics it showed that 282 participants were male (66.2%) and 143 participants were female (33.6%). This concludes that there was an unequal gender distribution and males were represented more frequently.
Furthermore, the dataset shows that the age of participants ranged from 18 to 78 with a mean age of $M=32.88$ and a standard deviation of $SD=9.79$.

Table: Correlation Matrix

<table>
<thead>
<tr>
<th>Variables</th>
<th>Gender</th>
<th>Age</th>
<th>Facebook reputation</th>
<th>Consumer trust</th>
<th>Behavioral intention</th>
<th>Corporate reputation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>.191**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facebook reputation</td>
<td>-.116*</td>
<td>-.293**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer trust</td>
<td>-.085</td>
<td>-.262**</td>
<td>.726**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behavioral intention</td>
<td>-.088</td>
<td>-.247**</td>
<td>.627**</td>
<td>.808**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Corporate reputation</td>
<td>.003</td>
<td>-.147**</td>
<td>.529**</td>
<td>.746**</td>
<td>.752**</td>
<td>1</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).
** Correlation is significant at the 0.01 level (2-tailed)

The correlation matrix demonstrates that there are numerous correlations between the dependent variables, these also correlate with gender and age. Given that almost all are significant, only the most significant correlations will be elaborated. ‘Facebook reputation’ strongly correlated with ‘Consumer trust’ and ‘Behavioral intention’ at the p<.01 level ($r=0.726; r=0.627$). ‘Consumer trust’ has a strong correlation with ‘Behavioral intention’ and ‘Corporate reputation’ at the p<.01 level ($r=0.808; r=0.746$). There is a strong correlation between ‘Behavioral intention’ and ‘Corporate reputation’ at the p<.01 level ($r=0.752$). Further, ‘Gender’ has a weak negative correlation with ‘Facebook reputation’ at the p<.05 level ($r=-0.116$). Lastly, ‘Age’ has a low negative correlation with ‘Corporate reputation’ at the p<.01 level ($r=-0.147$).
4. RESULTS

4.1 Manipulation check

Within the experiment, three manipulation checks were conducted in order to examine whether the dependent variables were manipulated successfully. The manipulation check questions were placed at the end of the survey, carrying the intention that participants who were exposed to for example the corporate praising condition reported that this was the type of language technique they observed.

The first manipulation check that was conducted focused on the advertising style. It was examined whether participants had noticed the fictitious advertisement. Out of the total data-set ($N = 426$) 210 were assigned to the consumer praising condition and 201 passed the manipulation check. The remaining 216 participants were assigned to the corporate praising condition, 199 passed the manipulation check. Looking at the Person Chi-square value in the crosstab the effectiveness of the manipulation was examined. The question “Did you notice any advertisements in the shown feed?” did not provide a significant result in the chi-square test, $\chi^2(1) = 2.39, p = 0.122$. Therefore, the advertising style variable was not successfully manipulated.

The second manipulation check that was conducted focused on the persuasion technique of the advertisement. Within the analysis participants who responded with ‘Neither’ were excluded from the analysis in order to obtain significant results. Therefore the dataset consisted of 352 participants ($N = 352$). 174 respondents were assigned to the consumer praising condition and 95 responded correctly. For the corporate praising condition 178 were assigned and 103 passed the manipulation check. Using the Person Chi-square value the manipulation effect was measured. It was looked at whether there were significant differences between consumer and corporate praising regarding the question "Who was praised (i.e. express one's respect and gratitude towards) within the content of the Nature Beans advertisement?" The chi-square test delivers a significant result, $\chi^2(1) = 5.47, p = 0.019$. Therefore, the persuasion technique variable was successfully manipulated.

For the final manipulation check which examined the Facebook advertisement type, participants who answered ‘Neither’ were excluded from the analysis, in order to produce valid results. The dataset consisted of 391 participants ($N = 391$). 195 participants were assigned to the banner condition, 128 reported that the advertisement was within the feed
and 67 stated it was on the side. The remaining 196 participants were assigned to the image condition, 166 reported that the advertisement was within the feed and 30 stated it was on the side. The manipulation check: "Where was the Nature Beans advertisement placed within image of the Facebook feed?" was measured using the Pearson Chi-square, it indicated a significant result, $\chi^2 (1) = 19.02, p = 0.000$. Therefore the Facebook advertising type variable was successfully manipulated. Given that only two out of three variables were significant, it must be stated that the stimuli were not fully manipulated successfully.

