

**Programme: MSc in Strategic Marketing Management**

**Title: “Does advertising effectiveness on Instagram change with direct versus indirect advertising?”**

**Supervisor: Erik L. Olson**

## **Background**

Advertisers that promote their products or services use social media increasingly. Instagram is one of the most recent social media platforms that has opened up for advertisers. Instagram started up in 2010 as a photo-filter app that allowed users to add various filters to their photos. In 2012, the app became more of a social network when Instagram allowed users to create their own profile, enabling users to watch and share content with other users. This happened after Facebook acquired Instagram. Instagram is a popular advertising platform and distinct in nature by only having pictures and videos. The app has as of December 2016, 600 million users worldwide. Following, Instagram announced sponsored photos and videos in 2013 for selected advertisers (Instagram, 2013). In 2015, Instagram opened advertising to all brands with a self-serving service after pressure from Facebook investors to make money from the acquisition (Griffith, 2015).

When users scroll down the newsfeed, sponsored ads and user-provided content is very much alike in appearance. The only difference separating the two is a text under the brand name in the ad that says sponsored if the ad is a bought placement by a brand. If the ad is a sponsorship through a third party, communicated by any type of endorser, which receives monetary value or any kind of benefit from the sponsorship, the advertisement should be disclosed in a way so that it is evident that the communication is indeed advertising. When advertising on Instagram, the caption of the image should include the word “sponsored” or “ad” in the text, or as a hashtag by the symbol #, followed by the word “sponsored” or “ad” according to the Norwegian law of marketing and Federal Trade commission in the US (Forbrukerombudet, 2014; FTC, 2015)

The small difference between brand advertisements and native content makes advertising on Instagram attractive to advertisers. In addition, when assessing the effectiveness of an advertisement, Instagram make it possible to compare advertisements and the sender of this advertisement. This is possible because advertisers are recommended to make ads that has a high fit with the native content on Instagram, that is, ads should preferably contain only a picture or

video without any text (Facebook and Instagram 2017). Similarly, native content shared by users often look professional, so distinguishing between content either shared by users or sponsored by brands becomes more and more difficult.

We refer to the sender of the advertisement as either direct or indirect. Direct advertising is ads that the brand posts on Instagram as either native content through their own profile or as sponsored content that is paid by the brand to be spread by Instagram. The latter is often done to reach people beyond those that follow your brand profile. Indirect advertising is ads that a third party, often an endorser, posts on their profile to reach those that follow that particular endorser. Well-known endorsers often have more followers than brands do, so by sharing an ad through an endorser, the brand reach more people than they would by posting the ad on their own brand profile.

Brand endorsers often share a lot of content on Instagram. Brands engage endorsers of interest in a sponsorship to communicate with and engage potential customers with similar interests and values. Endorsers can be public figures or celebrities, like actors or sport athletes.

However, on Instagram, there is also a lot of brand endorsers that is not necessarily famous beyond their Instagram profile and activity on this particular social platform. Such persons are often referred to as social influencers. These are persons with a lot of followers that share content of interest to their target audience. Social influencers are known for shaping attitudes and opinions of their audience by posting a mix of informational and inspirational content that their followers find both relevant and convincing (Freberg et al., 2011).

Branding is moving towards experiential marketing with less traditional marketing (Schmitt, 1999). Such experiential marketing is further enabled through social media channels like Instagram. The use of before mentioned endorsers or social influencers allow brands to indirectly communicate with the followers, through the process of the followers interaction with influencers testing, use and most likely approval of brands and their products or services. This makes social media marketing somewhat more experiential than

traditional marketing, because followers can experience potential benefits of the advertised brand through the social influencers' experience.

After the take-off of Instagram, advertisers have started to use the platform rapidly to communicate with their audiences and customers. There is little or no research on how advertisers should effectively communicate their products or services through a social media platform like Instagram. Advertising in this environment can be done in various ways as previously presented. It is interesting to analyze how the sender of an advertising message influence the recipients' perception of the brand or product advertised. When investing heavily in social media marketing, brands should be interested in knowing what drives advertising effectiveness and engagement the best, whether it is direct advertising or indirect sponsorship through third party endorsers.

