C(GA):ing through the channel

A quantitative study examining the effects of media choice on consumer-generated advertising effectiveness

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ABSTRACT: Brands increasingly involve their consumers as creators of marketing activities. A popular approach has been to invite consumers to create advertising content via ad contests - where the outcome has been referred to as consumer-generated advertising. Research on consumer-generated advertising has given mixed indications of the effectiveness of such advertising and how non-participating consumers receive and react to it. This thesis aims to investigate whether the right media vehicle and context in which a consumer-generated ad is published could improve the perception and reception of the ad, and consequently its effectiveness. A survey-based experiment was conducted with a total of 309 respondents that tested the effects of four different combinations of media settings, with agency-generated advertising as a reference. Contrary to what was expected, the results indicate that the choice of media vehicle and context does not have a significant impact on the effectiveness and reception of consumer-generated advertising among other consumers. The finding is discrepant to the results generated for agency-generated advertising, which followed a consistent pattern throughout the different media channels. The revealed pattern for such advertising was further analysed, which provided some insights into why the same effects did not occur for consumer-generated advertising. By showing that the effectiveness of consumer-generated advertising cannot be improved by publishing it in a certain media, the findings in this study corroborates previous research that has indicated a negative impact on effectiveness if the disclosed ad creator is a consumer.

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Definitions

Co-creation - A management initiative, or form of economic strategy, that brings different parties together (for instance, a company and a group of consumers), in order to jointly produce a mutually valued outcome.

User-generated content (UGC) - Any form of content, such as blogs, discussion forums, tweets, digital images, and other forms of media that was created by users of an online system or service, often made available via social media websites.

Consumer-generated advertising (CGA) - Advertising for a brand created by consumers, or advertising on consumer-generated media.

Media vehicle - The vehicle or media channel carrying brand messages, such as TV, social media sites, or a magazine.

Media context - Everything that surrounds the ad in a media vehicle and the overarching environment for the ad at the time of exposure, such as editorial articles in a magazine or TV programs sent right before or after a commercial.

Traditional media - Conventional advertising in non-social media outlets with one-way communication between brands and consumers. Examples include TV, newspapers, magazines, and radio.

Social Media - A group of internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content. Examples include Facebook, Twitter, or Youtube.

Social Networking Site (SNS) - Platforms online that allows users to create profiles and interact with other users on the site.

Paid media - Marketing content created by a brand and distributed through a third-party, such as ads on social media or commercials on TV.

Owned media - Marketing content created by a brand and distributed in a channel they own and control, such as a website or Youtube channel.

Earned media - Marketing content generated and distributed by others than the brands, such as consumers (word-of-mouth) or journalists (publicity).

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1. Introduction

1.1 Co-Creation and Consumer-Generated Advertising

In the digitalised and hyper-connected world we live in today, advertising as we know it is experiencing a paradigm-shift (Hanna, Rohm & Crittenden, 2011). With the everly increasing number of media outlets and ways to communicate, the market for advertising messages is more or less saturated (eMarketer, 2012), with the reported number of ads that a person is exposed to every day is ranging from 500 to 5000 (The Guardian, 2014). This massive wall of messages that consumers face every day has been referred to as clutter, and in order to cut through it, brands have to make sure that their communication and advertising is relevant (Elliot & Speck, 1998). In fact, 43% of Americans have reported that they will ignore a company completely after seeing more than two irrelevant ads (Mediapost, 2013).

To this development, one can add the increasing time people spend on their mobile phones and laptops, with decreasing attention spans as a commonly mentioned consequence (Business Insider, 2014). On the back of this evolution, it is not surprising that brands are struggling to stand out and reach consumers. Another advancement companies have to consider is the fact that with new technology, consumers are more empowered than ever to search for information and reviews online about products and brands – in addition to actually creating such content themselves (Deighton & Kornfeld, 2009). In other words, brands have more or less lost the control they used to have over their own messages (Fournier & Avery, 2009; Fast Company, 2012).

On the back of this increasingly consumer controlled environment, brands have been forced to adapt by focusing more on building strong relationships with consumers (Duncan & Moriarty, 1998). An increasingly popular way to do so is to involve consumers in the product development process, a phenomenon called co-creation (Prahalad & Ramaswamy, 2004). Facilitated by the technological development, consumers now have the opportunity to collaborate with brands not only in product development but also in their marketing process (Ertimur & Gilly, 2012).

Co-creation within the marketing field has been referred to as consumer-generated advertising (CGA), (Lawrence, Fournier & Brunel, 2010). Besides creating a facilitating environment for communication and relationship building, companies can use it to tap in on consumers' creativity at a low cost (Ertimur & Gilly, 2012). Though the bulk of research on involving consumers as co-creators has mainly been on done on product development, some studies have been conducted on the effect of involving consumers in a brand's advertising process. Results have given mixed indications on the effectiveness of such advertising and how other fellow consumers receive and

react to it (e.g. Lawrence et al., 2010; Bickart & Schindler, 2001; Ertimur & Gilly, 2012; Thompson & Malaviya, 2013). A common denominator for these authors though, is that they indicate that the effectiveness of consumer-generated advertising is contingency based – that it seems to work better or worse under certain conditions or in certain overall contexts. Therefore, this thesis aims to investigate whether the right media vehicle and context in which a consumer-generated ad is published could improve the perception and reception of the ad, and consequently its effectiveness.

1.2 Background to the study

Consumer-generated advertising (CGA) is defined as a form of user generated content (UGC) that could be categorized as either under or outside control of the target company (Ertimur & Gilly, 2012). The former involves private persons who willingly create printed ads or commercials, which are then uploaded to different social media platforms. Another form of more controlled CGA is generated through contests, where the company invites users to submit advertising ideas or to create and produce their own material (Ertimur & Gilly, 2012; Thompson & Malaviya, 2013). Regardless, the result is different from traditional advertising in the sense that the communication is not fully controlled by the company (Berthon, Pitt & Campbell, 2008).

Some of the world's most well-known brands and corporates have collaborated with their consumers to create advertising campaigns, including Coca-Cola (Fast Company, 2012), Pepsi (Mashable, 2013), and Microsoft (Marketing Week, 2013) among others. In 2010, Unilever launched a global video competition that included 13 of their brands, where consumers were encouraged to submit and compete with their home-produced commercials (Ad Week, 2010). The possibly most well-known example for making recognised and praised consumer-generated campaigns is Frito-Lay Doritos (Co-Create, 2012). Their "Crash the Superbowl" commercial contest campaign ended this year, after running for a whole decade. A total of 21 ads have been aired since start and all of the winners have made it to the top five ranking on the USA Today Ad Meter, out of which four reached the No 1 ranking (Advertising Age, 2016).

A number of brands in Sweden have also been involved in consumer-generated advertising, including the hamburger chain Max (Max, 2016), the airline SAS (SAS Group, 2012), the telecommunications brand Halebop (Resume, 2011), and the web-hotel Loopia (Loopia, 2016). Loopia did a campaign in 2015 for the second time, after having completed a successful one in 2010. Tård Wennerborg, marketing manager at Loopia, explains that the main reason for them to organise the commercial contests was to generate buzz and increase brand awareness through the ambassadors that participated in the competition: "We want to be perceived as a human and

personal brand who are open to our consumers. The dialogue such a campaign facilitates is important and makes us being perceived as more fun, as the type of service we provide is not very exciting in itself for most customers". Tård further explains that it was harder to reach out with the campaign to a broader audience compared to last time: "…the number of media outlets have increased and the marketing activity has intensified. The spread of the campaign on Facebook was more successful this time though, we got a lot more likes and shares."

The media landscape is indeed changing and subsequently so are corporations' marketing activities and strategies, as the quote above indicates. While the size of media investments in Sweden reached an all-time high of 32,9 billion SEK during 2015 (Institutet för Reklam och Mediestatistik, 2016), we witness an inevitable shift from traditional to digital channels, where the investment in the latter increased by 20% during 2015. In other words, clutter is a real thing and it is constantly increasing. The combination of the right media setting and consumer engaging content might just be what cuts through the clutter though. Halebop is an example of a company that has managed to lead a successful consumer-generated campaign in the appropriate medium for its specific cause. "Bop Models" started running on TV in 2010, with a series of commercials filmed with a mobile phone, using their consumers as amateur actors. Walter Naeslund, founder of the advertising agency Honesty, who worked on the campaign with Halebop, says that the amateurish feeling of the broadcasted commercials was on purpose: "We wanted people to wonder how such "low-quality" commercials could be sent in expensive TV-spots. It was a key part of our differentiation. In general, communicating effectively with advertising is not about fitting in but standing out". Whether different media vehicles and contexts can empirically be found to improve the reception of consumer generated advertising, and thus have the possibility to cut through the advertising clutter, is however yet to be explored.

1.3 Problematization

Though a lot of the research on consumer-generated advertising has centered around motivations for consumers to participate (Berthon et al, 2008; Muniz & Schau, 2007), some research has also been conducted on how these kind of ads are received by the general public. Initial theory indicated that CGAs are better than normal advertising at persuading and influencing consumers (Bickart & Schindler, 2001). Studies conducted more recently though have shown rather contrasting results (Ertimur & Gilly, 2012; Thompson & Malaviya, 2013). One interesting effect of disclosing that an ad is made by a consumer is that other consumers faced with that information turn them into ad critics, evaluating the effectiveness of the ad from a marketer's perspective (Ertimur & Gilly, 2012). The same study showed that CGAs are seen as more authentic but not more credible than agency-

generated advertising (Ibid). Suspicion about the ad creator's competence also rises when consumers are faced with CGA, and there are only under certain conditions that such advertising becomes more persuasive than ads created by a professional agency (Thompson & Malaviya, 2013). All in all, CGA appears to have no definite overall effect but its reception seems dependent upon the context (Lawrence et al., 2010).

Meanwhile, an appreciable amount of studies have been conducted on agency-generated advertising and the significant impact that media vehicles and media context can have on its effectiveness among consumers (e.g. Aaker & Brown 1972; De Pelsmacker, Geuens & Anckaert, 2002; Dahlén, 2005; Bronner & Neijens, 2006). That, in combination with the fact that several studies have indicated that the effectiveness and perception of CGA seems dependent upon certain conditions (Lawrence et al., 2010; Thompson & Malaviya, 2013), suggest that the context could have an impact on its effectiveness too. Though this subject has been suggested by other researchers to investigate, no studies have been conducted on consumer-generated advertising in different media contexts so far. In order to bridge that research gap, this thesis aims to investigate the effect and outcome of publishing CGA in different media with various contexts and whether the right media vehicle and context could increase its effectiveness.

1.4 Purpose of the Study

The purpose of this study is to investigate the impact that the choice of media vehicle and media context can have on the effectiveness of consumer-generated advertising. By examining whether it follows the same pattern or differ compared agency-created advertising, it aims to investigate whether the right media choice could improve the effect that such advertising has on consumers. Therefore, the thesis aims at answering the following research question:

What impact will the choice of media vehicle and context have on the effectiveness of consumer generated advertising (CGA) and its reception among consumers?

1.5 Expected Knowledge Contribution

This thesis aims at contributing to the existing research and understanding of consumer-generated advertising in several ways. First of all, we aim to generate additional insights and understanding to the research conducted so far by investigating whether recent indicatively negative results of CGA could be mitigated or even reversed by displaying consumer-generated ads through certain media vehicles or media contexts. The study will also investigate whether eventual media effects on consumer-generated advertising *differ* in comparison to agency-generated - and if that would be the case, discuss the reasons for it. Finally, the study aims to serve as a springboard for further research,

rather than primarily providing generalizable results. As CGA initiatives demand resources in terms of both time and money for the arranging companies, we hope that the results from this study will give brands and marketers some guidance into how the final results should be used in order to optimise the outcome of such an investment.