4.2 HYPOTHESIS 1A: The effect of advertising styles (traditional vs native) on corporate reputation.

Hypothesis 1A stated that in comparison to traditional advertising, native advertising affects corporate reputation more positively. In order to analyze the hypothesis an Independent-Samples t-test was conducted in order to compare the effect of native and traditional advertising on corporate reputation. Firstly, Levene’s test was conducted prior to the Independent-Samples t-test, it revealed that there was no significance variance between the advertising styles $F = 0.19, p = 0.667$. Based on this result the t-test was conducted. Looking at the results the native advertising style showed a slightly higher average company reputation ($M = 36.45, SD = 6.26$), than in the traditional advertising style ($M = 35.25, SD = 6.92$). However, the result is insignificant; $t (424) = 1.89, p = 0.060$. Therefore, H1A could not be confirmed. Nonetheless, it demonstrates that the difference of the two means is rather clear. Therefore it can be assumed that the use of native advertising style may result in a higher level of corporate reputation than traditional advertising.

4.3 HYPOTHESIS 1B: The effect of advertising styles (traditional vs native) on consumer trust.

Hypothesis 1B suggested that in comparison to traditional advertising, native advertising leads to a higher consumer trust. An Independent-Samples t-test was conducted in order to test the statement. Levene’s test provided a significant result, $F = 4.72, p = 0.030$, an unequal variance was assumed. Consumer trust was compared to native and traditional advertising. The Independent-Samples t-test showed that the average level of consumer trust for the native condition ($M = 4.82, SD = 1.20$), is higher than for the traditional condition, ($M = 4.55, SD = 1.44$). The difference is significant $t (402.94) = 2.12, p = 0.035$. It can therefore be established, in support of H1B, that a higher level of consumer
trust is established when native advertisements are used instead of traditional ones. Thus, H1B is accepted.

4.4 HYPOTHESIS 2A: The effect of persuasion techniques (corporate vs consumer praising) on corporate reputation.

Hypothesis 2A posits that in comparison to corporate praising, consumer praising affects corporate reputation more positively. An Independent-Samples t-test was conducted in order to test the statement. Levene’s test was done, the results showed $F = 1.26, p = 0.263$ that there is no significant difference between variances of the conditions. Based on this results, the Independent-Samples t-test was conducted. The calculation shows that the corporate praising condition ($M = 5.06, SD = 0.97$) led to a marginally higher level of company reputation than consumer praising ($M = 5.02, SD = 0.88$). The t-test provides non-significant differences between the conditions, $t(424) = 0.41, p = 0.661$. Accordingly, it can be stated that in opposition to H2A, consumer praising does not evidently lead to a higher level of corporate reputation. Therefore, H2A is not accepted.

4.5 HYPOTHESIS 2B: The effect of persuasion techniques (corporate vs consumer praising) on consumer trust.

Hypothesis 2B states that in comparison to corporate praising, consumer praising leads to higher consumer trust. This validity of this statement was tested using an Independent-Samples t-test. Based on Levene’s test, which provided a non-significant value $F = 1.57, p = 0.211$ an equal variance was assumed, therefore an Independent-Samples t-test was conducted. It revealed that the level of consumer trust was slightly higher among the consumer condition ($M = 5.41, SD = 1.08$) in comparison to the corporate condition ($M = 5.36, SD = 1.18$). The differences between the conditions were insignificant, $t(424) = -0.45, p = 0.652$. Thus, H2B also cannot be confirmed.

4.6 HYPOTHESIS 3A: The effect of Facebook advertising types (banner vs image) on consumer trust.

Hypothesis 3A suggests that in comparison to banner advertisements, adverts containing an image affect consumer trust more positively. In order to test this statement an Independent-Samples t-test was conducted. Levene’s test gave a significant result $F = 4.85, p = 0.028$, an equal variance was assumed between Facebook advertising types and consumer trust. The results of the Independent-Samples t-test state that the image (infeed) condition
(M = 5.50, SD = 1.04), shows a higher level of consumer trust than in the banner condition, 
(M = 5.28, SD = 1.20). The difference between the conditions gave significant results, t 
(414.55) = 1.99, p = 0.048. Therefore, H3A is accepted.  

