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The Monetization of Opinions: Consumer Responses to Covert Endorsement Practices on Instagram

The rapid emergence of digital endorsers in recent years has generated a billion-dollar ‘influencer’ industry as brands race to exploit the growing pool of endorsers and reach consumers in a more authentic way, circumventing resistance to traditional advertising. Eager to monetize their channels and audiences, many of these ‘peer’ endorsers are saturating the platforms with brand-sponsored content which often attempts to conceal the commercial source. Although advertising authorities have introduced new disclosure regulations aimed at sponsored digital endorsements, many endorsers still fail to include full disclosure and regulators have issued a fresh call for academic research to address concerns of deception and manipulativeness. At the same time, digital endorsers are beginning to receive negative attention towards their behaviour and there is evidence that consumers are becoming sceptical of their ‘authentic’ lifestyles and ‘genuine’ recommendations. What originated as an authentic way for brands to reach consumers is now at risk of becoming just as staged as its marketing predecessor. While the effects of traditional celebrity endorsements have been extensively researched, there is a lack of academic research surrounding sponsored ‘peer’ endorsers on social networks, notably Instagram. Likewise, there is little research available which examines consumer responses to covert marketing via social media and the consequences of the practice for brands. This study employed a qualitative research approach, conducting eight in-depth interviews to reveal rich new insights on the perceptions and attitudes consumers hold towards sponsored endorsement activity on Instagram, specifically the covert nature of much of the practice. Findings indicate a rising level of consumer distrust and scepticism towards both Instagram endorsers and involved brands, as they see through the inauthenticity of the recommendations pushed at them. Furthermore, the study suggests current practices are manipulating and persuading consumers while unaware.

Keywords: Disclosure, Sponsored Endorsements, Instagram, Credibility, Authenticity, Trust, Covert Marketing.


INTRODUCTION

As consumers become more adept at ignoring marketing messages, brands are increasingly using covert marketing techniques that consumers do not clearly identify as persuasive advertising attempts (Kaikati and Kaikati 2004). One such
strategy being covertly utilised is so-called ‘influencer marketing’, which has grown exponentially in recent years due to the rise of digital endorsers (Lee 2017). Although not celebrities, many of these endorsers including bloggers, vloggers and other online personalities are now considered famous online, such as identified as being ‘Instafamous’ on Instagram (Scott 2015; Chahal 2016; Archer and Harrigan 2016). These social media endorsers are able to embed sponsored endorsements into their ‘authentic’ personal feeds, direct to large audiences (Elliot 2018). However, with more and more brands paying endorsers to produce ‘authentic’ branded content on platforms including Instagram, is it actually authentic?

While Instagram has introduced the use of a clear ‘paid partnership’ tag in efforts to curb deceptive endorsements, there is still evidence of widespread covert behaviour with a study revealing just 21% of sponsored posts on Instagram contained clear disclosures (Finlay 2018). Meanwhile, the Advertising Standards Authority has revealed it is preparing to crackdown on brands and endorsers that do not disclose paid content sufficiently, after a survey found 44% of the UK public thought ‘influencer marketing’ was "damaging" to society due to its deceitfulness (Stewart 2018).

Indeed, there is evidence to suggest it is much more difficult for consumers to recognise the commercial nature of endorsements from sources who appear similar to their peers. Consequently, calls are constantly being made for academic research to investigate the impact that these masked ‘influencer marketing’ practices are having on consumers (Boerama et al 2017). This study seeks to answer those calls by investigating how consumers are responding to these ethically-questionable covert endorsements. As the current regulations for online disclosures are argued to be insufficient to protect consumers from deception, this study will also explore how consumers recognise and view different types of disclosure (Burkhalter et al. 2014). In the process, brands’ paradoxical approach to manufacturing authenticity via endorsements is expected to be uncovered.

LITERATURE REVIEW

Sponsored Endorsements
Extant research demonstrates that third-party endorsements can have a positive influence on brand attitudes (Agraawal and Wagner 1995; Lafferty et al. 2002), product evaluations and purchase intentions (Fienman 2011; Yang 2017). Traditionally, endorsers were celebrities such as film stars and athletes (Hsu and McDonald 2002; Djafarova and Rushworth 2017). However, companies are now increasingly utilising non-celebrity ‘peer’ endorsers via digital platforms (Fienman 2011; Byrne 2015).

Digital endorsers are commonly referred to as ‘influencers’, due to their ability to shape their audiences’ attitudes though the content they produce such as blogs, videos and images (Freberg et al. 2011). Many have gained almost cult followings by producing unique and original content, focussing on topics such as fitness, food and travel. However, it could be argued that the term ‘influencer’ is counterintuitive and vague considering the breadth of individuals it aims to group under one classification (Goldberg 2018). It is also important to recognise that endorsers do
not necessarily have actual influence over their audiences, questioning how sensible the term is (Goodwin 2017).

Although dated, McCracken’s (1989, p310) broader definition of an endorser is still somewhat relevant as “any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement”. Roll (2014) offered a further definition as a third-party playing “the role of a spokesperson of the brand certifying the brand’s claim and helps to position the brand by extending his/her popularity and craze in the society or expertise in the profession.” While the effects of traditional celebrity endorsements have been extensively researched (Djafarova and Rushworth 2017), there is a lack of academic research on the effectiveness of sponsored endorsement practices within the context of social networks and particularly Instagram (Spry et al. 2011; Jin and Phua 2014; Lueck 2015; Um 2016). However, the available literature on digital endorsers indicates that this type of endorser is more effective at influencing consumer beliefs and behaviours due to their high credibility (Johnson and Kaye 2004).