## **Literature review**

### ***Endorsers***

Endorsers have been used by marketers for many years. One of the first examples is when Queen Victoria was used in an advertisement for Cadbury Cocoa in the 1890s, including the phrase "makers to the Queen", which was following their advert in 1884 including the Prince and Princess of Wales enjoying a cup of Cadbury Cocoa. Using royalties in advertising has to be seen as quite unrealistic nowadays, but on the other hand, because of social media, the voices of "regular people" have a bigger chance of reaching out than before.

According to Friedman, Termini and Washington (1976), there are four major types of endorsers. Among celebrities, an endorser could also be an expert, a typical consumer or a company president. Shimp (2000), stated that at the time, around 25% of all American commercials used celebrity endorsers. Theorists seems to agree, that if used in the right way, celebrity endorsers can be used to create attention around the product or brand, and also increase recall and recognition, because the product is attached to a familiar face. (Erdogan 1999).

McCracken (1989) claims that the definition of endorsers from former theorists, is "any individual who gets public recognition, and uses this

recognition to help advertisers” is incomplete. McCracken (1989) states that people who do not receive public attention can also function as endorsers, purely on status as an expert for example. This supports Friedman, Termini and Washington (1976), which claims that an endorser do not have to be a well-known public figure, but can be for example a company president were his/hers authority can have an effect.

Although many theorists argue that celebrity endorsers is the most effective sponsorship, there are some limitations and risks. Naturally, celebrity endorsers have their own personal life, and therefore, if the endorser is involved in something negative, there is a risk that such negative perceptions can be transferred over to the brand. Although companies know about the risks, there is often major investments involved, and in an intensive competition, second chances come rarely. For example, the same day after Lance Armstrong admitted to have used performance-enhancing drugs during his professional biking career, sponsors like Nike and Giro Bell-helmets ended their sponsorships with him. The risk of being associated with the scandal was too big, and Lance Armstrong himself estimated that he lost around \$75 million in future earnings that one particular day. Tom et.al (1992), investigated these risks, and argued that even though celebrities can be more powerful, created endorsers are the safest alternative.

Ronald McDonald is an example of created endorsers. Tom et.al (1992) argued that a created endorser could only be used by the company who creates the endorser, and therefore be more effective in creating a link between the endorser and the brand. Then there is no personal-life aspects to worry about, because all activities the endorser undertake is created and managed by the company itself.

However, the credibility of a created endorser can be questioned, because it is the company itself that are communicating through the created endorser. On the other hand, a celebrity endorser receive monetary support to endorse or recommend a certain product or brand, which could also give rise to a credibility issue.

Even though there is much theory on celebrity endorsers and their effectiveness, few mention what kind of celebrities that should be used in particular advertisements. Silvera and Austad (2004) looked at how the fit between the brand and the endorser might influence the effectiveness of the advertisement. In the study, they found that positive preferences towards the endorser have higher chances of being successful than negative or neutral preferences towards the endorser. It has to be mentioned that the study conducted by Silvera and Austad (2004), cannot be used as a general rule, since the study only contained participants from Norway and is therefore not universal. Olson and Thjømmøe (2011) found sponsor product relevance, attitude similarity, geographic similarity, audience similarity, and sponsorship duration as being significant predictors of overall fit. These findings highlight the importance of fit and different underlying constructs that is relevant for assessing the fit between a brand and endorser.

Following, Wellis et.al (1989), mentioned in McCracken (1989), found that an endorser should be similar to the audience for best effect. If a brand were targeting middle-aged men, it would in other words be a better idea to use Brad Pitt as an endorser than Jennifer Aniston or Justin Bieber, simply because of the target group similarity. Hsu and McDonald (2002) also found that companies sometimes need to use several endorsers to reach out to all target segments. When using this strategy, there is however a risk of confusing the audience and reducing the brand identity.

Another variable that seems important for marketers when picking their celebrity endorser is the attractiveness of the celebrity. Previous research suggests that attractive people are seen as more intellectual, social competent and have more integrity than non-attractive people (Till and Busler 2000). There are, however, some contradicting studies, Caballero and Solomon (1984) found that less attractive models were more effective than attractive models in adverts for facial tissues.