4.7 HYPOTHESIS 3B: The effect of Facebook advertisement types (banner vs image) on corporate reputation.

Hypothesis 3B suggests that in comparison to banner advertisements, image advertisements lead to a higher level of corporate reputation. The hypothesis was examined using an Independent-Samples t-test. Based on Levene’s test a non-significant result was given F = 0.22, p = 0.636, an equal variance was assumed. The Independent-Samples t-test results showed that the image (infeed) condition (M = 5.17, SD = 0.88), demonstrated a higher level of corporate reputation than the banner condition (M = 4.91, SD = 0.96). The difference between the values was significant t (424) = 2.87, p = 0.004. In support of H3A, the results confirm that the use of Facebook advertisements containing images leads to a higher level of consumer trust and corporate reputation. Thus, H3B is therefore confirmed.
5. DISCUSSION

Within recent years there has been a great shift in society due to the online media landscape. The rise of social media has led to a forced change in marketing techniques for companies. According to Dijkmans et al. (2015), social media has made the management of corporate reputation more challenging for companies. In order for companies to grasp the advantages of social media as a corporate reputation platform, they are required to use approaches carefully yet in a determined manner. If a company fails to use the platforms correctly they are at high risk of damaging their corporate reputation (Dijkmans et al., 2015). In addition, this can damage the public’s level of trust in the company. Overall the incorrect use of social media in today’s age carries the risk of causing financial implications for a company.

In addition, it is vital that due to the growing use of social media platforms as advertising sites that businesses acknowledge and use its potential by determining the most effective online advertising strategy for their company. Taking advantage of different advertising techniques present great potential for the management of corporate reputation and consumer trust. The use of online advertising techniques has been widely studied by academics, but only a few studies have explored native advertising (Campbell & Evans, 2018; Wlodarczyk, 2015). In particular, there is little to no information on the use of native advertising on social media platforms as a corporate reputation tool. In order to address this gap in existing research, the given study examined the use of native and traditional advertising techniques as corporate reputation tools and integrating commonly used advertising methods such as the use of images and language techniques. These literary tools are namely defined as corporate and consumer praising. An experimental study using these techniques was carried out on the social media site Facebook.

Hypotheses H1a and H1b stated that native advertising on Facebook will have a more positive effect on consumer trust and corporate reputation, in comparison to traditional Facebook advertisements. Following the results of this research, H1a was rejected and H1b could be confirmed. This therefore implies that when a Facebook advertisement contains native characteristics, corporate reputation is not directly influenced whereas consumer trust can be influenced positively. However, given the difference in mean values discovered for H1a, it must be kept in mind that native advertisements may influence corporate reputation if studied further.
The second hypotheses stated that persuasion techniques influence consumer trust and corporate reputation. The results of the study show that this assumption could not be confirmed. This means that consumers do not actively recognize a difference in the use of language techniques within advertisements and that neither corporate nor consumer praising can be defined as more effective.

The use of images within Facebook advertisements was the main element of hypotheses H3a and H3b. The expectations were that the use of an image within the advertisement would have a favorable effect on corporate reputation and consumer trust. These assumptions were confirmed through the study. It can therefore be confirmed that the use of images within advertisements has a positive effect on consumer trust and corporate reputation. Furthermore, it emphasizes the importance of visual material for advertising and marketing.

5.1 Theoretical implications

The findings revealed in this study contribute to existing literature in different ways. Firstly, the study examined the use of social media advertising as a tool for corporate reputation management and consumer trust. It incorporated the analysis of a recent advertising form and compared it to a commonly used advertising type used on social networks. Namely, examining native and traditional advertising. As previously mentioned the results showed that native advertising does not significantly affect corporate reputation positively but only consumer trust. Therefore, no clear recommendation can be made on which form of advertising is better as a corporate reputation tool. Previous literature has stated that native advertising is more effective due to its hidden nature and attempted avoidance of intrusiveness. This assumption could only be proven to a given extent. It has however raised the question if the statement made by Delgado-Ballester and Munuera-Aleman (2005) that consumer trust and corporate reputation are directly connected is valid. If a direct connection was present between consumer trust and corporate reputation it would have been expected that both variables were clearly affected positively by native advertising. As this was not the case, the connection between them must be questioned further. Additionally, it is particularly interesting that native advertising did not have a clear positive impact on corporate reputation. It contradicts the fact made by Masfield (2015), who stated that based on PKM, advertisements with higher native characteristics would be
more effective as it leads to lower cognitive resistance. Thus, taking into consideration the theory of PKM, which states that when individuals recognize a persuasive attempt they are more likely to judge it critically (Wu et al., 2016), it has demonstrated that in this particular study the attempted persuasion was recognized equally in both advertising forms. Lastly, it strengthens the argument made by Wlodarczyk (2015) that the use of native advertisements comes with a high risk of failure. The variety of arguments highlighted that further research is required in this area. It is important that theories are developed regarding social media advertising in order to provide more insight to social media marketing as corporate reputation tools and in particular native advertising.