1.6 Delimitations

Due to constrained time and resources, this thesis has several delimitations. Firstly, while two main categories of consumer-generated advertising exist, this study only investigates company solicited CGA in the form of contest ads. Secondly, only one video ad was used in the study, meaning that only one product category was represented. The product category is however within the FMCG segment, where as previously noted, consumer-generated advertising has been commonly used. Focus was instead put on maximising the amount of media channels and contexts in the study, given the limited scope. Hence, four different media channels were used - resulting in eight different experiment conditions of advertising - measuring consumer-generated and agency-generated advertising as treatment versus reference groups. Furthermore, the measured outcomes were limited to five, all commonly used within the advertising effectiveness framework: *ad relevance, ad attitude, brand attitude, willingness to pay a price premium, and word-of-mouth (WOM) intention*. Finally, only Swedish respondents, gathered using a convenience sample method, participated in the study - meaning that the results cannot be generalised nor guaranteed to be applicable on other markets.

1.7 Thesis Outline

The thesis at hand consists of five chapters. The first chapter introduced the subject by giving a background to the phenomena and why it is of relevance for corporates and marketers, as well as an introductory overview on what academic research has found so far. The chapter ended with a problematization and purpose of the study, as well as expected contribution to academia and the marketing field. The second chapter will begin by introducing the reader to the theoretical framework, followed by generation of hypotheses that will be tested according to an established model. The third chapter will go through the methodology and the scientific approach, including the results from the pre-studies and the final study design. The fourth chapter will present the results of the experiment on upon which the hypotheses will be tested. Finally, the fifth chapter will begin with a general discussion of the results, followed by criticism against the study, managerial implications, and suggestions for further research. The thesis will conclude with a final conclusion and aim to answer the research question.

2. Theory and Hypotheses Generation

2.1 Consumer Generated Advertising

As defined, consumer-generated advertising (CGA) is a form of user generated content (UGC) that is described as advertising with, or distribution of, consumer-generated content (Ertimur & Gilly, 2012). As pointed out in the background section (1.2), this type of advertising has become increasingly common for a broad range of industry leading brands. As the concept is still relatively new though, the question of whether (and how) CGA presents a fundamentally different advertising paradigm in comparison to the well-researched concept of traditional advertising has taken central role in academic research on the phenomena (Lawrence et al., 2010).

2.1.1 Initial Positive Indications

The increased managerial interest in CGA has several plausible explanations. One of them is the observed positive effects of known cases as described in the background section (1.2). The positive aspects have also been confirmed by some of the earlier research on CGA, showing that consumer-generated advertising works better at influencing other consumers than traditional advertising, created by professional agencies (Bickart & Schindler, 2001). The main explanation to this result is that CGA has the potential to challenge what is referred to as The Persuasion Knowledge Model (PKM). The PKM presents the idea that over time, consumers become more knowledgeable about advertising and the strategies used by marketers to influence them (Friestad & Wright, 1994).

2.1.2 Subsequent Skeptical Indications

Though the concept of CGA has sparked interest among marketers for quite some time, an increased academic focus on the topic can be noticed during recent years. Later studies have taken a slightly different approach compared to previous research mentioned. Lawrence et al. (2010) were among the first who acted on the renewed interest and explored the effectiveness of consumer-generated advertising. Starting off in a positive manner, their first study, conducted in a laboratory setting, indicated that there are response advantages for CGA in terms of perceived relevance, ad and brand attitudes as well as purchase intention (Ibid). These coherent findings were however somewhat challenged by the results of a more extensive second study, conducted in a natural setting. Here, the authors argue that there appears to be no full-scale consistent CGA effect, as the resulting patterns of consumer engagement were different compared to the first study. Thus, Lawrence et al. (2010) argue that CGA effects are complex and to be properly understood they need to be viewed in the context where they are naturally embedded.

A later study conducted by Ertimur & Gilly (2012) further enhances this complexity of CGA and the concept's contingency-based nature. Their observation of online content indicates that consumer-generated ads that are not made on incentive of a brand are seen as authentic but not credible, while contest CGAs are seen as credible but not as authentic. This finding is in line with previous research on source credibility, stating that from a consumer perspective – communication credibility is sourced from both the company itself and the spokesperson representing it (Lafferty, Goldsmith & Newell, 2000; Stern, 1994a). Consequently, "voluntary" CGAs lack the source of credibility that is otherwise generated from the company.

Ertimur & Gilly (2012) further found that consumers evaluate consumer-generated ads differently than company ads. When encountering a CGA, instead of trying to resist the persuasion attempts (as is usually the way consumers react to traditional advertising), they evaluate the advertisement from a marketer's perspective. In other words, consumers watching a consumer-generated ad start acting as ad critics and focus on evaluating the quality of the ad as well as its ability to influence other consumers. Essentially, the observing consumers' focus seems to shift from evaluating the brand advertised to evaluating the ad in itself.

The study by Thompson & Malaviya (2013) further elaborates on the complexity of CGA by confirming some of the previously indicated negative effects of disclosing to non-participating consumers that an ad has been made by a fellow consumer. Their research shows that attributing the ad to a consumer simply backfires if the creator is portrayed as an unspecified fellow consumer and that in such case, traditional agency-generated advertising is more effective (Thompson & Malaviya, 2013; Georgetown, 2013). What they showed however, was that level of persuasiveness relative to an agency-generated ad can increase contingent upon three independent factors; if the receiver has limited cognitive resources to scrutinize the message, if he/she is highly loyal to the brand or if he/she can identify with the ad creator by getting specific personal background information. The basis for their findings is a model referred to as the "skepticism-identification" model, which points out two opposing effects that might occur when a consumer is presented with an ad made by another consumer: skepticism about the competence of the ad creator as well as identification with the ad creator.

2.1.3 Summary of previous research on CGA

Even though it has been proposed as further research to the topic (Thompson & Malaviya, 2013), no proper study has yet explored whether the media through which a CGA is presented will have an impact on the level of effectiveness and persuasion of the ad. Considering to what extent recent research has indicated that consumer-generated advertising is contingent in nature an context

based, we believe that the impact of different media vehicles and media contexts should be highly relevant to study for both managerial and academic implications. The next section will thus present general research on how the media through which an ad is sent can impact the perception on it, and how that can influence and potentially modify the effectiveness of consumer-generated advertising.

2.2 The effect of Media Vehicles and Media Context

A range of studies throughout the years have shown that through which media an ad is broadcasted can have great impact on how the ad is perceived (e.g. Aaker & Brown, 1972; Bronner & Neijens, 2006) Hence, depending on the media vehicle, the ad will be attributed different levels of value among consumers (Ibid). Additionally, the context surrounding the ad in a media vehicle has also been shown to impact its reception and effectiveness (e.g. De Pelsmacker et al., 2002; Yi, 1990a; Schumann & Thorson, 1990). The theory behind these effects will be explained more in detail below.

2.2.1 Media Vehicles

Media vehicles is referred to as the media outlets that carry brand messages, such as websites, television, or magazines (Aaker & Brown, 1972; Bronner & Neijens, 2006). Several studies throughout the years have shown that the media carrying an ad, through which an ad is exposed, can have significant impact on the overall perception of the product or service it advertises (e.g. Dahlén, 2005; Moorman Neijens & Smit 2002; Schmitt 1994). Consequently, the advertising experience has been shown to fluctuate depending on the type of media vehicle, such as radio or television, through which it is sent (Bronner & Neijens, 2006). According to De Pelsmacker et al. (2002), ads embedded in a specific media channel might become influenced by the perception of that medium. In other words, the medium in itself can be perceived as the source of the message, thereby transferring its characteristics and consequently influence the perception of the message itself (Dahlén, 2005).

The characteristics transfer between the ad and the media can be explained by "the congruity principle", introduced by Fuchs (1964). The principle states that the medium and the brand advertised through it can converge and become more similar in consumers' minds. This effect was confirmed by Dahlén (2005), who showed that using the medium as a visual prime could affect brand associations, increase ad credibility and consequently positively affect ad and brand attitude.

2.2.2 Media Context

Media context is defined as the characteristics of the *content* in the medium in which an ad is inserted (De Pelsmacker et al., 2002). Examples of media context include everything that surrounds the ad, such as editorial articles in a magazine or TV programs sent right before or after a commercial (Ibid). The concept also includes the overarching environment for the ad at the time of exposure (Ibid), which could also include the sender of a message in a media vehicle. The media context has shown to have significant impact on the perception of an ad. Some contexts might fit better for certain advertisements than others, meaning that they can significantly increase the effectiveness of an ad (e.g. De Pelsmacker et al., 2002; Yi, 1990a; Schumann & Thorson, 1990).

To conclude, the media vehicle and the context surrounding an ad can together significantly influence the perception and impact that an ad has on a consumer. The studies made on the media's influence so far have predominantly been performed with agency-created advertising as research subjects. Therefore, this thesis will investigate how consumer-generated advertising is received in several different media vehicles and contexts.

2.2.3 Paid, Owned, and Earned Media

A widely accepted categorisation of media outlets among marketers is referred to as paid, owned, or earned media (Forrester, 2009). In the classic definition, paid media represents traditional paid advertising while owned media refers to channels owned and controlled by a company (Stephen & Galak, 2012), which are thus dependent upon consumers voluntarily approaching them (Rosengren & Dahlen, 2015). Earned media on the other hand, refers to marketing activities that are generated by someone else than the company itself (Stephen & Galak, 2012). Since this division contributes to the overarching environment where an ad is embedded, it will for the purpose of this study be defined as *media context*.

In a global study by the market research firm Nielsen (2015), involving 30,000 respondents in 60 countries, 83 % of consumers stated that they trust earned media, such as word-of-mouth or recommendations from friends and family, more than any other type of advertising. The second most trusted media in the classification was owned media, of which 70% stated that they trust. Finally, approximately 47 % said they trust paid advertising online, a number that has declined steadily since 2009. Advertising on TV is however more trusted, reported at 63% (Ibid). Traditionally, earned media has mainly been discussed and referred to in its classical form, like press publicity and press mentions (e.g. Agarwal and Kamakura 1995; Trusov, Bucklin & Pauwels 2009). With an emerging social media landscape however, increased emphasis has been put on understanding the forces behind and outcomes of earned media in that environment (Stephen &

Galak, 2012). The distinct differences with regards to social versus traditional media is explained below.

2.2.4 Comparison between Social and Traditional Media

Whilst paid, owned, and earned media is a common and helpful categorisation of different media in the marketing industry – the division between social and traditional media is highly relevant to consider too. Colliander (2012) even argues that social media marketing has another logic than the traditional: "In social media, it is more important to the consumer who delivers the message, why they deliver the message and how they deliver the message, than in traditional media." For the purpose of this thesis, it is thus of high importance to explain the differences between the two.

Traditional media is a term used to describe conventional outlets for advertising, including television, magazines, newspapers or radio (Q Consulting, 2011). Hence, traditional media vehicles have been around for the major part of the 20th century. The classic definition of social media on the other hand was not introduced until 2010, when Kaplan & Haenlein defined it as: "a group of internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content". Communication in social media is thus solely two-way between consumers, compared to traditional media which is built on one-way communication between companies and consumers (Colliander, 2012). The main difference between traditional and social media activity thus refers to the source and direction of communication and whether the content is generated and controlled by a professional or by private persons/consumers. Fournier & Avery (2011) even argued that "...marketers are confronted with the stark realization that social media was made for people, not for brands".

Essentially, social media invites to more interaction and engagement as the users actively like or share content and can also see what their friends are liking or sharing (Logan, Bright & Gangadharbatla, 2012). Kozinets, Valck, Wojnicki & Wilner (2010) argues that communication about brands in social media primarily takes place between consumers as a form of word-of-mouth communication. One of the primary reasons to why brands are present in social media is thus to build relationships with consumers, in order to facilitate communication of brand messages (Logan, Bright & Gangadharbatla, 2012). It has further been shown that this high level of social media engagement among consumers increases advertising effectiveness (Calder, Malthouse & Schaedel, 2009).

To conclude, the main difference compared to traditional media is that consumers are no longer passive recipients of marketing messages but are instead co-creators of them and the media that carries them (Berthon, Pitt, McCarthy & Kates, 2007).