Further Till and Busler (2000), argues, that in some cases, like in their study with pens, expertise is more effective than attractiveness, suggesting that the

credibility of the endorsers expertise in the field can in some cases be of higher value than the physical attributes of the endorsers.

In summary, theorists seems to agree that endorsers can be effective when used in the right way. Celebrity endorsers have the potential of being the most effective option, but it comes with a risk of uncontrollable factors, which does not exist in situations with for example created endorsers. Finally, the fit between the brand and the endorsers have to be analysed, because it is easier to be persuaded by someone who is similar to yourself in terms of age, gender and interests.

### ***Sponsored advertising and social media***

Sponsored advertising on social media differs between firm-generated content and paid content. Sponsored advertising could be an Instagram post from a brand that appears in the feed of the targeted customers, without their “approval”. Obviously, you could also follow brands, and thereby be exposed to sponsored advertising. Kumar et.al (2016) found that firm-generated content have a significant positive effect on customer spending, cross buying and customer profitability. Further, they argue that firm-generated content works better for certain types of customers, hereby technology enthusiasts, experienced and social network prone customers (Kumar et.al 2016).

Since sponsored advertising on social media like Facebook, Twitter and Instagram appear in each users feed in between your following profiles’ posts, they might appear more native than traditional advertisements on TV or radio for example. Therefore, an important diversity between regular ads and ads on social media is the knowledge from the consumers about whether they recognize the ad or not. Almost all advertising on social media can be seen as native advertising. If we follow Campbell and Marks (2015) definition of native advertising, it can be seen as “*desired marketing communication that appear in-stream*”.

Another distinction between native online advertising and traditional advertising is highlighted by Chen and Wells (1999), which argues that internet advertising, as opposed to traditional advertising (radio, TV, newspapers), are more goal, task and information oriented.

Also supported by Schmitt (1999) that argues that marketing is moving towards experiential advertising. Further, Kumar et.al (2016), reasons that unlike traditional marketing, online advertising, and especially social media advertising, is mutually beneficial for both the brand and the customer, because of the two-way communication. The interactive nature of social media where customers can give a brand a like, a comment or a share, is also in favour of online advertising when it comes to engagement (Naylor, Lamberton and West, 2012).

A study by Gauzente (2010) showed that the knowledge is rising. The study argued that around 84% of the participants was able to recognize the sponsored ads, which is a rapid increase from previous years. This is evidence of a growing marketing knowledge from the consumers in the field of social media. Following, the results are arguments against companies that are trying to hide their sponsored advertising through being native for example, as this study shows that most of the consumers would recognize the sponsored elements anyway.

On the other hand, Campbell and Marks (2015) argues the opposite, stating that native advertisement have gained a competitive advantage towards banner ads for example, because of the consumers incapability of recognizing and differ between paid and non-paid content. There are though some regulations concerning this issue. In both Norway and the US for instance, Forbrukerombudet (2016) and FTC (Federal Trade Commission, 2015), which are regulating the marketing of products and services, have stated that sponsored ads should be differed from non-sponsored ads in social media by clearly stating in the post that it is paid for. Economic punishments can appear, if the guidelines are not followed properly.

However, the study also presented results of higher acceptance towards sponsored ads, which is a positive sign for companies using social media to promote their products and services. It have to be mentioned, that even though the study by Gauzente (2010) included strong correlations, the sample size can be questioned to whether the results are generalizable.



In a study where the goal was to find reasons for internet advertising avoidance, Cho (2004), found some results that might be relevant for this research. First, the main reason for advertising avoidance according to the study is ad clutter. One example could be a banner ad in a middle of an article, which frustrates the reader, and force them to scroll past it to read the end. Even though this may seem as a minor obstacle, it could prevent the reader from reading the whole article because the ad interrupts the reading process and frustrates the reader.

Transferring this result to Instagram, the same function can be seen in a regular content feed, where a sponsored picture appears in the middle of two pictures from profiles of interest. Whether this makes some consumers stop viewing pictures on Instagram is difficult to say, but it is likely that some users feel the same interruption as the participants in Chos' (2004) study expressed.