Source Credibility
One of the earliest models to examine effectiveness of sponsored third-party endorsements is the source credibility theory (Hovland et al. 1953) which posits that the effectiveness of an endorsed message depends on the perceived level of trustworthiness and expertise of the endorser (Ohanian 1990; Goldsmith et al. 2000). Consumers are more likely to be persuaded when exposed to promotional messages from highly credible sources (Hovland and Weiss 1951; Erdogan 1999). Credibility has been defined as “the extent to which the source is perceived as possessing expertise relevant to the communication topic and can be trusted to give an objective opinion on the subject” (Goldsmith et al. 2000 p43). Notably, this definition indicates that audiences must trust the endorser as being unbiased, in order to perceive credibility. Indeed, the endorsement literature presents trustworthiness as an important indicator of source credibility, referring to an endorser’s perceived believability, honesty and integrity (Chu and Kamal 2008; Yang 2018).

Although endorsers often have commercially-motivated interests for endorsing a product, some of the literature suggests that consumers fail to recognise these motives, instead suggesting that consumers assume endorsers are motivated by a genuine liking for the product or brand (Atkin and Block 1983; Cronley et al. 1999). This predisposition is explained by correspondence bias (Jones 1979; Gilbert and Malone 1995), which is the tendency for people ignore any possible situational factors which may be more likely causes of the behaviour, such as financial compensation (Kapitan and Silvera 2016). However, other literature argues that when consumers reflect more deeply on an endorsement message, they can recognise financial motives and are then less likely to accept the message (Silvera and Austad 2004).

According to the match-up theory, congruency between endorser and the product or brand is crucial in order for the endorsement to be effectively persuasive (Kamins 1994). Empirical evidence shows that high endorser-brand congruence, for example an established makeup vlogger and a cosmetics brand, leads to greater believability
of the endorsement message and consequently is more likely to result in favourable product/brand attitudes (Premeaux 2005; Choi and Rifon 2012; Karlíček and Kuvita 2014; Erfgen et al. 2015). However, Kutthakaphan and Chokesamritpol (2013) warn that if the argument in an endorsement message is perceived as being false and invalid, consumers will instead develop a negative attitude towards both the endorser and the brand (Cheung et al. 2009). To illustrate, Instagram has become saturated with endorsements for hair growth pills which carry no proven claims and are often perceived negatively (TINA 2017).

The concept of para-social interaction (PSI) provides valuable insight into the strengths of relationships between endorsers and consumers (Horton and Wohl 1956) and seems to be particularly pertinent in the context of digital endorsers (Kassing and Sanderson 2009). Applied in the digital endorser context, the theory focuses on how consumers develop fictitious emotionally-bonding relationships with endorsers that strongly resemble real friendships (Rosaen and Dibble, 2008). Thus, brands and endorsers can strategically exploit the benefits of PSI to their advantage (Lueck 2012; Lee and Watkins 2016). The risk with nurturing PSI is that it can amplify any negative perceptions, such as the opportunistic behaviour of an endorser promoting products for self-gain (Collander and Erlandsson 2015; Chapple and Cowne 2017).

Covert Marketing

Martin and Smith (2008 p45) define covert marketing as “the use of surreptitious marketing practices that fail to disclose or reveal the true relationship with the company that produces or sponsors the marketing message” and in the specific context of sponsored endorsements, causes consumers to “not recognise that a recommendation is sponsored by a firm” (Sprott 2008). It is argued that covert marketing is able to bypass consumer resistance as consumers are more accepting of advertising messages that do not appear to be sent from a commercial source, such as sponsored endorsements by digital endorsers (Darke and Ritchie 2007). However, the growing use of covert marketing techniques, particularly in the online context, is raising ethical concerns about the deceptiveness of the practice and potential harm it could be causing (Milne et al. 2009; Swanepoel et al. 2009). For example, L’Oréal’s sponsored YouTube vloggers have often failed to disclose their monetary relationship with the company, whilst ‘honestly’ recommending the products (TINA 2016).

The major risk of covert marketing is that if consumers learn about the commercial motive behind a covert message, it can increase scepticism, diminish trust and result in long term damage for the consumers’ relationship with the brand (Milne et al. 2009). In fact, Rotfeld (2008) argues that covert marketing efforts are just adding to the media clutter and reinforcing consumer distrust in advertising. Martin and Smith (2008) share this belief of a consumer backlash and warn there are far-reaching detrimental consequences of covert marketing yet to be uncovered. Petty and Andrews (2008) take this warning further by suggesting that covert marketing is at risk of causing increased scepticism in society overall. It is therefore unsurprising that consumer advocates are calling for greater regulation of these deceptive marketing practices (Cain 2011; Vega 2013).
Although research into areas of covert marketing in the context of social media is very limited, initial empirical evidence suggests that the practice is likely to lead to perceptions of manipulativeness (Tutaj and van Reijmersdal 2012; Lee et al. 2016). This perceived manipulativeness has been defined as “consumer inferences that the advertiser is attempting to persuade by inappropriate, unfair, or manipulative means” (Campbell 1995 p. 228) and results in negative attitudinal and behavioural responses from consumers (Morales 2005; Ashley and Leonard 2009; Lunardo and Mbengue 2013). The consequences of potential consumer suspicion and response to covert marketing within social media requires further investigation, as continued “abuse of consumers’ defence mechanisms through [covert] marketing could create irreversible distrust for future marketing initiatives” (Martin and Smith 2008, p. 53).