The use of persuasion techniques within online and offline advertising has been explored by numerous authors (e.g Jørgensen and Isaksson, 2008; Shewan, 2018; Blakeman, 2011). According to Blakeman (2011), the use of consumer praising is much more effective in both online and offline advertising. The author emphasizes that the use of benefits sell a product while elaboration of features will only support the benefits. Additionally, it is stated by Sallam and Wahid (2012) that consumer praising affects consumers on an emotional level, influencing their perception of a company. Interestingly, this study cannot confirm the positive argumentations made for consumer praising. It has revealed that consumer praising does not affect corporate reputation or consumer trust more positively than corporate praising. A possible explanation for this comes from Fam and Grohs (2007). According to the authors, the preferability of a certain language technique depends on the product that is being advertised. Even though the product used within this experiment was considered neutral, the contradiction to existing literature might be validated through this. This study has raised the question if there is a single persuasion technique that can be implemented for success.

As a final point the study has contributed and confirmed the discovery made by numerous other authors that the use of images within advertisements has a positive impact on its effectiveness. Taylor et al. (2008) and Tikno (2017) stated that the use of images within advertisements has a significantly higher effect on consumer trust than the use of simple banner advertisements. This was also the case for the given study. Thus demonstrating that native advertisements containing an image were more effective than without. Therefore, supporting other literature on the use of images in advertising and in particular social media advertising.
5.2 Managerial implications

It has become evident that through the continuous growth of social media, consumers have received more possibilities and power to voice their thoughts and opinions. As a consequence, it has caused higher risks of image disruption for companies, shifting the power to control opinions from them to online users (Utz et al., 2013). Nonetheless, social media platforms allow companies to interact, influence and reach consumers and employees on a global scale. The variety of advertisements and techniques that can be used on these sites is continuously expanding, allowing great creative freedom. This brings about great value and opportunity for firms, which is already being used (Utz et al., 2013) for corporate reputation management as well as marketing purposes and should continue to be expanded.

Given the increase in vulnerability that firms face through the growing voice of consumers and the increase in social media advertisements it is of particular importance that companies explore the advantages online social platforms provide for them in order to manage corporate reputation and the level of trust customers have for their company. The given study provides numerous managerial implications that should be taken into account.

Firstly, it is of upmost importance that corporate reputation is maintained or continuously improved. This can be assured by not making mistakes from a managerial and marketing standpoint. If this is not done, it can lead to a loss in corporate reputation and consumer trust, thus a loss in potential revenue. Managers are required to be cautious to current issues as in the modern world society is very sensitive. If a sensitive subject is touched upon in the wrong way it may lead to a crisis. An example of this is the Pepsi commercial with American model Kendall Jenner, in which she protests with others for rights and freedom. If managers had taken into consideration the at the time ‘black lives matter’ protests and recognized the sensitivity of the subject, the crisis that followed could have been avoided. For this reason it is crucial that managers are proactive by continuously monitoring developments and current issues within society that may influence responses of stakeholders towards their marketing strategy and corporate reputation as a whole (Coombs, 2001), thus taking into consideration what possible changes are developing within their industry.

In order to use advertising for consumer trust and reputation management purposes it is important that the ideal advertisement is created. Managers must make the right
tactical and strategic decisions to ensure success. This includes deciding on what type of advertisement to use. The study has explored two types of advertisements that can be used on social media platforms like Facebook. It has demonstrated that native advertising can be successful in gaining consumer trust if done correctly. However, managers must be aware of the high risk native advertisements can bring about if not done correctly. In addition, managers must consider what to include in their advertisement. The given study did not discover a definite result on the use of language techniques in advertising. However given previous literature on the matter, it is important that different literary characteristics such as praising is taken into consideration. It is also recommended that other component such as the use of imperatives and adjectives is acknowledged (Nederstigt & Hilberink-Schulpen, 2017). Moreover, as social media platforms continue to develop it is important that managers are aware of the changes and further possibilities available to them. Possible risks of new advertising techniques must however always be considered. The final component concerns the use of images. As previously mentioned by other authors and as demonstrated in this study it is advantageous for companies to use images in their advertisements. Yet managers must make detailed decisions on what can be seen in the image and consider how it can be interpreted by different stakeholders. As stated by Abu Barak and others (2015), aspects such as the use of human faces or figures, color, size and background complexity all influence the consumers perception of the advertisement. Remembering the earlier mentioned example of Dove portraying a black woman transitioning into a white woman demonstrated that it is important that management considers cultural aspects but also takes a step further and evaluates how elements found in an image may be received in regards to current societal matters.