Fulgoni and Lipsman (2014) presented three reasons why especially social-media companies are using native advertising. First of all, to deliver native advertisements in an efficient way, a big enough customer base is needed. For local online newspapers, there might not be enough readers for the native advertisements to be tailored such that it works in the best possible way, but for social media like Facebook, Twitter and Instagram, this issue does not exist.

The second reason is the flow of the content. In a "scrolling" environment, as social media typically is, there is more natural to blend in advertisements than for media that are less dynamic. Finally, because of the dynamic environment, it allows companies to use bigger advertisements than on other media channels. Fulgoni and Lipsman (2014) are supporting this, when stating that native advertising is here to stay, but companies that are able to meet the consumers need without secrecy would do best in the long-term.

To sum up, the importance of being apparent on social media seems more important than ever before. Both Facebook and Twitter have challenged marketers to think beyond traditional marketing, arguing that when consumers favourite TV-program goes to a commercial break, they turn their attention to their smartphone and for example social media (Fulgoni and Lipsman 2014).

Others are stating that the most effective way is to use both social media marketing and traditional marketing, as there is a synergic relationship between the two. Li and Kannan (2014) found the same tendency in their study, pointing at possible spillover effects in cross-channel marketing campaigns. It is therefore important not to forget the traditional channels, just because of the rapid increase of social media importance (Kumar et.al 2016).

Olson (2008) researched if sponsorship works in the same way in different sponsorship contexts. Since social media did not have the same magnitude at the time of the study, as it does now, it was naturally not included in the study as a context, but the results might indeed be transferrable to our research context. Olson (2008) claims that one model can be used in for example sports and non-sport context with the same results regarding fit between the sponsor and the object. Further, the study gave evidence for some predictors on sponsorship attitude, which is relevant for our research. Higher level of pre-attitudes, fit and sincerity were all shown to be predictors of positive sponsorship attitudes (Olson 2008).

### ***The face of Instagram***

It is tempting to conclude that the number of followers are the main driver for customer engagement on Instagram. A bigger audience naturally create greater reach and potentially engagement, but can profiles with inferior numbers of followers gain advantage through other factors? The importance of customer engagement is supported by Kumar et.al (2016), stating that customer engagement in social media is a key performance indicator for return on investment in social media campaigns.

Haxby, Hoffman and Gobbini (2000) states that face exposure is the most developed visual skill. It would therefore be likely to believe that photos with faces rather than photos without any faces create more engagement. This is supported by a report in Georgia Tech (2014). The study analysed 1.1 million photos posted on Instagram.

According to the report, pictures with human faces have a 32% higher likelihood of receiving a comment, and a 38% higher likelihood of receiving a like. Further, the number of faces did not play a role, as long as there was at

least one human face on the photo. Another interesting result of the study was that the more photos a person posted, the lower was the probability that a single one of them would receive a like or a comment. The advice is therefore to post pictures with one or several faces, but not too often. (Georgia Tech 2014)

There have been some research on how attractiveness of an endorser might influence how successful the advertisement becomes. Till and Busler (1998) found no match between attractiveness and endorser, but found evidence that expertise and endorser might have an effect. According to this research, using endorsers based on how attractive they are seemed to have no significant effect.

However, a limitation in their study is the fit between the product and the endorser, and they admit that physical attractiveness might have an effect if the fit between the endorser and the product are more valid. If so, these views are supported by McCracken (1989), which emphasized the fit between the brand and endorser as an influencing variable.

### ***Third-party organization endorsement***

An early evidence of “modern endorsement” is the third-party organization endorsement. It is easy to see the link between these sort of activities, and the sponsored advertising that is all over social media today.