Disclosure

Academic literature surrounding disclosure of sponsored endorsements is still in its infancy and existing studies have presented conflicting results, leading to constant calls for further research (Wei et al. 2008; Nekmat and Gower 2012; Liljander et al. 2015). When exposed to overt marketing messages, consumers use their persuasion knowledge to cope with and respond to the persuasion attempts (Nelson and Ham 2012). Friestad and Wright's (1994) persuasion knowledge theory is based on the premise that consumers gain knowledge about marketing over time and develop defence mechanisms which are activated when exposed to marketing communications. When the commercial source of an advertisement is not transparent, it is argued that consumers’ persuasion knowledge is not activated, thus bypassing their ability to guard against unwanted messages and potentially persuading them while unaware (Kaikati and Kaikati 2004; Russell and Belch 2005; van Reijmersdal et al. 2016). Rozendaal et al (2011) further suggested that persuasion knowledge is formed of both conceptual and attitudinal elements, which this study will utilise and explore.

While sponsorship disclosures in traditional media have been demonstrated to activate persuasion knowledge, Boerman et al (2017) postulate that the same outcome is not as present within social media because consumers’ persuasion knowledge in this context is not yet fully developed. The same study, which was focussed on celebrity endorsements on Facebook, also found a wider issue of disclosure recognition in line with similar findings of other studies (Campbell et al. 2013; Wojdynski and Evans 2016).

Indeed, studies that have focused on bloggers have suggested it is difficult for consumers to differentiate between genuine recommendations and sponsored endorsements, often worsened by the absence of effective disclosures (Kozinets et al 2010; King et al. 2014). In response, the literature has begun to investigate sponsored endorsement and disclosure in the social media context, including on YouTube (Chapple and Cownie 2017), Pinterest (Mathur et al. 2018) and Twitter (Burkhalter et al. 2014). However, there is little to no empirical qualitative research which investigates consumer responses to endorser disclosures on Instagram.

Research in the context of blogs has suggested that overt sponsored endorsements can lead to negative perceptions of the endorser being biased, manipulative and untrustworthy (Wei et al. 2008). Similarly, another study concluded that disclosing the commercial nature of endorsements removes the marketing “advantage” and
leads consumers to understand that "the [endorser's] decision to share the post was not motivated by a genuine liking of the brand", generating negative distrustful feelings (Fransen et al. 2015; Boerman et al. 2017 p90). However, contrary to these findings, disclosure does not only result in negative outcomes. Chapple and Cownie (2017) found that disclosures of sponsored endorsements on YouTube were able to enhance perceptions of trustworthiness and authenticity, increasing the acceptance of the brand message. Likewise, Carl's (2008) study of disclosed word-of-mouth campaigns also found that upfront disclosures had positive outcomes on credibility and message acceptance.

Research investigating how different disclosure types may activate persuasion knowledge has been relatively sparse, with few studies viewing disclosure as more than a single construct. (Evans et al. 2017). This is a particularly important research avenue for exploration as endorsers and brands employ a wide range of inconsistent disclosure methods such as '#spon', supported by little academic research (Walden et al. 2013; Hwang and Jeong 2016). Carr and Hayes (2014) provide a useful classification of disclosure, suggesting four terms: impartial, implied, explicit and non-disclosure. The study, which focused on blogs, is one of few to importantly demonstrate how different disclosure types affect consumer perceptions differently and thus forms a central part of this paper's conceptual framework.

Conceptual Framework
Key constructs identified in the literature review have been developed into the proposed framework (Figure 1). The framework attempts to conceptualise how types of disclosure influence consumer responses in different ways via conceptual and attitudinal persuasion knowledge activations.
Disclosure Typology

A typology of disclosure was developed from Carr and Hayes' (2014) classifications of disclosure, introducing sub-features of each based on findings from studies discussed in the literature review (Figure 2). The proposed sub-features were utilised during data analysis, forming the basis of a thematic coding guide.

Figure 2: Disclosure Typology (Harrison 2018)
METHODOLOGY

Research Aim
To investigate consumer responses to covert sponsored endorsement practices on Instagram

Research Objectives
Objective One: To explore consumer responses to covert and overt sponsored endorsements on Instagram
Objective Two: To explore how different types of disclosure of sponsored endorsements on Instagram activate consumers’ conceptual and attitudinal persuasion knowledge
Objective Three: To investigate the implications of covert sponsored endorsement practices on perceptions and attitudes towards endorsers and brands

Research Philosophy
This study adopted an interpretivist philosophy for its recognised suitability within social science research and appropriateness when aiming to understand people’s experiences and behaviours (Mason 2002; Bryman and Bell 2007; Daymon and Holloway 2011). Interpretivism “avoids the rigidities of positivism”, allowing the research to generate rich understandings of participants’ perceptions, rather than focussing on objective ‘facts’ (Carson et al. 2001 p16). Indeed, an interpretivist philosophical approach was suitable for this study as it seeks to uncover the ‘insider view’ of the social world (Blaikie 2000). The main limitation of the interpretivist philosophy is that it is explicitly subjectivist and consequently, there is room for data to be misinterpreted or altered through researcher bias (Saunders et al. 2012). However, the researcher acknowledges this limitation and addresses it through the robust trustworthiness and authenticity of the study.