2.2.5 Comparison between Television and Social Media

As Television is the only offline traditional media for video commercials and still widely used by marketers, it has been a frequent research object to set in comparison with social media. Hence, for the purpose of this study, it is important to outline the differentiating features.

One distinct difference between television and most other media is that ads broadcasted on TV cannot be skipped or ignored as easily as for example in a magazine (De Pelsmacker et al., 2002). We argue that this is a major difference compared to social media too, as on a social media networks the users have the possibility to just scroll through ads or click out from pop-ups. The major difference between TV and social media however, is the level of involvement it requires from the user. Television is widely considered to be a low-involvement medium as it requires only a minimum level of engagement from the audience (e.g. Krugman, 1965; Thompson & Malaviya, 2013). Online media on the other hand, requires more active involvement in terms of making choices and taking decisions (Calder et al., 2009). In general, social media is considered to be a higher-involvement medium compared to TV, due to its engaging and goal-driven environment (Thompson & Malaviya, 2013; Logan, Bright & Gangadharbatla, 2012).

2.2.6 Combining the different media

When combining the two media categorisations as described, one can intuitively understand that the six different categories they generate together should impact the perception of a message in different ways.

To clarify, we argue that the media being social or traditional represents media vehicles. The division between paid, owned, or earned on the other hand represents the media context, as it constitutes the environment of the advertising subject at the time of exposure (De Pelsmacker et al., 2002). Some examples of the resulting six categories are shown in the table below (Stephen & Galak, 2012; Agarwal and Kamakura 1995; Trusov, Bucklin, and Pauwels 2009).

TABLE 1
POSSIBLE COMBINATIONS OF MEDIA

	TRADITIONAL	SOCIAL
PAID	TV, Newspapers	Ads on SNS
OWNED	Company owned media outlets	Company pages/sites on SNS
EARNED	Press mentions	Likes/shares/ blogposts

Though these combined categorisations are not conventional as such, some studies have been conducted on the basis of them, confirming that they work differently. For example, in a study on sales for a microlending company, Stephen & Galak (2012) found that earned traditional media had the highest impact on sales per unit of publicity, while earned social media had less single impact, but added up to more sales over time. Furthermore, Trusov, Bucklin & Pauwels (2009) showed in their study that earned social media, or online word-of-mouth (WOM), can potentially have a stronger impact on consumer engagement than both paid and earned traditional media. This reasoning is supported by Sonnier, McAlister & Rutz (2011), who showed that WOM in social media has a high effect on a company's sales of products as it affects consumers purchase behavior. Word-of-mouth communication is also appealing as it has the potential to break through consumer barriers while at the same time being much less costly for companies than traditional paid advertising (Trusov, Bucklin & Pauwels, 2009). The general effect of owned media on the other hand, is conditioned upon the fact that consumers voluntarily seek to expose themselves to it, and thus its advertising content (Rosengren & Dahlen, 2015).

2.2.7 Summary of CGA and the media impact

To conclude, the most recent research on CGA has indicated that on a general level, disclosing that an ad is consumer-generated is not ideal for generating positive ad and brand attitude among fellow consumers, nor desirable purchase behavior. What has been shown throughout the years however is that the media channel through which a traditional agency-generated ad is sent and the context surrounding it will have an impact on the perception of it and consequently its reception. It is not too farfetched to expect that the choice of media will impact consumer-generated advertising too, however potentially in a different way. As Thompson & Malaviya (2013) showed in their study, three different conditions for ad exposure significantly improved the reception of

consumer-generated ads. Hence, we aim to investigate whether the right media choice could improve the effectiveness of consumer-generated advertising.

As existing research has already indicated that CGA is less effective than agency-created advertising under normal conditions, the study will not compare the two against each other. Instead, the agency-generated ads and consumer-generated ads will be studied parallel to each other in order to investigate whether the media effects differ between them. Finally, in order to empirically unravel the potential impact of different media vehicles and context on advertising effectiveness, a series of measures will be used and quantitatively tested. These measures are described and conceptualized below.

2.3 Advertising Effectiveness

The study is conducted in accordance with a traditional advertising model called the Hierarchy of Effects Model (HOE), first described by Lavidge & Steiner (1961). The model measures how effective a brand's advertising is on influencing consumers by connecting it to a series of stages that consumers go through before actually buying a product (Ibid). A range of different versions of the model have been developed throughout the years (Barry, 1987), though they have all been built around three fundamental stages; cognition (attention towards the ad or brand), affect (attitude towards the ad or brand), and conation (recommend or purchase the brand) (Smith, Chen & Yang, 2008). As the ad exposure in the experiment itself represents the cognition stage (attention), our study will focus on the last two stages. The affective stage will be measured by the constructs *Ad Relevance, Ad Attitude,* and *Brand Attitude.* The conative stages will be measured by *Willingness to pay* and *Word-of-mouth Intention.* The different measures, why they are relevant and the results we expect for each of them in our experiment will be and explained more in detail below.

FIGURE 1
Hypotheses Model of Study

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2.3.1 Advertising Relevance

Advertising relevance expresses to what extent an ad is meaningful, useful, or valuable for a consumer (Smith, MacKenzie, Yang, Buchholz & Darley 2007; MacInnis & Jaworski, 1989). In other words, it is an expression for how personally relevant an ad is perceived to be. The perceived personal relevance determines consumers motivation to pay attention to and process different ads (Greenwald & Leavitt, 1984), and is thus an important construct to consider for advertising effectiveness (MacInnis & Jaworski, 1989; Kelly, Kerr & Drennan, 2010). As it determines the level of advertising engagement, it also serves as a base for further reactions - such as ad attitude and brand attitude (Wang, 2006).

Wang (2006) showed that relevance between an ad and its media setting can increase the attitude towards it. As outlined earlier, who is sending a message as well where and how is a part of this overall setting. Hence, we argue that paid, owned, or earned media can have different impact on the extent that an ad is perceived as personally relevant for a consumer. The anticipated effects for each category is outlined below.

As earned media, outside of publicity by journalists, concerns communication and evaluation of brands between private persons, it can be classified as a form of word-of-mouth communication (WOM) (Dichter, 1966). Word-of-mouth has been shown to connect with a receiver on a more emotional level than traditional advertising (Mangold, 1987). In social media specifically, factors that determine the influence of WOM on a consumer is trustworthiness and reliability (Chu & Kim, 2011). The *trust* factor refers to whether the recipient of the message believes that the endorser has the recipient's preferences in mind, or if he is allied with the company behind the product (Kozinets et al., 2010). Looking at the statistics presented earlier on the level of trust for different media (Nielsen, 2015), earned media is significantly more trusted than both owned and paid. Hence, since earned media is a form of WOM and is more trusted than owned and paid media, an ad shown through that media should be perceived as more personally relevant for a consumer. Therefore, we argue that earned media should be more effective for *ad relevance* on consumer-generated advertising than owned and paid media.

With regards to owned media compared to paid, we argue that *ad relevance* for CGA should be higher given that owned media is dependent upon voluntary visits by consumers (Rosengren & Dahlén, 2015). Examples include entering a website or company page in a social media network. Therefore, owned media involves a voluntary action and should thus imply higher personal relevance. Also, owned media is more trusted than paid media – which should highlight the

relevance further. One important thing to note here is that given the voluntary action owned media implies, one could also expect that relevance should be even higher than in an earned media. We argue however, that a voluntary visit to a brand's social media page does not necessarily mean that the *advertising* in that page is relevant - as the reasons for visiting the page could vary.

With regards to social media in comparison to traditional, social media implies a greater possibility to ignore messages for consumers, as they can just scroll through them (Calder et al., 2009). Hence, in order to avoid that the ad is ignored, *advertising relevance* should be of particularly high importance in social media. As explained in section 2.2.4, social media builds on exchange of user-generated content (Kaplan & Haenlein, 2010), and two-way communication between consumers (Colliander, 2012). Therefore, considering that the sender behind the message in a consumer-generated ad is a fellow consumer, we believe that it will better match the interactive nature of social media as such. Though advertising on TV is reported to be more trusted than paid ads in social media, we still believe that the matching effect between CGA and social media will increase perceived relevance relatively more. Therefore, we argue that CGA should be perceived as more personally relevant for the receivers in a social media compared to a traditional media.

Therefore, we hypothesize that:

H1	a.	CGA will be perceived as more relevant in an earned media than in an owned and paid media
	b.	CGA will be perceived as more relevant in an owned media than in a paid media
	c.	CGA will be perceived as more relevant in a paid social media than in a paid traditional media

2.3.2 Ad Attitude

Ad attitude is one of the most common measures of advertising effectiveness, representing consumers' negative or positive feelings toward an ad at exposure (Mitchell & Olson, 1981; Lutz, 1985) *Ad attitude* is of high importance since it has been shown to influence *brand attitude* both directly and indirectly in a range of studies (e.g. Gardner, 1985; Mitchell & Olsen, 1981; Lutz, MacKenzie & Belch, 1983).

According to word-of-mouth theory, as outlined in the previous section, earned media is not forced upon the receiver to the same extent as paid media and is also perceived as more trustful (Dichter, 1966; Nielsen 2015). Hence, we believe that earned media should be superior to paid media for generating positive *ad attitude* for CGA. With regards to owned media, one might think that it should generate higher *ad attitude* than earned media due to the voluntary aspect (Rosengren & Dahlen, 2015). However, seeking up information voluntarily does not necessarily mean that the

attitude towards the advertising content is positive. Therefore, we argue that a recommendation from a friend should constitute a better foundation to generate positive ad attitude. On the back of that, and in line with previous reasoning, we argue that owned media should be superior to paid media.

With regards to social media in comparison to traditional, as outlined in section 2.2.4, TV is considered a low-involvement media while social media is high-involvement. In a study by De Pelsmacker et al. (2002) it is concluded that in a low-involvement environment, ads that are inserted in a context that is congruent with the ad itself are more positively reacted to. This is explained by the fact that people who are faced with a low-involvement medium pay less attention to advertising (Zaichkowsky, 1985) and context similarity then works as a peripheral cue that facilitates ad processing (Petty & Cacioppo, 1986; De Pelsmacker et al., 2002).

Thompson & Malaviya (2013) predict that consumer-generated ads will be better received in a low-involvement media (such as TV), as it delimits the risk of consumers scrutinizing the message and becoming skeptical about the ad creator's competence. This expectation is a bit contradictory to De Pelsmacker et al. (2002) who argue that congruence should be positive for *ad attitude*. In the case of CGA, we argue that a consumer-generated ad seen through TV should be perceived as incongruent for the viewer – which will make him/her process the ad more intensively. As Thompson & Malaviya (2013) showed, high processing of a CGA is negative as it makes the receiver of the ad suspicious about ad creator competence. Consequently, we argue that CGA sent through a traditional media will increase the risk for negative *ad attitude*.

Another reason to believe that social media should be better for CGA in terms of *ad attitude* is the potential matching effect we believe can occur, as explained for *ad relevance*. Therefore, we expect that the environment of social media as such will be less skeptical to CGA – implying a higher probability for positive *ad attitude*. Finally, *ad relevance* has previously been shown to influence *ad attitude*, via the emotional link that the *ad relevance* establishes (Edell & Burke 1987; Thorson & Page 1987). Hence, we expect high ad relevance to also result in higher *ad attitude*. Consequently, we argue that social media will generate higher *ad attitude* than traditional media and that earned media will be superior to both owned and paid for *ad attitude* towards CGA.

Therefore, we hypothesize that:

	a.	CGA will generate higher ad attitude in an earned media than in an owned and paid media
H2	b.	CGA will generate higher ad attitude in an owned media than in a paid media
	c.	CGA will generate higher ad attitude in a paid social media than in a paid traditional media

2.3.3 Brand Attitude

Brand attitude is defined as a consumer's overall evaluation of a brand (Mitchell & Olson, 1981; Keller, 1993) and plays an important role in determining consumers' purchase behavior. Hence, it is a very important factor for marketers to consider (Mitchell & Olson, 1981).