Once the advertisement is created, to be successful managers are also required to consider the ideal platform to promote their product and service. Different social media platforms have different unique characteristics and users. As mentioned earlier, Facebook has the largest advertising spending among social media platforms and is primarily used by 43 percent of B2B and by 72 percent of B2C business for advertising purposes (Smith, 2019). These figures make it an appealing platform for companies which managers should take into consideration. Nonetheless, having appropriate knowledge on numerous social media platforms, their advertising options and their distinctions is imperative to successful management. Overall these are important elements managers must take into consideration.
when attempting to use social media advertisements as tools for corporate reputation and consumer trust.
6. CONCLUSION

6.1 Summary

The continuous growth of social media presents a paradoxical challenge for companies and the management of their corporate reputation. It presents opportunities, allowing firms to connect with consumers and present their services and products on different platforms, thus, providing new ways of advertising and reaching society on a global scale. However, these opportunities come with risks and the need for firms to adapt. Previous literature has highlighted this. Examples such as KLM have demonstrated how social media can be used effectively for a corporate reputation perspective. Yet there are numerous examples that have proven the challenges social media advertising brings about. Companies no longer solely control their public image as social media has provided consumers with a powerful voice which can impact a company’s reputation rapidly. Moreover, due to the extensive amount of information available to consumer, the level of trust that they have for a company or product can quickly be shifted. From a corporate perspective this means that firms must now deal with the distribution of different forms of information about themselves that may influence not only consumers perceptions but also that of other stakeholders. Within this experimental study a contribution was made to the field of social media advertising and corporate reputation management. This was done by exploring the affect of different social media advertising types and language techniques on consumer trust and corporate reputation. The intent behind the investigation was to discover how companies could use new forms of social media advertising such as native advertising in order to manage their corporate reputation and the level of consumer trust. In order to investigate this intent the following research question was established and answered: To what extent do social media advertising methods (native vs. traditional) and selective language techniques (consumer vs. corporate praising) affect consumer trust and corporate reputation? Using academic literature six hypotheses on the subject of advertising type, language technique and use of images were established in order to answer the research questions. An online experiment was created using the online survey tool Qualtrics in order to apply eight different conditions developed to test the hypotheses. A sample set was collected of \( N = 458 \) respondents. \( N = 426 \) of the cases were used after removing responses that did not fulfill the requirements. The elimination criteria included an
extremely short response time, not owning a Facebook profile and failing to complete the entire survey. The experiment used a fictitious company in order to try to eliminate potential bias. The chosen company was a Fairtrade coffee company called ‘Nature Beans’ who is promoting their coffee using an advertisement on Facebook. Each condition represented one of the two advertising types, namely native and traditional advertising, containing either consumer praising or corporate praising text and an image or only the logo of Nature Beans.

Based on previous literature, a relation between native advertising and the dependent variables of consumer trust and corporate reputation was expected. This was stated in H1a and H1b. The results of the study did not fully support these hypotheses. The dataset showed that native advertising has a positive effect on consumer trust however does not have a definite effect on the level of corporate reputation. Given that native advertising is set to be non-intrusive and a connection between consumer trust and corporate reputation was expected (Delgado-Ballester & Munuera-Aleman, 2005). It was apprehended that both dependent variables would be influenced positively by native advertisements. Out of all six hypotheses, only three could be proven significantly, these were H1b, H3a and H3b. The study confirmed previous literature on the positive use of images in online advertising, yet could not prove the statements made by existing literature that a single language praising technique could be more successful in influencing consumer trust or corporate reputation.