In a study by Dean and Biswas (2001), the goal was to find out which type of endorsers that was the most effective between third-party endorsements or celebrity endorsements. First, to clear up what is meant by a third-party endorsement, we use Dean and Biswas (2001) definition of the three types of third-party endorsements; a product is ranked against other products. In other words, if a magazine for example are testing ten different laptops and each laptop is getting up to five stars based on some criteria. The second type is a stamp on a product, which it receives for being for example ecological, high performing, environmental certifications or other remarks. The third type is most interesting for this study, as it includes a subjective statement about a product. In the research of Dean and Biswas (2001), the third type is

exemplified by a PC magazine which is offering a positive subjective statement on a Canon printer.

The last example can often be seen in social media nowadays, which makes the mentioned paper an early evidence of the effect of endorsers that have expertise and is offering their judgement of a product, which is enhancing the perception of the product. Sponsored posts on Instagram often works this way, but the question of whether the statement is subjective when it is paid for have to be raised.

Supported by earlier mentioned theories (Kumar et.al, 2016), Dean and Biswas (2001) found that products with high financial risks, like more technical products, endorsers with expertise, or firm-created content will outperform celebrity endorsements. Should we believe this theory, it would be better to use celebrity endorsers when the risks and involvement attached to the product is regarded as low. On the other hand, products were social risk is high, and financial risk is low, celebrity endorsers seems more effective. We have seen examples of high trafficked bloggers in Norway endorsing products related to make-up, hair and fashion in general, which have to be considered as products in the social risk category rather than technical, financial products.

Even though the results from the study from Dean and Biswas found some fascinating results, the study is from 2001, where social media did not exist. Therefore, the paper has its limitations for today's use, but limitations we can fill with new knowledge, to find out whether these findings is transferrable to today's media landscape.

### ***ROI in social media advertising***

Since social media can be used for brand-building, increasing customer-loyalty, or just creating a buzz around a new product or brand, it is crucial that the key performance indicators is clear so that the brand know the desired results from the specific social media activities and investments. The most obvious measure is followers and likes. Measuring how your followers increase or decrease after an advertisement campaign can help identifying the success of a specific campaign. One could also look at engagement for an ad when using different messages. However, there is many more ways to do it.

Tracking engagement through mentions, shares, hashtag spread or retweets on Twitter is easy with today's systems.

Another more complicated measure is sentiment, in other words how the general attitude is towards your brand. Even though this is one of the newest measures, it can be powerful in determining if the word-of-mouth on social media are favourable. The complexity of social media is the amount of data that is tracked, and to choose what is relevant to your specific campaign. It can for example be misleading to look at the amount of comments, if the major parts of the comments is complaints. Therefore, the recipe is quality social content paired with useful social media key performance indicators. (Dentsu Aegis Quarterly, 2016)

### **Research Questions**

From the previous discussion, the first research question is concerned with how the sender of the message affects advertising effectiveness. It is difficult to know in which way a different sender of an advertising message will affect advertising effectiveness. This proposed relationship may come through in different ways.

***RQ1: "Does advertising effectiveness on Instagram change with direct versus indirect advertising?"***

The content of the advertisements may be changing the relationship between the sender of the advertisement and advertising effectiveness. It is possible that the sender of the advertising message will affect the advertising effectiveness in different ways with different advertising contents. This leads us to the second research question.

***RQ2: "Does advertising effectiveness on Instagram change with different advertising content for direct versus indirect advertising?"***

In the world of social media, the results from an advertising campaign is often measured in terms of conversions when the goal of the campaign is direct sales. When the goal of the campaign is branding, often seen in for example FMCG (fast moving consumer goods), then results like clicks, likes, shares and comments is often more important factors than conversions. One of the reasons

that not all campaigns are measured on conversions is that not all brands offer their products online or through direct sales, but instead, like in the example of FMCG, the products are often sold through a retailer or grocery store. In addition, many brands that offers their products or services online, often focus on branding to build awareness rather than conversions. Advertising effectiveness can therefore be both short-term immediate sales or long-term branding (Lavidge and Steiner, 1961) The results from a campaign when the objective is branding can be seen as social acceptance and liking of the brand or the products advertised. An example of this is seen in numerous real life experiments conducted by brands, where the brand hosts a campaign to get an idea of which product, out of a set of new potential products, that is most socially accepted by looking at i.e. likes (Bruno, 2016). The third and last research question is concerned with whether different levels of social acceptance affect advertising effectiveness differently for direct versus indirect advertising.