Signaling theory (Spence, 1973) is a useful concept for predicting *brand attitude*. In a marketing context, research has shown that advertising can send certain signals about the characteristics of a brand to consumers (Ambler & Hollier, 2004; Kirmani & Wright, 1989). Though the ads themselves inform consumers about a brand's attributes, where the ad is sent could also tell a lot about the brand (e.g. Dahlén 2005; Moorman Neijens & Smit 2002; Schmitt 1994). Therefore, we expect that depending on which media vehicle a CGA is published, different signals about the brand will be generated and consequently different levels of *brand attitude* will be reached.

As previously explained, we believe that an ad seen via an earned media, such as a recommendation from a friend, will be positive and imply higher *brand attitude* compared to an ad seen via an owned and paid media. With regards to signaling theory, Kirmani (1997) showed that high advertising expense sends a signal of high advertising effort, which in turn positively impact brand evaluations. In the case of owned media, we believe that brands who have set up their own social media pages and channels could send a signal that they invest time and effort in getting close to their consumers. As owned media is dependent upon voluntary visits (Rosengren & Dahlén, 2015), higher engagement from the brand is needed in order to attract consumers to their channel. Hence, we argue that owned media should signal a higher level of effort for a brand compared to brands who just buy ads and pushes out their messages. Therefore, we think that *brand attitude* will be higher for owned media than for paid.

The same signaling theory approach can also be applicable on predicting brand attitude with regards to social media in comparison to traditional. Though advertising in social media is not necessarily seen as more expensive than traditional, it still demands more from brands as social media is a sphere that builds on two-way communication. Hence, we argue that in combination with the level of engagement that organising CGA contests imply (which we believe is perceived as more effortful than just paying an agency for creating an ad) should signal high effort, which in turn will be positive for *brand attitude*.

Finally, attitude toward an advertisement has in several studies been proven to affect and influence attitude toward the brand advertised (e.g. Gardner, 1985; Mitchell & Olsen, 1981; Lutz, MacKenzie

& Belch, 1983). Therefore, we expect that the *ad attitude* in our study will in turn affect *brand attitude*, which will further boost our predictions.

Therefore, we hypothesize that:

	a.	CGA will generate higher brand attitude in an earned media than in an owned and paid media
H3	b.	CGA will generate higher brand attitude in an owned media than in a paid media
	c.	CGA will generate higher brand attitude in a paid social media than in a paid traditional media

2.3.4 Willingness to Pay a Price Premium

Willingness to pay a price premium is defined as the maximum amount that a consumer is willing to pay for a good (Aaker, 1996). Fundamentally, it expresses the total value that a consumer designates to it (Homburg, Koschate & Hoyer, 2005). Though the concept has most commonly been linked to brand equity (Aaker, 1996), it is also a common outcome measure in the Hierarchy of Effects model. Additionally, as advertising has been shown to have the potential to increase the *willingness to pay* for a brand on its own (Rossiter & Percy, 1997; Kalra & Goodstein, 1998), it is a sound indicator of advertising effectiveness (Bergkvist, 2000) - as visualized in our model (Figure 1).

Research has shown that a consumer's *willingness to pay a price premium* for a product increases with a strong and favorable *brand attitude* (Håkansson & Wahlund, 1996). When an emotional link to a brand is established, that link increases consumers' *willingness to pay a price premium* for the brand as the emotional connection enhances its perceived value (Thomson, MacInnis & Park, 2005).

Furthermore, a study by Acquisti & Spiekermann (2011) concluded via an experiment that when a brand was promoted through an ad that interrupted the participants during a game, their *willingness to pay a price premium* for a product from that brand significantly decreased. In other words, aggressive advertising that interrupts consumers decrease their *willingness to pay* for the product advertised. As previously explained, social media is a goal-driven environment. Though consumers have the possibility to scroll through ads, it is still of high importance to avoid the feeling of getting interrupted, as it increases the risk for avoidance. Therefore, we expect that earned media should be the less interruptive compared to owned and paid media. In line with previous reasoning on why earned media should be superior to owned and paid media, we argue that earned media should also generate higher *willingness to pay*. This effect should be particularly strong in the case of CGA, as we believe such advertising will be perceived as less intrusive compared to agency-generated advertising.

With regards to social media in comparison to traditional, we would like to apply the same argument as for the other measurements. As explained in previous sections, a stronger emotional attachment increases the *ad relevance* which in turn increases *ad attitude* and consequently *brand attitude*. Therefore, we expect that the pattern shown in the previous steps of the model will be reflected in the outcome on the last measure in the Hierarchy of Effects model too.

Therefore, we hypothesize that:

	a.	CGA will generate higher willingness to pay a price premium in an earned media than in an owned and paid media
H4	b.	CGA will generate higher willingness to pay a price premium in an owned media than in a paid media
	c.	CGA will generate higher willingness to pay a price premium in a paid social media than in a paid traditional media

2.3.5 Word-of-mouth Intention

Word-of-mouth (WOM) was first described by Arndt (1967), who defined it as: "Oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, concerning a brand, product, or a service". WOM has since then been heavily researched and has been proven to be vastly more effective than advertising on generating positive attitudes (Day, 1971) as it connects on a more emotional level than traditional advertising (Mangold, 1987).

Previous research on why material online go viral have indicated that a prerequisite for the content to spread is that the viewers feel an emotional link to it (Phelps, Lewis, Mobilio, Perry & Ranan, 2004; Dobele, Lindgreen, Beverland, Vanhamme & Van Wijk, 2007). Botha & Reyneke (2013) concluded that for a video to spread virally, it needs to establish an emotional connection with the viewer. Additional research has shown that who the sender of a message is determines if the message is sent forward or not, and that the chance that it is passed forward increases if the sender is a friend or relative to the receiver (Van Noort, Antheunis & Van Reijmersdal 2012). We believe that the mechanisms described here are applicable on WOM in terms of talking about and recommending others to see an ad too. Hence, a CGA seen through an earned media implies a higher chance for *WOM intention* than both owned and paid media. With regards to owned media in comparison to paid, we argue that the effects will be similar as for previous measures in the Hierarchy of Effects model - meaning that owned media should be superior.

With regards to social media in comparison to traditional - we would again like to argue for the potential matching effects between social media and consumer-generated advertising. As

previously explained, social media sites are platforms that are built on two-way communication, where consumers constantly involve themselves in the content by liking, sharing, or commenting. In such an environment, one could expect that word-of-mouth behavior is closer at hand. That, in combination with consumer-generated advertising being sourced from fellow consumers, we believe should match the collaborative environment, thus increasing the chance for consumers to talk about and recommend a CGA seen there. Additionally, as shown in our hypotheses model, we argue that a CGA in a social media will through *ad relevance, ad attitude,* and *brand attitude* increase the likelihood of *WOM intention* more in comparison to traditional media.

Therefore, we hypothesize that:

	a.	CGA will generate higher WOM intention in an earned media than in an owned and paid media
H5	b.	CGA will generate higher WOM intention in an owned media than in a paid media
	c.	CGA will generate higher WOM intention in a paid social media than in a paid traditional media

2.3.6 Summary of hypotheses

SUMMARY OF HYPOTHESES

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	a.	CGA will be perceived as more relevant in an earned media than in an owned and paid media
H1	b.	CGA will be perceived as more relevant in an owned media than in a paid media
	c.	CGA will be perceived as more relevant in a paid social media than in a paid traditional media
	a.	CGA will generate higher ad attitude in an earned media than in an owned and paid media
H2	b.	CGA will generate higher ad attitude in an owned media than in a paid media
	c.	CGA will generate higher ad attitude in a paid social media than in a paid traditional media
	a.	CGA will generate higher brand attitude in an earned media than in an owned and paid media
H3	b.	CGA will generate higher brand attitude in an owned media than in a paid media
	c.	CGA will generate higher brand attitude in a paid social media than in a paid traditional media
	a.	CGA will generate higher willingness to pay a price premium in an earned media than in an owned and paid media
H4	b.	CGA will generate higher willingness to pay a price premium in an owned media than in a paid media
	c.	CGA will generate higher willingness to pay a price premium in a paid social media than in a paid traditional media
	a.	CGA will generate higher WOM intention in an earned media than in an owned and paid media
H5	b.	CGA will generate higher WOM intention in an owned media than in a paid media
	c.	CGA will generate higher WOM intention in a paid social media than in a paid traditional media

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3. Methodology

3.1 Scientific approach

The research approach of this thesis is of deductive nature, as existing research forms the basis from which hypotheses are deducted. Theory is thus guiding the overall research (Bryman & Bell, 2011). In consultation with Jonas Colliander, Assistant Professor at the Department of Marketing and Strategy at Stockholm School of Economics, a quantitative approach was chosen to test the hypothesis and provide answers to the research questions. Moreover, a closed approach quantitative method (Jacobsen, 2002) is the recommended approach when the aim is testing objective theories by examining the relationships among variables (Creswell, 2013).

Moving on to the research design, the study is concerned with causality as the thesis aims at examining a cause-and-effect relationship of altering the independent variables (media categorization and creator information manipulations) on the respondents' evaluations and intentions (Bryman & Bell, 2011). Within this specific method of causal research, the experimental design approach is the primary one (Malhotra, 2010). The study at hand was performed as an experiment under controlled conditions (Christensen, Engdahl, Grääs & Haglund, 2010) that provides the possibility to control for external factors and thus increases the possibility that the relationship between the independent and dependent variables are accurate (Webster & Sell, 2007). Lastly, the experiment that was conducted in an artificial setting was according to Söderlund (2010) of laboratory kind.

3.2 Preparatory work

The preparatory work for the main study was deemed to be of great importance to the accuracy of the experiment. In total three pre studies, that are to be outlined below, were conducted before the main study was distributed.

3.2.1 Pre study 1 - Selection of Advertisement

The purpose of pre-study one was to select the advertisement on which the manipulations were to be built. The first choice thus came to be whether the experiment was to be built around a print advertisement in a digital context or around a video commercial. Video commercial was deemed to be the most adequate choice as most CGAs have been created in video format and that format has also been the focal subject in previous research. Hence, the choice of a video ad was the most suitable for the purpose of this study.

The selection of what specific video commercial to use in the experiment was tested for quantitatively. The goal was to select the most appropriate video for both creator conditions that would be given in the experiment. In other words, a prerequisite was that it should be equally believable that the video was consumer-generated as agency-created, regardless of the stimuli the respondent was to be exposed for. For the stimuli to be perceived as real as possible, it was also decided to not use a fictive advertisement as stimuli.

Three video commercials were chosen as subjects for the pre-test according to a set of criteria. The commercials had to be:

a) Consumer-generated
b) Approximately 30 seconds long
c) Not gender or age specific
d) Representing an existing brand on the Swedish market, without having been broadcasted in the market previously in order to reduce the risk of previous exposure
e) Without or with minimal speech in the ad to avoid language misunderstandings

Based on these criteria, three commercials representing the following brands were selected: Coca-Cola, Doritos and Lipton.

A questionnaire was created using the online survey software Qualtrics, which was distributed to a convenience sample of 50 respondents of which 46 completed the survey. Respondents were given the information that the advertisements were either 1) consumer-generated or 2) agency-generated, after which they were asked to rate how believable they found the information to be for all three videos on a 7-point Likert scale, ranging from 1= Not at all believable to 7= Completely believable. To increase the reliability of the pre study, the same questions were asked for each video (Malhotra, 2010). Distribution of the two manipulations, as well as the order the different commercials were shown within the survey, was completely randomized in order to assure comparability of the groups (Söderlund, 2010).

Due to the size of the groups (n<30), the data was analyzed using Nonparametric Independent sample tests as a normal distribution could not be assumed (Malhotra, 2010). The results can be found in table 3 below. As the main criteria for the chosen video was that it should be suitable for both the consumer and agency manipulations, it was decided that no significant mean differences were to be accepted between the groups for the respective videos. Thus, Lipton (p = 0,00) was the

first commercial to be ruled out. Additionally, as Doritos generated the highest mean values for both manipulations it was chosen as the final candidate for the main study.