Research Approach
“Good science is as much about discovery as it is confirmation” (O’Boyle et al. 2017 p263). An inductive approach was employed to guide the exploration of ‘new’ phenomena of potential significance and allow theory, themes and concepts to emerge from the data (Strauss and Corbin 1998; Thomas 2006). This approach was preferred as the research was not bound by the rigidity of testing a hypothesis which could restrict the emergence of alternative explanations and unanticipated meanings (Saunders et al. 2012). However, the research design was based on an initial conceptual framework to provide focus and ensure a purposeful cogent story (Thomas 2006). This is seen as deductive and therefore it can be argued that overall, the study took an abductive approach (Hyde 2000; Blaikie 2000). This abductive approach allowed the study to maintain a coherent focus whilst maintaining an open mind “toward the possibility of [uncovering] surprising and intriguing patterns in data”, “beyond the initial theoretical premise” (Meyer and Lunnay 2013, p12; O’Boyle et al. 2017 p260).

Population and Sample
The population for the study consisted of adults aged 18 – 24 as this age group are the predominant users of Instagram (Smith and Anderson 2018). Participants were selected using non-probability purposive sampling to ensure they had relevant experience of the phenomenon being studied (Creswell 1998; Denzin and Lincoln
Indeed, Daymon and Holloway (2011) along with many other academics advocate ‘criterion-based’ sampling, stating that purposive sampling is often utilised when the aim of a study is to gain rich, in-depth insights. Therefore, the researcher used subjective judgement to select participants who conformed to a certain criterion, increasing the probability of the sample holding “necessary knowledge and experience of the issue” (Flick 2009 p123). Self-selection sampling was initially employed, seeking volunteer participants via Facebook advertisements (Daymon and Holloway 2011). Individuals who responded to the request were then judged on their suitability against inclusion criteria of being a user of Instagram (accessing the platform at least once a month) and following at least three Instagram endorsers – verified by the researcher gaining explicit permission to analyse potential participants’ follower lists. The final sample size consisted of eight participants which was deemed practical within undergraduate limits, while still sufficient to provide enough data for intensive analysis to be conducted (Braun and Clarke 2013; Robinson 2014).

In-depth Interviews
Considering the exploratory aim of this study to uncover consumer perceptions, a qualitative method was deemed most appropriate (Punch 2014; Bell and Waters 2014). When investigating consumer behaviour, qualitative methods are argued to be the best approach and have subsequently become mainstream in use (Knoblauch 2013; Taylor et al. 2015). A quantitative method would have been unsuitable as it generates shallow data, confined by predetermined and structured questions (Braun and Clarke 2013). Conversely, qualitative research produces a wealth of detailed data and deep insights on participants’ lived experiences, perspectives and feelings (Patton 1991; Denscombe 2009).

In-depth interviews were selected as they are “excellent for not just providing information but for generating understanding as well” into consumer attitudes, opinions and perceptions (Guest et al. 2013 p2). A semi-structured approach was utilised for the interviews as this ensured the researcher covered all the essential areas of enquiry whilst allowing unexpected themes to emerge and be explored (Denscombe 2010). The interviews were aptly considered “conversations with purpose”, ensuring interviewees felt comfortable enough to explore their feelings and evolve the interview in divergent directions (Daymon and Holloway 2011 p220).

Correspondingly, the questions within the interview guide were open ended, designed to “maximise the opportunities for discursive, detailed, and highly textured responses” (Guest et al. 2013 p114). Probing techniques were utilised during the interviews to encourage elaboration, seeking depth and meaning (Collis and Hussey 2009). To help interviewees feel relaxed to “tell their story”, a strong rapport was nurtured between researcher and participant by taking an emphatic stance and discussing known Instagrammers for familiarity (Hennick et al. 2011 p113). Collectively, these approaches ensured the interviews were strategically conducted, flexibly responsive and highly contextual (Mason 2002, Rubin and Rubin 2012).
Stimulus Materials
Examples of posts from Instagram endorsers were used to stimulate participants’ thinking and help to reveal their perceptions of sponsored content (Braun and Clarke 2013). Stimulus materials are “an important characteristic of interview-based qualitative research” to enhance the quality of information collected, which may not surface from verbal exchange alone (Imms and Ereut 2002 p98; Crilly et al. 2006; Morgan 2008). Stimulus materials were individually selected for each participant from the selection of endorsers they follow, as familiarity helps participants to contribute rich insights (Hennink et al. 2011).

Pilot Testing
Prior to commencing data collection, it was essential to conduct a pilot interview to test the interview structure, intended questions and the researcher’s technique (Baker 2007; Hennick et al. 2011). The pilot was conducted with a participant of the same sample criterion and highlighted weaknesses of the interview guide and areas of potential error (Kvale 2007). As a result, several amendments were made to the interview guide to remove unnecessary questions, revise closed questions and reduce ambiguity of others (Kothari 2004). Analysis of the pilot also highlighted a tendency for the researcher to ask leading probing questions. Therefore, the researcher altered their interview technique to ensure the sole use of open-ended questions and the use of silence to elicit responses without interviewer influence.

Location
All interviews were conducted either face-to-face in participant’s homes, to ensure the interviewees felt relaxed and comfortable. This was particularly important in order to uncover the more sensitive underlying issues (Belk 2007). The researcher encouraged participants to choose a private location which would be free of distractions and ensured the environment is conductive to conversation (Saunders et al. 2012; Silverman and Paterson 2014).

Ethical Considerations
Participants’ “dignity, rights, safety and well-being” were carefully considered to ensure a high level of ethical conduct was adhered to throughout the study (Haigh 2007 p.123; Saunders et al. 2012). The principle of non-maleficence was embraced for the duration of the study (Hennink et al. 2011). Participants were explicitly informed of the scope of the study to eliminate any deception and were reassured their anonymity would be protected by referring to participants only by number (Brennen 2013). Participants were also made aware that they were under no pressure to answer questions they were uncomfortable with, to protect their trust and avoid exploitation (Daymon and Holloway 2011). Informed consent was obtained from each participant.