***RQ3: “Does advertising effectiveness on Instagram change with social acceptance for direct versus indirect advertising?”***

### **Methodology**

In the methods section, the design of the study with the requirements of the research questions is described. Due to the lack of research in the emerging field of social marketing, the study conducted is exploratory. The participants used and the different experimental procedures these participants will go through is explained. Then the manipulations and measurements of the independent variables are explained, before we go through the measurement of the dependent variable.

### ***Participants***

In the study, we will use students for our sample. The number of students needed would preferably be 25 or higher for each condition. Students are easily accessible which makes it a convenience sample. The reason for choosing students in our sample is the young user base of Instagram. In the US, more than half of all users are ranging between 18 and 29 years, globally, 41% of users are 24 years or younger (Statista, 2017). This makes students an

appropriate sample for our analysis because they represent the user group found on Instagram.

***Procedure***

Our study will take place online with a questionnaire made in Qualtrics. The questionnaire will be sent to students at BI School of Management and other university schools. The questionnaire will start with an introduction, stating that the study is concerned with different advertisements typically found on Instagram. The participants will be told that they will be exposed to an advertisement and their opinions of this ad are of interest. The introduction will serve as a cover story to disguise the purpose of the study. The participants will be informed that there is no one right answer to the questions and their answers will be kept confidential. The participants will be randomly assigned by the software to one of the following conditions.

Advertisement sender <b>RQ1</b>	Advertisement Content <b>RQ2</b>		Social Approval <b>RQ3</b>	
	Endorser	Product	High	Low
Indirect	Indirect, Endorser	Indirect, Product	Indirect, High	Indirect, Low
Direct	Direct, Endorser	Direct, Product	Direct, High	Direct, Low

After the exposure to one of the conditions, participants will be asked to evaluate different measures of the dependent variable advertising effectiveness.

**Manipulations of independent variables**

***Pretest of independent variables***

To make sure our manipulations work as planned, we would conduct a pretest of the independent variables.

*Advertisement sender, direct versus indirect*

The first pretest would test the participants knowledge of the sender of the advertisement that would be used in the study. Participants would be asked to list all energy drinks and alpinists they could come up with. Then they would first be presented with a brand logo of Redbull and then a picture of Aksel Lund Svindal. Participants would then be asked to rate their familiarity with

the brand and endorser on a 7-point scale with endpoints unfamiliar/familiar. Then we would get an indication on whether the participants are familiar with the chosen brand and endorser.

In addition, we would also test the ads that would be used for the experiment, to get an indication of participants' knowledge of the ads being sponsored content. This would be done to make sure that the sponsor stimuli is present and noticed. The sponsor stimuli of the direct ads would be a text under the brand name for the direct ad, stating that the ad is "sponsored". For the indirect ad, we would include a hashtag in the caption of the photo/ad with the text "sponsored". Then we would ask participants whether they perceived the ads as being sponsored content, their familiarity with sponsored ads on Instagram and their familiarity with hashtags.

#### *Social approval, high versus low*

The same pretest would be run for the independent variable social approval to test whether an ad for the selected brand would be perceived as more socially accepted when the ad has more likes and comments compared to when it do not. We would include social approval in the ads with either high or low approval, 612 likes and 22 comments versus 21 likes and 2 comments respectively.

#### ***Manipulations of independent variables***

The study uses manipulations of the independent variables advertisement sender, advertisement content and social approval.

#### *Advertisement sender, direct versus indirect*

For our independent variable advertisement sender, we have chosen Redbull as the brand (direct) and alpinist Aksel Lund Svindal as the endorser (indirect). This sponsorship is an actual sponsorship and should therefore be a better predictor of a real world sponsorship stimuli (Olson, 2010). We argue that Redbull is a well-known brand both worldwide and in Norway. Redbull has sponsorships with an enormous amount of athletes across many sports, making them familiar to a lot of people. The manipulation of advertisement sender is done by changing the information of the sender in the Instagram advertisement



so that the same ad is shown, but with either the brand or the sponsored endorser as the sender. As previously mentioned, direct advertisements on Instagram are marked with “sponsored” under the brand name in the advertisement. To make sure that this stimulus is the same for the sponsored endorser, we will include a hashtag (#) with the text “sponsored” in the caption of the photo/indirect ad. Disclosure of the indirect advertisement is also required in both the United States and Norway (FTC, 2015; Forbrukerombudet, 2014).