TABLE 3
Results Pre-study 1

	Means Agency	Means CGA	Mean Differences	Sig.
Doritos	5,43	4,75	0,87	,08
Coca Cola	4,83	3,83	1,00	,11
Lipton	5,70	3,26	2,44	,00***

n= Total: 46, Agency: 23, CGA: 23
Significance: *p<,05; **p<,01; ***p<,001

3.2.2 Pre study 2 - Creation of manipulations: Independent variables

The aim of the second pre-study was to test and select the independent variables. With regards to the purpose of the thesis, the experiment required two dimensions of independent variables; information about the ad creator and the media stimuli surrounding the ad. As discussed in the theoretical section, the study aims at examining media vehicle and context effects on CGA by comparing the occurring mechanisms to agency-created advertising across different media. Hence, the experiment was built up of *treatment groups* and *reference groups*. The treatment groups were given the information that the ad was consumer-generated, while the reference groups were given the information that the ad was professionally created. Additionally, the groups were exposed to the advertisement through specific media vehicles and contexts. The selection of these is to be described below.

Based on media context theory it was decided that the media categorization and manipulation was to be based on the *'Paid/Owned/Earned'* categorization (Steven and Galak, 2012). It was however, following the findings of pre-study 1, yet to be decided which concrete media vehicles would be included in the experiment and whether these would be of *traditional* or *social* character. For this purpose, a qualitative study approach was chosen as the goal was to track initial reactions to the proposed stimulus, assure full comprehension of the *paid/owned/earned* categorization, as well as attaining concrete feedback for aesthetic aspects. Thus, in-depth-interviews were held with ten participants based on a convenience sample.

Three social media candidates were selected based on their penetration in the Swedish market (Svenskar och sociala medier 2015, 2015). Facebook was chosen to represent the *paid* media setting (i.e. a *paid* ad in a Facebook newsfeed), Youtube was selected to represent the *owned* media setting (i.e. a displayed ad on a company *owned* Youtube channel) and Twitter as the *earned* media setting (i.e. a retweeted ad in a Twitter feed). The chosen combinations of media vehicle and media context

was partly based on our ability to model a realistic scenario based on the two components. For the traditional media stimulus, selection of potential representatives was more complex. Due to the fact that the selected ad was in a video format, several traditional media outlets were ruled out as they are non-digital. Thus, the choice of a traditional media vehicle had to fit the criteria of being digital and non-social. On the back of that, TV4 Play (one of the largest digital TV providers in Sweden (Mediavision, 2016)) was chosen to represent the *paid* media setting - showing the ad before a TV program. Doritos company website was chosen to represent the *owned* media setting, showing the ad upon entering the website. Finally, Dagens Media (a well-known Swedish digital magazine with a marketing and communications focus) was chosen to represent the *earned* media setting, showing an article covering the advertisement.

It should be noted that linear TV was considered as a representative for the *traditional paid* setting, considering the un-endangered position it withholds for advertising in traditional media (Institutet för Reklam och Mediestatistik, 2016). However, considering that it would have been the only non-digital candidate, it was eliminated due to difficulties in modelling a realistic offline scenario in an online survey.

Nevertheless, a total of six media vehicles, three social and three traditional, were tested in pre-study 2. Four of these, three social and one traditional, were selected for the main study: Facebook (*paid*), Youtube (*owned*), Twitter (*earned*) and TV4 Play (*paid*), as outlined in the table below. The selection was based on two main insights. Firstly, based on the pre-study results, all chosen channels were perceived to be clear representatives of the media categorization (*paid/owned/earned*), while most respondents had difficulties identifying what media categorization the company website and dagensmedia.se were representatives of. Furthermore, the channels were deemed to be the most well-known and used media vehicles for both consumers and marketers, and could thus give the most valuable implications for managerial purposes.

TABLE 4

CHOICE OF MEDIA CONTEXT AND VEHICLE REPRESENTATIVES		
MEDIA CONTEXT	**MEDIA VEHICLE**	
Paid	Traditional	TV4 Play
	Social	Facebook
Owned	Social	Youtube
Earned	Social	Twitter

Regarding the choice of having three social and one traditional channel, it is argued that social media vehicles are of high interest considering their increasing magnitude in the advertising industry (Barnes and Mattson, 2009; Hof, 2011) Additionally, it was decided to include Television as the fourth channel, considering its penetration and dominant position in the advertising market. Also, it was deemed to be an interesting channel to allow for testing differences in perceptions between the two extremes in the matrix - *paid traditional* (TV4 Play) and *earned social* (Twitter).

The following improvements were made to the manipulations based on the results of the pre-study. Firstly, the respondents reacted to the number of likes/dislikes, comments and views of the advertisements on Youtube, Twitter, and Facebook, and whether these numbers were "high" or "low" when assessing them. Therefore, the numbers were adjusted to better represent the amount of likes/dislikes, comments and views that an average Doritos commercial has in each channel. Secondly, as the subjects perceived the feeds to be unrealistic with only one post, content following the ad was added and subsequently blurred to serve as "continued" feed on Twitter and Facebook. Lastly, despite discussions to add additional content to the media in order to make the setting more realistic, it was decided to only include the frame of the media to eliminate the risk of respondents becoming distracted or affected by irrelevant information in the experiment.

Moreover, the text stimuli (information about the ad creator) was tested. As there were no objections to the content or layout however, no changes made. After the second pretest the number of study cells for the main experiment were thus finalized to a 2x4 (creator x media stimuli) matrix. The four different media vehicle manipulations as well as the creator text stimuli can be found in appendix section 7.2 and 7.3.

3.2.3 Pre study 3 - Testing the Questionnaire

As recommended by Bryman and Bell (2011) in order to assure high quality, the questionnaire was tested on a small sample before it was distributed in the actual experiment. Thus, a pilot study of the questionnaire was conducted on a convenience sample of ten respondents. The respondents were presented with the pilot questionnaire and asked to thoroughly examine and comment on whether the questions were easy to grasp and understand. Minor misinterpretations were adjusted for, as well as the order of some questions to create a better flow. The main observation from the respondents was the length of the survey and that it was hard to remember the initial manipulation throughout the whole questionnaire. Thus, it was decided to include a progress bar to show respondents how far along they are in the survey. Also, a re-exposure of the manipulation was included in the middle of the questionnaire, in the attempt to maintain the respondents' attention and avoid tiredness (Söderlund, 2010). After the adjustments were carried out, the updated

questionnaire was tested on four additional respondents. As no remarks were found, the pre-studies were deemed to be finalized.

3.3 The Main study

For the main survey, responses were collected for 14 days between the 28th of March and 11th of April 2016. Data was collected via a self-completion survey, distributed through the online survey tool Qualtrics. Below, the research design including a description of the independent variable manipulations will be presented, followed by a description of the questionnaire and the dependent variable measurements. Lastly, the sampling process will be outlined.

3.3.1 Overall Research design

The main study consisted of two independent variables: a) the creator of the advertisement: *'Consumer'/'Agency'* (treatment groups/reference groups) and b) the media vehicle and context in which the advertisement was framed: *'Paid (Traditional)'/'Paid (Social)'/'Owned (Social)'/'Earned (Social)'*. Hence, as illustrated in the table below, the study was made up of eight cells. The distribution of the manipulations, i.e. the combination of independent variables, was completely randomized in order to assure comparability of the eight cells as recommended by Söderlund (2010).

TABLE 5
Research design

| | TRADITIONAL | SOCIAL | | |
	PAID	PAID	OWNED	EARNED
CGA (Treatment Groups)	TV4 Play	Facebook	Youtube	Twitter
Agency (Reference Groups)	TV4 Play	Facebook	Youtube	Twitter

The manipulations that the respondents were subjected to were executed in two steps and followed by a re-exposure later on in the study. First, upon starting the questionnaire, respondents were exposed to a text that they were asked to read carefully.

The text gave information, priming the respondents regarding who the creator of the advertisement was ('CGA'/'Agency'), in which media outlet the advertisement was to be seen (TV4 Play/ Facebook/ Youtube/ Twitter), and finally in what context the specific media vehicle represented ('*Paid (Traditional)'/'Paid (Social)'/'Owned (Social)'/'Earned (Social)'*). Thereafter, the respondents were

shown the actual manipulation, exposing them to the 30 seconds long video commercial which was framed with the specific media vehicle and context. In the middle of the questionnaire, the respondents were re-exposed to the manipulation again, including the information text and media setting. The re-exposure of the manipulation thus served as a tool to reinforce the link between the manipulations and answers.

3.3.2 Questionnaire

After discussions with Jonas Colliander, the structure of the various parts of the questionnaire was outlined in order to achieve a logical progression. As the survey was to be distributed to native Swedish respondents, it was produced in Swedish and thus established measurements in academic research were translated in order to maximize the comprehension among respondents. Additional precautions concerning the complexity of certain constructs were taken into account considering the fact that the survey was to be distributed among people from varying demographics.

The questionnaire consisted of a number of questions, described in the dependent variable section below, with the intention to collect responses regarding ad and brand evaluations, action intentions and demographics. The respondents were asked to which extent they agreed with different statements and the majority of variables were measured on a seven point Likert or Semantic scale. As recommended by Söderlund (2005), the scales were constructed with low or "negative" values on the left and high or "positive" values on the right. In the attempt of increasing the reliability (Söderlund, 2005), multi-item measurements were used to the extent possible, allowing for high internal consistencies. The internal validity of the multi-item measurements was tested for by using a Cronbach´s Alpha test.

In consultation with Jonas Colliander and Magnus Söderlund, Professor at the Department of Marketing and Strategy at Stockholm School of Economics, the last part of the survey consisted of three questions which served as manipulation controls. This part of the survey design was perceived to be of high importance to increase the reliability of the experiment as a whole and thus, effort was put on designing the questions so that that they could serve as proof of whether assigned scenarios had been correctly understood and respondents properly primed. Accordingly, respondents were first asked if they had seen the advertisement before, followed by a multi-choice question allowing for the respondents to answer *where* they had seen the advertisement - not only specifying the medium but also whether the ad was presented in a *paid*, *owned* or *earned* context. Lastly, respondents were asked if they could recall who the creator of the advertisement was ('*Consumer*'/'*Agency*'/'*Do not know*'). Hence, all crucial manipulations of the experiment were covered

for. In line with Söderlund´s (2005) recommendations, the survey ended with questions of demographic character.

3.3.2.1 Dependent variables

The dependent variable measurements are to be presented below.

Relevance of the Advertisement

To assess the perceived *Relevance of the Advertisement,* the measurement *Brand to Consumer Relevance* was adapted and used from Smith et al. (2007). The following questions were included: *'The commercial was meaningful to me'*, *'The commercial was appropriate to me'*, *'The commercial was useful to me'* and *'The commercial was valuable to me'* and answered on a seven-point scale from 1= *'Strongly Disagree'* to 7= *'Strongly Agree'*. An index of the four statements was thereafter created, showing a Cronbach's Alpha of $\alpha = 0.89$.

Advertisement attitude

Attitude toward the advertisement was measured using the definition by Gardner (1985) where respondents were asked to answer the question *'What is your overall opinion of the commercial?'* on a four item, seven-point semantic differential scale: *'Bad/Good'*, *'Dislike/Like'*, *'Irritating/Not irritating'* and *'Uninteresting/Interesting'*, showing an internal consistency of $\alpha = 0.88$.

Brand attitude

Attitude Toward the Brand was measured using Thompson & Malaviya's (2013) Brand Evaluation construct on three scale items: *'Bad/Good'*, *'Low quality/High quality'* and *'Dislike/Like'*. Responses to the measures were recorded on seven-point semantic differential scales with an internal consistency of $\alpha = 0.92$.

Willingness to Pay a Price Premium

Willingness to pay a price premium was measured using a definition adapted from Netemeyer et al. (2004), where respondents were asked to what extent they agreed with the statements *'I am willing to pay a higher price for Doritos than for comparable brands'*, *'I am willing to pay a lot more for Doritos than for comparable brands'* and *'Doritos is worthy a higher price than comparable brands'* on a seven-point scale from 1= *'Strongly Disagree'* to 7=*'Strongly Agree'*. To be able to make the assessment, respondents were provided with the information that *'Currently, Doritos is priced along the lines of comparable snack brands on the market'*. An internal consistency of $\alpha = 0.91$ gave support to the index.