Data Analysis
Qualitative research often results in a wealth of unstructured data and requires coding in order to interpret the findings and create meaning (Bazeley and Jackson 2013). In line with the study’s abductive approach, the interview transcripts were analysed using thematic coding in order to reduce and summarise the data without distorting it (Gibson and Brown 2009; Ritchie et al. 2013). By meticulously analysing statements in the transcripts and assigning an appropriate code, themes were
allowed to inductively emerge from the raw data as well as identified deductively from the conceptual framework (Flick 2009).

Trustworthiness and Authenticity

“Qualitative research should be accountable for its quality and its claims” (Mason 2002 p7). To ensure the study maintained high integrity, the components of credibility, transferability, dependability and confirmability were applied throughout (Daymon and Holloway 2011). To verify the credibility of the study, established research procedures were consistently adhered to including recording the interviews, transcribing them accurately and coding them comprehensively (Denscombe 2010). Confirmability was demonstrated through the use of an interview guide as an established practice and through the audit trail of the process. Dependability was thus ensured through the consistency of data collected and the acknowledgement of limitations (Gilbert 2001). The study demonstrates transferability through the acknowledged research context and detailed narrative offered (Daymon and Holloway 2011). The authenticity of this study is evidently argued through its efforts to remain truthful to participants’ views (Flick 2009), achieved by sharing interview transcripts with participants and asking them to verify they had been represented correctly (Birt et al. 2016).

The subjective nature of qualitative research is often criticised due to the biased effect that researchers can influence on data collection and analysis (Bryman and Bell 2007). While the researcher acknowledges that their involvement in the research may have had an influence on participants’ responses, it is argued that the researcher’s knowledge of the subject, own values and beliefs played an important role in drawing out deep meanings and “enhanced rather than distorted the credibility of [the] study” (O’Donoghue 2007; Daymon and Holloway 2011 p9). Nevertheless, the researcher maintained reflexivity throughout the study and implemented measures to ensure trustworthiness and authenticity, as highlighted previously.

FINDINGS

To explore consumer responses to covert and overt sponsored endorsements on Instagram

As there is a lack of academic research on the effectiveness of sponsored endorsements via Instagram (Um 2016), this objective sought to explore how consumers respond when exposed to endorsements from Instagrammers.

Relationship Strength

One of the most prominent constructs which appeared to affect participant responses to sponsored endorsements was the strength of their pre-existing relationship with the endorser. Participants who had been following an endorser on Instagram for a substantial length of time often exhibited characteristics of a para-social relationship (PSR):

“You do in a really weird way feel like you know these people, you feel like you can trust them, so when they make recommendations, it’s almost like your best
friend has recommended it. You are sort of emotionally invested in that person and you feel like you know them as a friend.” (P1/Female/22)

For participants who displayed elements of a PSR with an endorser, correspondence bias tended to follow, resulting in tolerance of sponsored posts and perceptions of benevolence and impartialness, even when they were “obviously staged” (P1/Female/22):

“I really do respect her opinion, even though that’s an ad, I would still think well I trust her and [...] she would only agree to promote that product, I would like to think, because she actually likes the product. So therefore, I would take that as gospel really and I would probably go out and give that moisturiser a go.” (P1/Female/22)

Likewise, in non-disclosure scenarios, participant 3 was inclined to believe an endorser had a genuine liking for a product, ignoring the possibility of a financial motive, linking with Kapitan and Silvera’s (2016) findings:

“I wouldn’t think of this post as being sponsored, there’s nothing in there that suggests that. It says a friend has recommended this app to her. I think it is her real recommendation.” (P3/Female/21)

These findings correlate with Chapple and Cownie’s (2017) study as well as Carl’s (2008) research which both suggested the likeliness of endorsement acceptance is increased by relationship strength. Comparable to a real friendship, PSR participants also indicated that they expected the trust and respect they held towards endorsers to be reciprocated. Notably, when exposed to an endorsement of a makeup product with non-disclosure, Participant 1 felt negatively towards the lack of transparency and respect:

“It’s kind of like they don’t appreciate us... to be that honest with us, it’s like they’re lying to us. And there’s no need for that because we respect them. It kind of makes you feel like I’m just a number, just to make them some money.” (P1/Female/22)

Product-Endorser Congruence

The literature stated that poor fit between an endorser and a product was a key reason campaigns fail, due to consumers experiencing difficulty associating an endorser with a mismatched brand (Erfgen et al. 2015). This study found considerable support for the previous literature and the match-up theory (Kamins 1994), with participants often becoming interested and taking action following an endorsement of a product compatible with the endorsers’ perceived values:

“One of the Instagrammers has just done a 30-day weight-loss programme, who’s also just had a baby and she now looks fantastic so that then made me look at the website of the product because I wish I looked like that.” (P3/Female/21)

Conversely, low product-endorser congruence especially in “contradictory” incidences appeared to have a significant negative impact on endorsement response in terms of believability and acceptance (P7/Female/20), in line with Kapitan and Silvera’s (2016) findings:

“If the Instagrammers are always promoting things that make you think, ‘why you are promoting that, it’s not something you usually use’... you wouldn’t trust it.” (P1/Female/22)

While relationship strength was seen to increase endorsement acceptance, it also seemingly intensified perceptions of negative incidents such as an illogical product endorser fit, with arguably more significant consequences. This included feelings of
“betrayal” when an Instagrammer recommends bad products (P5/Female/23; P1/Female/22).