It is common practice to add a caption to a photo/ad on Instagram. The caption for our experimental stimulus needs to be more or less the same, but highlighting whom the sender of the ad is to make the difference clear. The caption for the direct ad stimuli is; “We give Aksel Lund Svindal wings”, whereas the caption for the indirect ad stimuli is; “Redbull give me wings” (see appendix 1)

#### *Advertisement content, endorser versus product*

The second manipulated independent variable is advertisement content. This variable will be manipulated by either showing a product or the sponsored endorser in the advertisement, but with both direct and indirect sender of the ad. The product that is chosen for the product stimuli is two cans of Redbull placed in the snow on top of a ski hill. The chosen picture of Redbull endorser Aksel Lund Svindal is a picture where he is skiing underneath a Redbull brand logo installment during a downhill race. The reason for choosing this picture instead of a picture of just his face, is the fact that he is sponsored as an alpinist (see appendix 2).

#### *Social approval, high versus low*

The third manipulated independent variable is social approval. Social approval will be manipulated by including either high social approval or low social approval of the advertisement. This is done by adding likes and comments to the advertisements. High social approved ads will have approximately six hundred (600) likes and twenty (20) comments. Low social approved ads will have approximately twenty (20) likes and two (2) comments (see appendix 3). The reason for choosing these numbers as stimuli, is after analyzing around 30

brands and 30 endorsers on Instagram, we found that these numbers are reflective of actual social approval, none the less, the numbers need to be perceived as different in order to make the stimuli present. These numbers would also be pretested for being realistic and perceived differently for high and low social approval.

### **Measurement of Dependent Variables**

When assessing the effectiveness of the advertisement, a similar measure used by Close et al. (2006); Olson and Thjomoe (2009) will be applicable. In these studies, the sponsorship effectiveness was analyzed by measures of attitude toward the sponsor (Brand) and purchase intent of sponsor's (brand) products. In addition, we include attitude toward the sponsor object (endorser) as our study uses an endorser and not an event. This measure was also addressed by Olson (2010), as a result of lack of research including object attitude and equity as a measure of sponsorship effectiveness in the analysis.

#### *Brand attitude*

- I think that (Brand) has a very good reputation
- I think that (Brand) has a positive profile
- I can highly recommend this (brand)

#### *Object attitude*

- I think that (object) has a very good reputation
- I think that (object) has a positive profile

#### *Sponsorship attitude*

- My feeling about (Brand's) sponsoring of (Object) is favorable
- My feeling about (Brand's) sponsoring of (Object) is good
- My feeling about (Brand's) sponsoring of (Object) is positive

#### *Purchase intent*

- I am more likely to try (brand) products after seeing the Instagram post
- I am more likely to purchase (brand) products after seeing the Instagram post

- I am more likely to recommend this (brand) products after seeing the Instagram post

#### *Object equity*

- (Brand's) sponsorship of (Object) makes me like (object) more
- (Brand's) sponsorship of (Object) will increase my watching of (object) more

#### *Sponsor Equity*

- (Brand's) sponsorship of (Object) makes me more positive towards (brand)
- (Brand's) sponsorship of (Object) makes me like (brand) more
- (Brand's) sponsorship of (Object) makes it more likely I will do more business with them

#### **Manipulation checks**

After the experiment, participants will be asked questions about the experiment and the exposures. We would ask if the participants noticed that the ads were sponsored content. We would also ask participants if the brand or the endorser posted the Instagram post. Finally we would ask if the social approval stimuli was identified by asking whether the post had high or low social approval.

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# Appendix

## Appendix 1

*Indirect sender*



*Direct sender*



## Appendix 2

*Indirect, Product*



*Direct, Product*



### Appendix 3

*Indirect, Low social approval*



*Direct, Low social approval*