Word-of-mouth intention

Word-of-mouth intention was measured using a definition adapted from Alexandor, Lilly & Babakus (2013). The scale was measured as likelihood, with responses ranging from 1= *'Very unlikely'* to 7= *'Very likely'*. Respondents were asked how likely they found the following statements: *'I would say positive things about the advertisement'*, *'I would recommend others to watch the advertisement'* and *'I would talk to others about the advertisement'*. An internal consistency of α = 0.86 was obtained for the measurement.

3.3.3 Quantitative data sampling

For the main study, a total of 559 responses were collected.

The sampling was carried out according to The Sampling Design Process recommended by Malhotra (2010). In order to assure comprehension of the experiment and its independent variables, the target population and sampling unit was defined as male or female adolescents and adults that have experience from online and social networking sites. Sampling was done without replacement and considering the monetary and time constraints, a non-probability sampling technique was employed (Malhotra, 2010). As the study aims at serving as a springboard for further research, rather than specifically and primarily providing results that can be generalized for a wider population, data was collected via a convenience sample (Bryman and Bell, 2011). In an attempt to target elements that possess the information sought for the purpose of the research and reaching a large sample size, three sampling frames were chosen: a list of email addresses to university students at Stockholm School of Economics, friends and acquaintances on Facebook through which the survey was distributed and lastly access to ten high school classes at Thoren Business School in Uppsala during the 5th and 6th of April. All respondents, regardless of sampling frame (i.e. online collection or collection by visit) were distributed and completed the survey via the Qualtrics link as for why full randomization between the study groups was achieved.

Through the three sampling frames, the survey was distributed to 862 respondents in total, of which 559 respondents completed the survey. The response rate was thus 65% and thereby the non-response rate ended up in 35%. In accordance with recommendations by Malhotra (2010), who argues that low response rates increase the probability of a non-response bias, attempts were made to improve the initial response rate. As the majority of the non-response rates were refusals, the following methods (Malhotra, 2010) were carried out to reduce them and thereby improve the response rates; respondents were incentivized to respond by being awarded the possibility to win

gift cards for a clothing retailer, and several follow-ups were carried out. Among these were email and Facebook message reminders as well as visits to four seminars and lectures at Stockholm School of Economics, aiming at increasing the response rate within the sample. Consequently, the response rate was improved to the stated level of 65%.

According to Bryman and Bell (2011) among others, a sample size of 30 respondents per analyzed group is necessary to be able to assume a normal distribution and thereby obtain generalizable results from the data. In this gathered data set, all eight groups were of roughly equal size and fairly large. The gathered sample consisted of respondents between 16 and 71 years of age with an average age of 25 years. The gender distribution in the sample was 62,6% female, 36,3% men and 1,1% whom stated they did not want to declare their gender.

3.4 Analytical tools

Analysis of data was conducted through the statistical program SPSS, version 23, for Pre Study 1 and the Main Study. To increase the strength of the results for the variables, indexes were created for each multi-item measurement before the main analysis was conducted. The multi-item measurements were tested for internal consistency using Cronbach's Alpha tests and results over $\alpha = 0.70$ were accepted (Malhotra, 2010). To test hypothesis H1-H5 analysis of variances (ANOVAs) were conducted. To determine the significance and gain empirical support, the conventional one-tailed significance level of 5% ($p<0,05$) was used (Malhotra, 2010). As the study is a between subjects experimental research design and hypotheses are concerned with comparing dependent variable mean levels between groups, an ANOVA is the appropriate test as it allows for analysing several groups together. Moreover, an additional analysis of the hypothesis was carried out using Independent Sample T-tests. As it is somewhat unconventional to perform T-tests when assessing mean differences between selected pairs in an experiment with more than two treatment groups (Newbold, Carlson & Thorne, 2012), a Bonferroni correction to the alpha values was applied to control for Type 1 errors (Pallant, 2007). Consequently, instead of using the conventional significance level of 5% ($p<0,05$), a stricter and revised alpha level of 2,5% ($p<0,025$)[1] was used as a criteria to determine significance for the T-test analysis (Pallant, 2007). Furthermore, a Pearson's Bivariate Correlation analysis was carried out to test the linkage between the different variables in the proposed study model.

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[1] Bonferroni corrections adjust the alpha level by the number of test that are to be conducted between the groups in order to control for Type 1 errors. In above case the alpha level of .05 is divided by two, which is the number of T-test between groups that are to be carried out in the analysis.

3.5 Data quality

Reliability and validity are two common concepts of research quality. The concepts are dependent, as one cannot achieve measurement validity without obtaining reliability (Söderlund, 2010). Therefore, to guarantee the accuracy of this thesis and its findings it is crucial to measure the reliability and validity of the study (Bryman & Bell, 2011; Malhotra, 2010).

3.5.1 Reliability

Reliability indicates if the precision on the study is satisfactory (Söderlund, 2005) and is commonly measured in terms of *stability over time* and *internal reliability* (Bryman & Bell, 2011), Thus, if an experiment gives consistent results when performed on different occasions, the precision and reliability of the study is high (Söderlund, 2005; Malhotra, 2010). Reliability is of particular importance in quantitative research (Bryman & Bell, 2011) and thus it is crucial to evaluate for this thesis.

For results to be reliable they should ideally be repeated identically in different points of time and generate identical results (Söderlund, 2010; Bryman & Bell, 2011) - referred to as Stability over time. However, the scope of this thesis did not allow for re-conducting the exact study again. To ensure that the study is stable over time and increase the comparability of the thesis with further research, the questionnaire was instead pre-tested in a pilot study to assure understanding of the research measurements. Thus, the probability of obtaining the same results in future studies was increased. Nevertheless, to certainly achieve stability over time, it would be needed to re-conduct the exact survey again.

To achieve internal reliability, the measurements of the study must be consistent and reliable (Bryman & Bell, 2011). To reach a high internal reliability, the items that are proposed to measure the same general construct should correlate with each other and each respondent should give an overall score for a measurement (Bryman & Bell, 2011). According to Söderlund (2005), the highest probability of assuring high internal reliability is through the use of well-established multi-item measurements. Therefore, an extensive exploration in relevant academic research was conducted before the questionnaire was finalized. Moreover, Cronbach's alpha tests were carried out to further control the internal consistency between the multi-item measurements (Malhotra, 2010). All measures of the study indicated a Cronbach´s alpha of 0.86 or higher, indicating a high internal consistency and reliability.

3.5.2 Validity

Validity indicates whether the study measures what it is intended to measure, and consequently to what extent it is free from random as well as systematic errors (Söderlund, 2010). The measurement consists of both internal and external validity.

3.5.2.1 Internal validity

Internal validity is concerned with whether variations in the independent variables cause variations in the dependent variables (Bryman & Bell, 2011) or if there are other, external factors, influencing the results. In this specific study, the questionnaire that the respondents were subjected to was identical, except for the independent variables. Thus, to a large extent, the changes in the dependent variables could be identified and derived from the independent variables that had been altered. Moreover, as discussed in section 3.3, rigid manipulation checks were implemented to further assure that the observed results were indeed an effect of the intended stimulus. Despite of the risk of potential effects of pre-existing attitudes, it was decided to use a real instead of fictional brand in the study. The fact that although the Doritos brand is present in the Swedish market, it was only recently introduced (Newsdesk, 2015). Thus, we argue that the brand makes for a better candidate than for instance a market leader brand with strong previous associations such as Coca-Cola, which further supports the results of pre-study 1. Moreover, it should be noted that the use of real brand, although researched in a laboratory setting, offers a higher geological validity (Bryman & Bell, 2011).

3.2.5.2 External validity

The external validity is concerned with whether the cause-and-effect relationship of the variables can be generalized to fit into other contexts and situations (Söderlund, 2010). The purpose of this thesis is to examine the effects of disclosing consumers as the creators of consumer-generated ads across different media platforms. Even though the use of one advertisement for one product category weakens the external validity, the use of four different media vehicles (across three categories) gives room for certain generalizability with regards to the broad spectrum of media settings tested. The use of a convenience sample is a possible threat for the external validity of the results though (Malhotra, 2010). It is however argued, given the scope and restraints of this study, that generalization is not the primary focus. Instead, the results should rather be used to provide an indication of how consumer-generated ads affect consumers' attitudes and intentions across different media settings and therefore to serve as a springboard for further research.

4. Results

4.1 Manipulation control

Before investigating the hypotheses, the sample was adjusted to the outcome of the manipulation controls, which were conducted in order to ensure internal validity and secure that the observed effects were indeed caused by the intended stimulus. In this step, approximately 45% of the respondents were excluded from the analysis as their responses were not considered to be of satisfactory quality. Although the loss in responses was substantial and somewhat surprising considering the pre-study results, it was, in consultation with Jonas Colliander, decided to prioritize response quality over sample size. Therefore, all manipulation controls were taken into account, meaning that 100% of the respondents in the final dataset had passed all of the three control questions. Discussions regarding the high default rate, despite contradictory results in pre-test, can be found in the data quality section (3.5). Below, each manipulation check and its effect on the analyzed dataset will be discussed.

4.1.1 Previous exposure to advertisement

The first prerequisite for being included in the analyzed data set was for the respondent to not have seen the advertisement previously to the experiment. As discussed in section 3.2.1 the Doritos advertisement had not been aired in Sweden on traditional media, nor have Swedish consumers been targeted with the advertisements online. However, the commercial can be found online. Even though the likelihood of a respondent having seen the advertisement previous to the experiment is small it is not non existing. It is possible for a respondent to the hurt the results of the survey by knowing prior to participating in the experiment whether the advertisement is consumer-generated or agency-created. Hence, it was decided to include a control-question regulating for this possibility.

A total of 29 respondents were excluded in this part of the manipulation check (some of which are applicable not only in this criterion), representing approximately 5% of the gathered dataset.

4.1.2 Media setting manipulation

Moving on, respondents were asked to recall the media vehicle stimuli as well as whether this was presented through a *paid*, *owned* or *earned* context. As such, the multiple-choice question was multi-layered and respondents were not only asked to recall whether they had for instance been exposed to *'Facebook'* or another media vehicle but also whether the advertisement was displayed in the shape of *'A paid advertisement on your Facebook feed'* (*paid*), *'A post on Doritos Facebook-page'* (*owned*) or *'A shared post on your Facebook feed'* (*earned*) and thus only one of ten possible alternatives was considered correct.

Matching this criterion, 135 responses, approximately 24% (some of which are applicable not only in this criterion), were excluded from the gathered dataset. These results were to some extent surprising as the results and improvements following Pre-Study 2 indicated that the *paid/owned/earned* simulation was understandable and clear. A possible reason however, was that the categorisation might be unknown for some respondents and therefore not likely something they would reflect upon. However, considering the profound theoretical base of the construct and its central value for the research questions, it was decided that only those who understood the manipulation with absolute certainty were to be included in the analyzed dataset. Therefore, the number of 135 responses were excluded from the gathered dataset after this manipulation control.

4.1.3 Advertisement creator manipulation

Lastly, respondents were asked to recall who the creator of the advertisement was, given the choices *'Consumer'*, *'Advertising agency'*, and *'I do not know'*. Similarly to the discussion above, it was after Pre-test 2 concluded that the information provided to respondents regarding the creator of the advertisement was clear and understandable. Despite of this, 177 respondents (some of which are applicable not only in this criterion), representing approximately 31% of the gathered dataset gave the wrong answer. The majority of these had selected *'I do not know'* (n=127), while the rest had selected the wrong alternative out of *'Consumer'* or *'Advertising Agency'* (n=50)). Nevertheless, the full amount of 177 responses were excluded from the gathered dataset.