Overall it has become evident that there is a lack of theory in regards to native advertising and its use for companies. This is due to the still relatively recent nature of native advertising. Theories such as PKM assisted the research however did not provide ideal information for the topic of study. It is therefore important that advertising as a corporate reputation tool and particularly native advertising is further explored by academic authors. Moreover, as the social media landscape continuous to expand it is important that academics continue to explore new possibilities for advertising and its relation to companies and society.

In conclusion, the experimental study has proven to be semi-successful. It has revealed that the use of traditional and native social media advertisements is a complex subject. Furthermore, existing literature demonstrated that there are numerous different opinions on the effectiveness and use of native advertising. It has been highlighted that there are various components that must be considered when creating a social media
advertisement. Thus, there are numerous different features that can be applied to optimize an advertisement to a specific product or service that is meant to be promoted. Most importantly however the study has revealed that there is not a single technique to using social media advertising as a tool for corporate reputation management and further examination is needed in order to understand its effectiveness. Social media advertising methods and selective language techniques carry the potential to affect consumer trust and corporate reputation. In order to discover its full potentiality further research is required.

6.2 Limitations and directions for further research

When evaluating the given study, there are several limitations that could have been improved and that must be acknowledged for further research purposes. The first limitation lies in the sampling size and method. For the research 458 participants completed the survey. Even though this is a sufficient sample size for the number of conditions and a study of this nature, a higher number of participants would have increased the validity of the experiment. Additionally, the given number of participants only presents a very small group in comparison to the number of active Facebook users across the world. The other limitation is the platform that was used to acquire participants. Amazon Mechanical Turk is a very large crowdsourcing platform which seemed ideal for the given study. Evaluating the site in retrospective there are some issues that must be considered. Given the fact that users try to fill out as many surveys as possible to earn money presents some risks for the research. The data set showed that in comparison to participants from the pre-test the completion time was very low. The majority of responders only took half the time in comparison to participants from the pre-test. It is possible that responders did not take enough time to read through the Facebook feeds presented to them. All questions following the exposure to the feed were related to it. In the given case this would make the results from the survey less reliable. For further research it is therefore suggested that participants are acquired using a different sampling method or from an alternative platform. A further remark that can be made in regards to participants is a cultural aspect. In hindsight it could have been valuable to further question the responders nationality and relation to coffee as its consumption is often valued more in western countries. This should be taken into consideration when using a coffee company for experimental research.
The fourth issue lies in the design of the conditions. It has been repeatedly emphasized that native advertisements are meant to be hidden and non-intrusive. However, as this experiment focused on the advertisements, a black border was placed around them in order to draw the attention of the responder to the advertisement. Therefore the native advertisements were no longer hidden. This presents itself to be problematic as it eliminated the key component of a native advertisement. Taking PKM into consideration, it can be stated that the persuasion attempt of the advertisements was recognized due to its visibility. Through this, the complexity concerning the study of native advertisements is emphasized. Future research must find a balance between testing the effectiveness of native advertisements and avoiding the exposure of its native characteristics. Only if this is done, it can truly be identified if native advertisements are non-intrusive and more effective on social media platforms.

Facebook is continuously updating the platform and expanding the possibilities for firms to use different forms of advertising. Given that the study was designed over a year ago, Facebook has further developed the possible use of different forms of advertising. Accordingly, the given study did not explore the most recent forms of native and traditional advertising available to companies. It is important that research continuous to explore these different forms of advertisements in order to assist companies in improving their marketing and corporate reputation strategies. Ideally, future research should also explore other social media platforms that offer companies to advertise their content. This is important as the popularity for different social media platforms is constantly shifting. Thus, in today’s day and age it is essential that companies are active on multiple platforms. Exploring different platforms and their possibilities for native advertising can provide fruitful information for the field of corporate reputation and advertising.

As a final point, while the research has explored the use of images within social media advertisements and the use of persuasion techniques it has become evident through the literature that there are numerous other factors that are important when it comes to constructing and designing advertisements. Diving into greater detail in regards to the image and its characteristics can be interesting for marketing purposes. This would include the impact of people or celebrities in advertisements or examining differences in use of color. Additionally, components such as size and quantity of text could be of value to explore. Overall there is still a gap in knowledge with regards to how social media advertisements can
be used efficiently for corporate reputation, therefore future research should evaluate social media advertising further.