“I’ve become so invested in their life... It’s a bit of shock to see her posting a product that I wouldn’t ever imagine her using. Did [she] only switch to premium skin care because Elemis paid [her] to post it? It’s weird but it makes me not trust her in a way...” (P1/Female/22)

The low product-endorser congruence that Participant 1 witnessed set off a damaging chain of reactions. It was observed that the experience caused the participant to enter into an internal struggle between her PSR and conceptual persuasion knowledge (CPK), resulting in her becoming conflicted, confused and eventually declaring that she could no longer trust the endorser. While supporting previous studies (Premeaux 2005; Erfgen et al. 2015), this finding indicates a far greater risk of nurturing PSR and the importance of product-endorser congruence.

Staged Authenticity

The prevailing response to sponsored endorsements was that of scepticism and distrust, driven by the antecedent of inauthenticity. Prior research has shown authenticity as an important dimension of endorser credibility (Chapple and Cownie 2017), which is supported in this study with the majority of participants indicating they sought and valued authenticity on Instagram. Participants responded particularly well to incidences when “the power had been given to the Instagrammer” to produce a sponsored post with their own spin and style (P7/Female/20). However, when the content did not have this originality, sponsored posts largely conveyed perceptions of inauthenticity through being “forced and staged” (P2/Male/24):

“You can notice a shift in tone when they start to do sponsored posts. It is very rare to find someone who is actually passionate about the brand that much that they are willing to shout about it without being paid.” (P2/Male/24)

“The sponsored posts are just not legit. She said it was a ‘genuine’ look at the contents of her handbag but I was like ‘well it’s not though is it?’ I see through it – I don’t believe it. They’re not authentic.” (P4/Female/24)

When a sponsored post was perceived to be inauthentic, scepticism of the message and distrust of the endorser commonly arose through activation of attitudinal persuasion knowledge (APK):

“They’re promoting a product because they’ve been paid to – they have to say they like it. Hair growth tablets – I think it’s an absolute load of rubbish because every single Instagrammer who is promoting it, more than likely, wears hair extensions. And they’ll say ‘look how lovely my hair is it’s grown so much’. It’s just not realistic at all.” (P3/Female/23)

Ultimately, heightened scepticism and reduced credibility driven by inauthenticity was indicated to result in negative brand and product perceptions, linking with Kutthakaphan and Chokesamritpol’s (2013) findings.

“I’ve never heard anyone in real life or on Instagram recommend [the brand] without them being paid. So I think ‘do people really love this brand? Or are they just paying people to say that? They’re not really authentic at all because if it was such a great product [...] I wouldn’t have to only see it through sponsorships every time.” (P1/Female/22)

This finding suggests inauthentic endorsements risk significant negative consequences for brands and endorsers. Staged Authenticity is subsequently
defined as ‘A manufactured attempt by an endorser to appear authentic which consumers recognise or suspect is fabricated’.

To explore how different types of disclosure of sponsored endorsements on Instagram activate consumers’ conceptual and attitudinal persuasion knowledge

The literature indicated a significant issue towards consumers failing to recognise disclosures (Liljander et al. 2015; Boerman et al. 2017). This objective therefore focussed on exploring disclosure as a multi-dimensional construct and how each type activated consumers’ persuasion knowledge – or failed to.

Transparency

In terms of disclosure, previous studies indicated that transparency has a positive influence on acceptance of sponsored messages (Carl 2008; Tuk et al 2009). This study found support for this relationship, while advancing understanding of the concept to indicate that explicit and impartial disclosures are able to generate important perceptions of transparency:

“I think I can believe their opinion more because it’s honesty. I’d have more respect for them. Obviously, they are in it for the money but by them being honest, you don’t just think they are a throw-away Instagram celebrity.”

(P3/Female/23)

Crucially, as supported in this quote, transparency of endorsements was found to moderate perceptions of opportunistic behaviour, demonstrating a key part of the conceptual framework via credibility, in parallel with Chapple and Cownie’s (2017) findings. However, the moderating effect transparency had on opportunistic behaviour varied between participants, seemingly due to varying consumer resistance, such as for Participant 5 who declared transparency would only make her “less annoyed” (P5/Female/23). Conversely, while implied and non-disclosure conditions often failed to fully activate participants’ CPK due to the lack of transparency, the majority of participants did recognise non-transparent endorsements and this had a significant negative effect via APK:

“If they don’t say that it was sponsored, it makes me feel that they’re not being honest and therefore I doubt their review of the product. Therefore, I am less likely to buy or try it because I don’t believe them about how much they actually love it.”

(P1/Female/22)

Notably, a number of participants indicated they believed the brands were at fault for “pushing through” non-transparent endorsements and that it “wasn’t fair” to not always know if they were being sold to (P6/Male/19), qualifying suspicions in the covert marketing literature (Milne et al. 2009).