In total, 250 responses were excluded from the gathered dataset, meaning that the final dataset consisted of 309 respondents. It should be noted though, that 91 of the excluded respondents had answered the wrong alternative in more than one control question. Considering the fact that these make up nearly half of the excluded respondents, it could be argued that the default rate among some of the respondents is a result of low involvement rather than weak manipulations, further supporting the argument of requiring full, without exceptions, understanding of the manipulations.

4.2 Assessing the hypotheses

The following section investigates how the advertising effectiveness of consumer generated and agency-generated ads is affected by being distributed to a spectrum of different media vehicles and contexts. This is examined through empirically testing the variables proposed as affective constructs of the HOE model; (H1) *relevance of the advertisement*, (H2) a*dvertisement attitude* and (H3) *brand attitudes*, followed by an analysis of the conative constructs of the HOE model, which is measured by (H4) *willingness to Pay a Price Premium* and (H5) *WOM intention*. Following the manipulation control above, any effects on the dependent variables; positive, negative or absent,

are indubitably a result of the combined research stimulation of the experiment. All hypotheses are tested by conducting analysis of variances (ANOVA) tests where a significance level of ,05 (p < ,05) will be accepted.

4.2.1 The effects of media context on advertising effectiveness - Relevance of the advertisement

Following the reasoning presented in the theoretical section, it is hypothesized that respondents of both the treatment and reference groups will perceive the advertisement to be more or less relevant to them depending on the media context in which they are presented to it. Thus, hypotheses 1a through 1c were tested by using a one-way ANOVA on the *ad relevance* variable, for which the results can be found in the table below.

	AD RELEVANCE				ANOVA	
	Paid Traditional	Paid Social	Owned Social	Earned Social	F - value	Sig.
CGA (Treatment groups)	2,02	2,10	2,08	1,95	1,351	,226
Agency (Reference groups)	1,79	1,95	2,06	2,61		

n= Total: 309, (CGA: Paid trad.:56, Paid soc.:36, Owned:40, Earned:41), (Agency: Paid trad.:33, Paid soc.:35, Owned:32, Earned:36)
Significance: *p<,05; **p<,01; ***p<,001

The mean *ad relevance* was low for all eight conditions. For the reference groups, i.e. those that were presented the agency creator stimulus, the mean values followed the hypothesized pattern. The *earned* condition scored the highest mean value (M = 2,61) while the *paid (traditional)* condition had the lowest mean value (M = 1,79), indicating quite a substantial difference in values at a first glance. For the treatment groups however, i.e. those that were displayed the consumer creator stimulus, the mean values had a low variance across the conditions, where the *owned* consumer condition had the highest mean value (M = 2,08) and the *earned* consumer condition the lowest (M = 1,95). Thus, on a mean value basis the treatment groups were not following the hypotheses. Despite the differences and in contrast to our anticipation, the omnibus test showed that all means between the conditions were equal (F = 1,351, p = .226) in the treatment group, the reference group and between both groups. In other words, on an ANOVA test level, no significant differences can be found on perceived *ad relevance* between any of the conditions, regardless of the context in which the advertisement was presented. Hence, the hypotheses 1a through 1c were rejected.

	a.	CGA will be perceived as more relevant in an earned media than in an owned and paid media	
H1	b.	CGA will be perceived as more relevant in an owned media than in a paid media	REJECTED
	c.	CGA will be perceived as more relevant in a paid social media than in a paid traditional media	

4.2.2 The effects of media context on advertising effectiveness - Ad attitude

It was further proposed that the respondents' *advertisement attitude* would vary depending on the context in which they are presented the ad. Thus, in assessing Hypotheses 2a through 2c the mean levels of the *ad attitude* variable were compared for the eight conditions.

	AD ATTITUDE				ANOVA	
	Paid Traditional	Paid Social	Owned Social	Earned Social	F - value	Sig.
CGA (Treatment groups)	3,77	4,19	4,21	3,94	1,527	**,157**
Agency (Reference groups)	3,71	4,06	4,36	4,67		

n= Total: 309, (CGA: Paid trad.:56, Paid soc.:36, Owned:40, Earned:41), (Agency: Paid trad.:33, Paid soc.:35, Owned:32, Earned:36)
Significance: *p<,05; **p<,01; ***p<,001

In this case, once again for the reference groups with the agency creator stimulus, the *earned* condition gave the highest mean (M = 4,67) while the lowest mean was found in the *paid (traditional)* condition (M = 3,71). For the treatment groups, once again the mean values are not according to the hypothesized pattern nor in line with the values of the above mentioned relevance variable. In this case, the *owned* condition had the highest mean value (M = 4,21) while the *paid (traditional)* was the condition with the lowest mean value (M = 3,77). Again, the omnibus test showed that the means were equal (F = 1,527, p = .157) between all groups and conditions indicating that there is no significant difference in *ad attitude* depending where the advertisement is displayed. Thus the second hypothesis in total (2a through 2c) was rejected.

	a.	CGA will generate higher ad attitude in an earned media than in an owned and paid media	
H2	b.	CGA will generate higher ad attitude in an owned media than in a paid media	REJECTED
	c.	CGA will generate higher ad attitude in a paid social media than in a paid traditional media	

4.2.3 The effects of media context on advertising effectiveness - Brand attitude

In accordance with presented theory it was thereafter proposed that the respondents attitude toward the brand should vary depending on the media context the advertisement of the company was presented in. Thus, hypotheses 3a to 3c were tested by comparing the *brand attitude* levels among the eight conditions.

	BRAND ATTITUDE				ANOVA	
	Paid Traditional	Paid Social	Owned Social	Earned Social	F - value	Sig.
CGA (Treatment groups)	4,00	4,09	4,05	4,31	1,210	**,297**
Agency (Reference groups)	4,10	4,13	4,18	4,81		

n= Total: 309, (CGA: Paid trad.:56, Paid soc.:36, Owned:40, Earned:41), (Agency: Paid trad.:33, Paid soc.:35, Owned:32, Earned:36)
Significance: *p<,05; **p<,01; ***p<,001

Here both the treatment groups and the reference groups indicated hypothesized relationships among the conditions. However, the reference group shows bigger differences among the conditions than the treatment groups. Nevertheless, in the reference groups, the *earned* condition (M = 4,81) had the highest mean value and the *paid (traditional)* condition (M = 4,10) had the lowest mean. For the treatment groups, the *earned* condition (M = 4,31) produced the highest mean value while the *paid (traditional)* condition (M = 4,00) generated the lowest mean. As opposed to our anticipation, the omnibus test for the *brand attitude* variable indicated that the means between all conditions were equal (F = 1,210, p = ,297). As it was significantly proven that there is no difference in *brand attitude* regardless of where the advertisement is displayed or what creator information is provided, the hypotheses 3a to 3c were rejected.

H3	a.	CGA will generate higher brand attitude in an earned media than in an owned and paid media	
	b.	CGA will generate higher brand attitude in an owned media than in a paid media	**REJECTED**
	c.	CGA will generate higher brand attitude in a paid social media than in a paid traditional media	

4.2.4 The effects of media context on advertising effectiveness - Willingness to pay a price premium

It was further hypothesized, based on previous theoretical findings, that respondents' *willingness to pay a price premium* for an advertised product will increase or decrease depending on the context in which the advertisement is displayed. Hypotheses 4a through 4c were thus tested using a one-way ANOVA on the *Willingness to Pay a price premium variable*. The results are displayed in the table below.

	WILLINGNESS TO PAY PRICE PREMIUM				ANOVA	
	Paid Traditional	Paid Social	Owned Social	Earned Social	F - value	Sig.
CGA (Treatment groups)	2,47	2,17	2,30	2,69	2,077	**,046***
Agency (Reference groups)	2,42	2,58	2,78	3,33		

n= Total: 309, (CGA: Paid trad.:56, Paid soc.:36, Owned:40, Earned:41), (Agency: Paid trad.:33, Paid soc.:35, Owned:32, Earned:36)
Significance: *p<,05; **p<,01; ***p<,001

In the reference groups the same consistent pattern is yet again evident; the *earned* condition (M = 3,33) had the highest mean value while the *paid* (traditional) condition (M = 2,42) provides the lowest. A similar pattern can be found for the treatment groups as well, but with lower mean values differences; the *earned* condition (M = 2,69) gave the highest mean while the *paid* (social) condition (M = 2,17) gave the lowest. Here, it should be noted that the lowest value for the treatment group was in the *social paid* context compared to the *traditional paid* being lowest previously. Hence, all combinations of highest vs. lowest mean values had been achieved in the treatment group, further supporting the inconsistent behavior of the results in the treatment conditions.

As an omnibus test showed that the means were not equal (F = 2,077, p = ,046), indicating that there are significant differences for the *Willingness to pay a price premium* variable, a Scheffe's post hoc test was conducted to compare the means between the specific groups. The post hoc test showed however that there were no significant differences in *willingness to pay* between any specific conditions and groups. Therefore, hypotheses 4a through 4c were rejected.

H4	a.	CGA will generate higher willingness to pay a price premium in an earned media than in an owned and paid media	
	b.	CGA will generate higher willingness to pay a price premium in an owned media than in a paid media	REJECTED
	c.	CGA will generate higher willingness to pay a price premium in a paid social media than in a paid traditional media	

4.2.5 The effects of media context on advertising effectiveness - Word-of-mouth intention

Lastly, in assessing hypotheses 5a to 5c, a comparison was made of the *WOM intention* variable values across the 8 conditions, based on the notion that consumers' willingness to share/talk about advertisement could be contingent on his or her attitudes towards the ad and brand. The results of the analysis are displayed below.

	WORD-OF-MOUTH INTENTION				ANOVA	
	Paid Traditional	Paid Social	Owned Social	Earned Social	F - value	Sig.
CGA (Treatment groups)	3,11	3,18	3,04	3,03	1,165	**,323**
Agency (Reference groups)	2,80	2,93	3,32	3,75		

n= Total: 309, (CGA: Paid trad.:56, Paid soc.:36, Owned:40, Earned:41), (Agency: Paid trad.:33, Paid soc.:35, Owned:32, Earned:36)
Significance: *p<,05; **p<,01; ***p<,001

In these final hypotheses the agency creator simulated reference group once again follows the same consistent mean value pattern, thus proven to be consistent out through all hypotheses. The earned condition of M = 3,75 had the highest mean value while the paid (traditional) condition of M = 2,80 had the lowest. For the consumer stimulus treatment groups, the means were again closer to each other. However, on the contrary to the reference group results, the *paid* (social) condition (M = 3,18) resulted in the highest value while the *earned* condition (M = 3,03) had the lowest one. The omnibus test for the *WOM intention* variable however showed that the means were equal (F = 1,165, p = ,323) across all conditions, indicating that there is no significant difference in *WOM intention* between any of the groups. Therefore, hypotheses 5a to 5c were rejected.

H5	a.	CGA will generate higher WOM intention in an earned media than in an owned and paid media	
	b.	CGA will generate higher WOM intention in an owned media than in a paid media	**REJECTED**
	c.	CGA will generate higher WOM intention in a paid social media than in a paid traditional media	

4.3 Additional analysis

Following the rejected hypotheses, we wanted to investigate whether the hypothesized links between the dependent variables proved signs of correlation. Thus a Pearson's Bivariate Correlation test was performed on the five dependent variables for the full sample. The result is presented in the table below.

CORRERLATION TEST OF DEPENDENT VARIABLES		Ad Relevance	Ad Attitude	Brand Attitude	Willingness to Pay	WOM Intention
Ad Relevance		1	,608	,577	,451	,528
	Sig.		,000***	,000***	,000***	,000***
Ad Attitude		,608	1	,722	,325	,637
	Sig.	,000***		,000***	,000***	,000***
Brand Attitude		,577	,722	1	,427	,539
	Sig.	,000***	,000***		,000***	,000***
Willingness to Pay		,451	,325	,427	1	,326
	Sig.	,000***	,000***	,000***		,000***
WOM Intention		,528	,637	,539	,326	1
	Sig.	,000***	,000***	,000***	,000***	

n=309
Significance: *p<,05; **p<,01; ***p<,001

Positive and significant correlations ($p < ,001$ for all) were found between all variables hypothesized to link to each other, namely; *ad relevance* and *ad attitude*, *ad attitude* with *brand attitude* and *WOM intention*, *brand attitude* with *WOM intention* and *willingness to pay a price premium*. It was thus concluded that the hypothesized link between the dependent variables were correct and that the theorized model of the study was accurate among the gathered sample.