This chapter has identified several limitations of the experimental study. The intent behind this was not to devalue the research but rather to provide guidance for future research on the subject. Moreover, it must be pointed out that the study has contributed to the field of corporate reputation management and has examined a constellation that prior to the given study had not been evaluated yet. Lastly, it has also provided further insight into the field of native advertising. In conclusion, through the literature that has been identified and the given experimental research it can be stated that the use of social media advertising as a tool for corporate reputation management and consumer trust remains complex and requires continuous research as the role of social media within society progresses and the given platforms evolve.
REFERENCES


APPENDIX A – EXPERIMENTAL CONDITIONS

A1 – Feed 1 – Native advertisement, Corporate praising, Image
A2 – Feed 2 – Native advertisement, Consumer praising, Image

Nature Beans

Feel the nature, click nature bean!

You want to feel reborn every day and make this world a better place while doing it, drift nature bean! Not only are you helping local farmers who can now provide for their families but you are also helping the planet.

www.nature-beans.com

Learn More
A3 – Feed 3 – Native advertisement, Consumer praising, Banner
A4 – Feed 4 – Native advertisement, Corporate praising, Banner
A5 – Feed 5 – Traditional advertisement, Consumer praising, Image
A6 – Feed 6 – Traditional advertisement, Corporate praising, Image
Feed 7 – Traditional advertisement, Consumer praising, Banner
A8 – Feed 8 – Traditional advertisement, Corporate praising, Banner
Facebook-Survey

Thank you for agreeing to take part in this survey. The survey is about the content that is provided on Facebook feeds. It should take about 10 minutes to complete. Please be assured that all answers are confidential and will be kept anonymous. Click on the arrow to begin.

What is your gender?

- Male
- Female
- Other
- I would rather not say

What is your age?

-------------------------------------------------------------

Are you in possession of a Facebook account?

- Yes
- No
Have you come across advertisements while on Facebook?

- Yes
- Maybe
- No

How do you view advertisements on Facebook?

- Extremely useless
- Moderately useless
- Slightly useless
- Neither useful nor useless
- Slightly useful
- Moderately useful
- Extremely useful

How often do you use Facebook?

- Never
- Less than once a month
- Monthly
- Weekly
- Daily
In my opinion Facebook

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<th>Somewhat disagree (3)</th>
<th>Neither agree nor disagree (4)</th>
<th>Somewhat agree (5)</th>
<th>Agree (6)</th>
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</tbody>
</table>

How often do you consume coffee?

- Never
- Less than 1 per day
- 1-2 a day
- 3-4 a day
- More than 5 times a day

RANDOMLY ASSIGNED TO ONE OF EIGHT CONDITIONS
Please take your time to take a detailed look at the image of a Facebook feed and its content.
In my opinion information conveyed in the Nature Beans post is...

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree (1)</th>
<th>Disagree (2)</th>
<th>Somewhat disagree (3)</th>
<th>Neither agree nor disagree (4)</th>
<th>Somewhat agree (5)</th>
<th>Agree (6)</th>
<th>Strongly agree (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honest</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Credible</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Convincing</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Valuable</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Likable</td>
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<td></td>
</tr>
</tbody>
</table>
After looking at the Nature Beans post...

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree (1)</th>
<th>Disagree (2)</th>
<th>Somewhat disagree (3)</th>
<th>Neither agree nor disagree (4)</th>
<th>Somewhat agree (5)</th>
<th>Agree (6)</th>
<th>Strongly agree (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am willing to consider the conveyed information when making a purchasing-related decision</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am willing to rely on the conveyed information when making a purchasing-related decision</td>
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</tr>
<tr>
<td>I am willing to recommend the product conveyed to my friends or family</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In my opinion Nature Beans...

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>disagree</th>
<th>Somewhat disagree</th>
<th>Neither agree nor disagree</th>
<th>Somewhat agree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Looks like a company with strong prospects for the future</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Recognizes and takes advantage of market opportunities</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Is aware of its responsibility to society</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Is a strong, reliable company</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Supports good causes</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Is an environmentally responsible company</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Sells trustworthy goods</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Is a honorable company</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

Did you notice any advertisements in the shown feed?

○ Yes

○ No
Who was praised (i.e. express one's respect and gratitude towards) within the content of the Nature Beans advertisement?

○ Consumer

○ Company

○ Neither

Where was the Nature Beans advertisement placed within image of the facebook feed?

○ On the side of the feed

○ Within the feed

○ Neither

Copy this value to paste into MTurk

When you have copied the ID, please click the next button to submit your survey.

End of Survey