Unambiguity

As the literature indicated consumers’ persuasion knowledge in the context of social media is not fully developed yet (Boerman et al. 2017), it is crucial that disclosures are unambiguous in order for commercial intent to be understood. Notably, this study found consumers were generally confused and conflicted, caused by experiences with “masked” disclosures that were “easily misconstrued” (P6/Male/19). Some of the participants had noticed disclosure hashtags but were not sure what they meant, some reported never noticing the hashtags, while only a minority understood them correctly:
“There are a few different hashtags they use like #spon and #sp and that makes it confusing – there should be one set way of saying that it’s a sponsored post.” (P4/Female/24)

Significant uncertainty towards the motives of sponsored Instagram endorsements was evident throughout all interviews as a result, which increased perceptions of opportunistic behaviour including ‘selfishness’ and ‘greed’. Remarkably, many of the participants were aware that they require unambiguous disclosures in order to “interpret advertisements properly” (P3/Female/23) further suggesting consumers would be appreciative of explicit disclosures. Perhaps unsurprisingly, it was apparent that the participants have become sceptical of all endorsements whether sponsored or not – even those from endorsers they trust:

“It could just be their personal opinion but I wouldn’t know either way if it was a sponsored post. Who knows if you can believe them or not.” (P3/Female/23)

Proximity
For a consumer’s CPK to be activated, the disclosure message must be recognised (Darke and Ritchie 2007). As may be expected, proximity of the disclosure to the sponsored content was seen to have a significant impact on recognition. A disclosure placed above the content, at the top of the description or in the content was usually identified quickly. Conversely, it took much longer for participants to recognise a hashtag which was placed further within the description – or often fail to recognise it altogether, as the majority of participants ignored hashtags:

“If it was [a video] I would expect them to tell me verbally. If it was an image, I would definitely want them to put a watermark on it and say ‘sponsored by’ as opposed to just putting it in the description because we look at the pictures – not the description.” (P6/Male/19)

The participants all indicated they preferred disclosures that were placed in obvious positions so that it could activate their CPK and APK. This finding further extends insight into the issue of disclosure recognition identified in the literature (Wojdynski and Evans 2016; Boerman et al 2017).

To Investigate the Implications of Covert Sponsored Endorsement Practices on Perceptions and Attitudes Towards Endorsers and Brands.

This objective focused on investigating the consequences of covert sponsored endorsements, following the potential major risks identified in the literature review towards harming consumer trust and increasing scepticism (Martin and Smith 2008; Rotfeld 2008).

Opportunistic Evasiveness
Linking with the previous proximity finding, an unanticipated discovery was that the participants suspected endorsers and brands of deliberately “hiding” disclosures to deprive them of CPK activation (P5/Female/23):

“It’s tactical to place the #Ad at the end because people don’t see it.” (P4/Female/24)

“They are hiding hashtags and creating discrete adverts. I think it’s just very selfish.” (P2/Male/24)
The concept of opportunistic evasiveness emerged as a common theme, referring to how the participants all implied perceptions of opportunistic behaviour, linked to the suspicion that they were being deceived. Participants felt endorsers were “tricking” them and “being sneaky”, in efforts to obscure financial self-gain motives and appear genuine (P7/Female/20; P4/Female/24).

“They’re obviously lying to get people to buy the products so that they make more money from it.” (P8/Female/22)

Unsurprisingly, this had a negative impact on credibility but also on product/brand perceptions as some participants felt companies have responsibility for ensuring endorsers disclosed the relationship honestly.

Reactance and Rejection

Corresponding with the persuasion knowledge literature (Rozendaal et al. 2011), this study found substantial evidence of resistance to endorsement messages, when participants’ APK was activated. All participants indicated they resist the persuasive attempts to some extent, triggered by various causes including product-endorser incongruities, staged authenticity and opportunistic evasiveness:

“If one of the Instagrammers] says ‘you’re going to like this product!’ it makes me go in the opposite direction – I think well I’ll be the judge of that! As soon as I realise that these people are doing it for some kind of profit, I just switch off.” (P2/Male/24)

“I unfollowed a few of the people who post that kind of stuff. They were posting photos of rubbish branded things that I didn’t care about. It annoyed me. They just think that they can palm you off by selling you products.” (P5/Female/23)

A further unexpected finding of this extensive reactance was that it led to the majority of participants declaring they reject endorsers and brands “as a punishment” for their deceitful and inauthentic behaviour (P1/Female/22). The finding suggests that consumers are using their APK to not only cope with unsolicited persuasion attempts but also to remove themselves from situations where they perceive a threat to their freedom of choice:

“If I see an Instagrammer post something which is clearly an advert, without saying it’s an advert, I unfollow them anyway, therefore they’ve lost someone – that’s what they get for not being honest.” (P1/Female/22)

This correlates with existing studies, introducing new insight into how digital endorsement strategies may be contributing to consumer resistance and scepticism (Wojdynski and Evans 2016; Boerman et al. 2017). Furthermore, these findings validate the literature which warned of a consumer backlash against covert endorsement practices (Rotfeld 2008; Martin and Smith 2008).

Brand-Led Societal Exploitation

The covert marketing literature indicated that the ethically-questionable practice of masking commercial source has the potential to cause harm to consumers and damage brand relationships (Milne et al. 2009). Concurrent with this line of research, it was found that all participants held significant perceptions of manipulativeness, which appeared to be a consequence of not just concealed disclosures but also exploitive brand behaviour in general:

“The [companies] don’t care about doing what’s right – they just want to sell their products and get them out there any way that works. They’re just greedy and want money.” (P5/Female/23)
Some participants blamed brands for putting “pressure” on them by only sponsoring Instagrammers who are “the idea of perfect”, with one participant declaring it made her feel “more depressed” (P3/Female/23). The majority of participants felt the perceived manipulativeness was having a negative impact on others too, with participants believing brands were “taking advantage of [naive] young people who look up to, and want to be like [the endorsers]” (P5/Female/23):

“They know that young girls will want to be like them. The Instagrammers know what they’re doing. It annoys me a bit because they are just mugging people off to make money.” (P5/Female/23)

“[Endorsements] like ‘how to be skinny’ I think can be quite detrimental to the younger audiences. There’s a lot of vulnerable people exposed to it who will think ‘I love this Instagrammer, she’s amazing – if she’s going to do it, I will to’.” (P7/Female/20)

Linked with opportunistic evasiveness, participants generally felt that brands were consciously avoiding responsibility of ensuring sponsored content carried disclosure “because it could impact their sales” (P3/Female/23). Overall, a common theme emerged that participants believed some brands were exploiting Instagram to “fool” and “trick” its users, utilising endorsers who will “do anything to get the money” and putting their profits ahead of the belief that the sponsored endorsements “are contributing to damaging society” (P2/Male/24; P7/Female/20). These findings confirm and extend the area of limited literature which has found similar results surrounding deceptive marketing via social media (Tutaj and van Reijmersdal 2012; Lunardo and Mbengue 2013; Lee et al. 2016).

CONCLUSION

This section summarises the key findings of the study in relation to the research aim and objectives, highlighting implications for industry. The limitations of the study are also identified and recommendations are made for future research. This study aimed to contribute rich new insights and understanding to a number of unfulfilled research areas within the endorsement, disclosure and covert marketing literatures. In correlation with previous studies by Chapple and Cownie (2017) and Carl (2008), endorsement acceptance was seen to increase by relationship strength and the level of product-endorser congruence. While relationships with para-social features encouraged acceptance of endorsement messages, relationship strength was also seen to intensify negative incidents, resulting in damaging consequences towards trust and credibility.

It appears that relationship strength and any correspondence bias can be easily overcome by incongruity between brand and endorser. Low product-endorser congruence in general was likely to decrease credibility and believability of the endorsement message and increase feelings of distrust. Furthermore, the construct of staged authenticity was introduced to conceptualise the prevailing sceptical response to sponsored endorsements. It was found that endorsements perceived as inauthentic are likely to reduce source credibility and lead to negative brand perceptions. In contrast to the two aforementioned studies which viewed disclosure as a single construct able to increase trustworthiness and credibility, this study explored disclosure as a multi-dimensional construct and found that some disclosure types can have significant negative impacts on trust and credibility. By
exploring disclosure in the frame of conceptual and attitudinal persuasion knowledge, it was seen that implied and non-disclosure scenarios carry inherent risks of increasing distrust and reducing credibility.

The covertness of these disclosure types was found to be evident through the dimensions of low transparency, unambiguity and proximity. It was consequently found that while some participants were still able to utilise their persuasion knowledge, others with underdeveloped knowledge were at risk of being persuaded unknowingly. Conversely, explicit and impartial disclosures with high levels of the same dimensions were indicated to be much more effective in activating persuasion knowledge, increasing credibility and mitigating perceptions of opportunistic behaviour, corroborating the conceptual framework. The consequences of covert endorsements were uncovered through the emergent constructs of opportunistic evasiveness and rejection. The findings indicated consumers believe endorsers are deliberately deceiving them and this has a negative impact on credibility and brand perceptions. Feeling threatened by the deception they face on Instagram, consumers appear to be sanctioning endorsers by unfollowing those that are perceived as dishonest, inauthentic or that just post too many endorsements. Of significant finding was that consumers appear to have developed extensive perceptions of manipulative and exploitive brand behaviour, as a result of the covert endorsement practices. Overall, covert Instagram endorsement practices are argued to be strengthening consumer distrust and resistance towards advertising, through attempts of concealed unconscious persuasion.

Implications for Industry

The findings of this study should be a stark warning to marketers and endorsers that continued abuse of consumers’ persuasion defences will likely result in an increasing backlash effect with negative consequences for brand perceptions and endorser credibility. Instead, sponsored endorsements should always be approached with the upmost transparency and honesty from both parties, via explicit or impartial disclosures. The focus should be shifted to presenting disclosures in a positive embracing light, which consumers are likely to appreciate and recompense. Not only will this ensure the practice meets the latest advertising regulations but if adopted widely it could begin to reverse consumer perceptions of manipulativeness, before it is too late. Crucially, marketers should cease trying to forge authenticity and instead focus on achieving ‘earned’ endorsements by nurturing long-term relationships with endorsers, rather than ephemeral sponsorships.

Limitations

A main limitation of this qualitative study is that the interpretivist approach was explicitly subjectivist and consequently, there was room for data to be altered through researcher bias (Mason 2002). However, the researcher’s intrinsic involvement is argued to have been an important part of the process “to understand how others understand the world” (O’Donoghue 2007 p10). It is also important to acknowledge that the proposed conceptual framework is based solely on theory and qualitative insights. It would therefore need to be tested through empirical quantitative research to confirm its applicability. The study was conducted within the limits of undergraduate research and thus did not attempt to surpass the limitations of expertise, time and access to participants (Collis and Hussey 2013).
Consequently, the sample size in this study was small and therefore, along with the research method utilised, means the findings cannot be generalised (Blister et al. 2010). The study’s findings would need to be tested via quantitative methods and a larger sample in order to generalise the findings (Saunders et al. 2012). However, this small-scale qualitative study is argued to still be of significant integral value, demonstrated by the detailed descriptions of findings into consumers’ underlying perceptions and feelings, laying the foundations for future research (Libarkin and Kurdziel 2002).

Recommendations for Future Research

Further research is required to address the significant issues this study found surrounding digital endorsers and covert marketing practices. As this study only focussed on a population of the most predominant Instagram users, future research could study samples from different age groups – with a younger age group’s experiences being stressed as particularly pertinent for investigation. Future quantitative research could seek to empirically test the effectiveness of each type of disclosure proposed, to allow for statistical comparison and further validate this study’s findings. Finally, it would be valuable for future research to further investigate the moderating effects that constructs including relationship strength, product-endorser congruence and authenticity may have on endorsement acceptance.

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