Although hypotheses 1 through 5 were all formally rejected, we noticed a very interesting and consistent mean value pattern for agency-generated advertising – a pattern that was totally absent for the CGA. Therefore, we were interested in investigating these consistent patterns found in the mean values of the dependent variables further, in order to assess whether some support was yet to be found for our theoretical reasoning. An ANOVA test is, without doubt, the most conventional approach to use for investigating significant mean differences with three or more independent groups in a study, as in the case of the thesis at hand. The test is however very strict, statistically speaking, and in some instances where the sample size is not large enough the ANOVA can ignore certain indications of results. There is however a solution that allows us to bypass the ANOVA in testing the hypotheses, by conducting Independent T-tests among the groups of interest. Independent T-tests are not as strict by nature and conducting such tests to data that is made up of more than two groups is unconventional. However, with a Bonferroni adjustment to the significance levels, the probability of Type 1 errors is addressed and allows for analyzation of the results. Thus, according to the Bonferroni adjustment, instead of applying the conventional significance level of 5% ($p < 0,05$), a stricter and revised significance level of 2,5% ($p < 0,025$)[2] is used as a criteria to determine significance for the T-test analysis (Pallant, 2007).

In the following sections, t-test analysis will be carried out on the groups, which are deemed to be of interest based on their mean value indications. First, the analysis will be presented for the control groups (agency), as these were the groups showing a consistent mean value pattern. Thereafter, the results of the treatment groups (CGA) analysis will be presented after which the patterns among these two will be compared. It should however be noted that, regardless of the results from the t-test analysis, the hypotheses will remain rejected. As our general approach to the investigation of results is very strict, this additional analysis is not intended to bend the results but is rather intended

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[2] Bonferroni corrections adjust the alpha level by the number of test that are to be conducted between the groups in order to control for Type 1 errors. In above case the alpha level of .05 is divided by two, which is the number of T-test between groups that are to be carried out in the analysis.

to empirically investigate whether there are results of interest in this topic and field and if future research should focus on extracting these findings under the right conditions.

4.3.1 Media context effects on advertising effectiveness for agency-generated advertisement

Following the reasoning outlined in the theoretical section, in combination with the consistent mean value patterns identified in section 4.2, it is identified that the two "extremes" of the matrix, the *paid (traditional)* condition and the *earned* condition, are those of highest interest for an further analysis. Thus, the mean values of these two conditions will be compared for all the dependent variables that represent hypotheses 1 through 5. The results are presented in the table below.

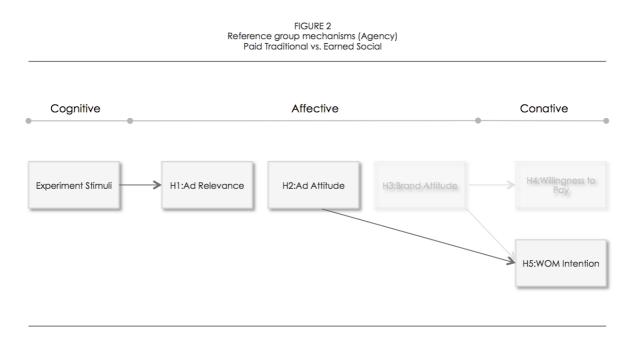|	Means reference groups			T-test
	Paid Traditional	Earned Social	Mean difference	Sig.
Ad relevance	2,02	2,61	-,82	**,025**
Ad attitude	3,71	4,67	-,96	**,021***
Brand attitude	4,10	4,81	-,71	**,073**
WTP	2,42	3,33	-,91	**,031**
WOM intention	2,80	3,75	-,95	**,023***

n= Total: 69, Paid:33, Earned:36
Significance: *p<,025; **p<,01; ***p<,001

The findings above shed a different light on the results. Under a stricter Bonferroni adjusted significance level, we find several interesting results among the majority of dependent variables. In concrete terms, and as opposed to the results presented in section 4.2.1 above, we find that distributing an advertisement in an *earned* media setting will provide significantly higher values of *ad relevance* (p = ,025), *ad attitude* (p = ,021) and *WOM intention* (p = ,023). These results are thus in line with what is hypothesized in the theoretical framework. *Brand attitude* (p = ,073) and *willingness to Pay a price premium* (p = ,031) are not significantly greater in an *earned* media setting than in a *paid (traditional)* according to the Bonferroni adjusted significance level. However, under a conventional significance level both the variables and particularly the *willingness to pay a price premium*, either hold or touch upon the limit indicating that a larger sample could have produced significant results among these variables as well.

Below, the relationship between the results presented above is visualized according the theoretical model of the thesis. Although not complete, we find a full process of advertising effectiveness taking place according to the Hierarchy of Effects model (Smith, Chen & Yang, 2008). Initiated by

the cognitive phase of the stimulus exposure, the results move through the affective phase of the model through *ad relevance* to ad attitude, finalizing in the conative phase with a behavioral intention shown by WOM, as according to what hypothesized. As opposed to our anticipation however, the model does not hold through the links of *brand attitude* and *willingness to pay a price premium*.

FIGURE 2
Reference group mechanisms (Agency)
Paid Traditional vs. Earned Social

4.3.2 Media context effects on advertising effectiveness for CGA

To compare with the findings outlined above, the following section will investigate the results of the independent T-tests on the treatment groups, i.e. the CGA conditions. Thus, the same two groups, the *paid* (*traditional*) and *earned* condition, are investigated in the results presented below.
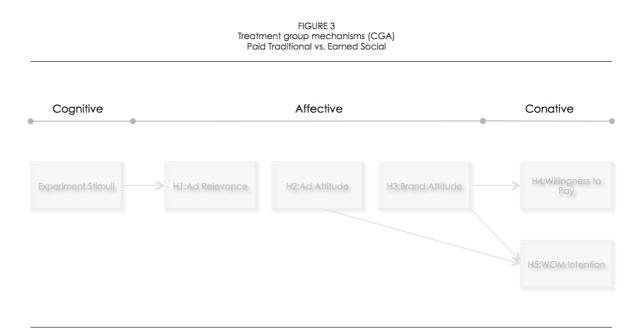
	Means treatment groups			T-test
	Paid Traditional	Earned Social	Mean difference	Sig.
Ad relevance	1,79	1,95	,08	**,733**
Ad attitude	3,77	3,94	-,17	**,618**
Brand attitude	4,00	4,31	-,31	**,279**
WTP	2,47	2,69	-,22	**,459**
WOM intention	3,11	3,03	-,08	**,800**

n= Total: 107, Paid:56, Earned:41

Significance: *$p<,025$; **$p<,01$; ***$p<,001$

On the contrary of the results presented in section 4.3.1, the results for the CGA simulation are inconclusive and non-significant. None of the mean values for the variables *ad relevance, ad attitude, brand attitude, willingness to pay a price premium* and *WOM intention* are significantly different from each
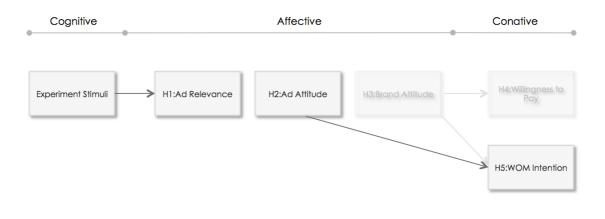
other (p < ,025 for all) across the two media context conditions. Thus, for the CGA manipulation the results indicate no significant process of advertising effectiveness in any of the affective and conative steps hypothesized according to the hierarchy of effects model.

FIGURE 3
Treatment group mechanisms (CGA)
Paid Traditional vs. Earned Social

4.3.3 Media context effects on advertising effectiveness

As discussed above the intention of this additional analysis is not to provide another base for testing the hypotheses but rather to serve as a further investigation of the theoretical reasoning under less strict statistical conditions. What the comparison of the above displayed results shows is that, despite the rejection of all hypotheses under the ANOVA test, an interesting pattern can be revealed within the results. Comparing the two illustrations below the following becomes evident: the strong and conclusive effect that is evident in the agency condition is completely absent in the CGA condition. How come CGA is not affected by media context as opposed to what is presented and hypothesized in the theoretical framework will be debated in the discussion section. Nevertheless, the indications to findings that are presented in this section suggest the topic to be re-investigated.

1. Media context effects on advertising effectiveness for agency-generated advertisement.

2. Media context effects on advertising effectiveness for consumer generated advertising (CGA).

4.4 Additional Insights

In addition to the main dependent variables included in the hierarchy of effects model, we also tested variables that could serve as potential explanations to the results.

Firstly, we studied perceived competence of the ad creator, which was tested without the impact of the different media settings involved. Hence, all the treatment groups as well as all the reference groups were merged together. The manipulation on these groups was thus solely the information about the ad creator. *Perceived competence of the ad creator* was measured with a construct developed by Thompson & Malaviya's (2013) and tested using independent sample T-tests. Here, the Bonferroni adjustment to the significance levels was not needed as the probability of being allocated to either of the two groups is equal (50/50) - which is conventional for T-test (Newbold, 2012). As shown in the table below, the treatment group who were informed that the creator of the ad was a fellow consumer (M = 3,54) reported a significantly lower mean for perceived competence (p = ,01) than

the reference group who got the information that the ad was created by a professional agency (M = 4,00).

	Means			T-test
	Agency	CGA	Mean Differences	Sig.
Competence of Creator	4,00	3,54	-,46	,01*

n= Total: 309, Agency: 136, CGA: 173
Significance: *p<,05; **p<,01; ***p<,001

Secondly, we studied perceived cost to produce the ad, again without the impact of the media settings involved. The manipulation on these groups was thus solely information about the ad creator. *Perceived cost to produce the ad* was measured with a scale adapted from Smith et al. (2007) and tested using independent sample T-tests. As explained above, no Bonferroni adjustment was needed for these tests (Newbold, 2012). As shown in the table below, the treatment group who were informed that the creator of the ad was a fellow consumer (M = 2,73) reported a significantly lower mean (p = 3,24) for perceived production cost than the reference group who got the information that the ad was created by a professional agency (M = ,004).

	Means			T-test
	Agency	CGA	Mean Differences	Sig.
Advertising spending	3,24	2,73	-,51	,004**

n= Total: 309, Agency: 136, CGA: 173
Significance: *p<,05; **p<,01; ***p<,001

4.5 Summary of Results

Table 6 below presents the findings obtained from the statistical analysis, including a summary of the hypotheses.

TABLE 6

SUMMARY OF RESULTS

H1	a.	CGA will be perceived as more relevant in an earned media than in an owned and paid media	
	b.	CGA will be perceived as more relevant in an owned media than in a paid media	REJECTED
	c.	CGA will be perceived as more relevant in a paid social media than in a paid traditional media	
H2	a.	CGA will generate higher ad attitude in an earned media than in an owned and paid media	
	b.	CGA will generate higher ad attitude in an owned media than in a paid media	REJECTED
	c.	CGA will generate higher ad attitude in a paid social media than in a paid traditional media	
H3	a.	CGA will generate higher brand attitude in an earned media than in an owned and paid media	
	b.	CGA will generate higher brand attitude in an owned media than in a paid media	REJECTED
	c.	CGA will generate higher brand attitude in a paid social media than in a paid traditional media	
H4	a.	CGA will generate higher willingness to pay a price premium in an earned media than in an owned and paid media	
	b.	CGA will generate higher willingness to pay a price premium in an owned media than in a paid media	REJECTED
	c.	CGA will generate higher willingness to pay a price premium in a paid social media than in a paid traditional media	
H5	a.	CGA will generate higher WOM intention in an earned media than in an owned and paid media	
	b.	CGA will generate higher WOM intention in an owned media than in a paid media	REJECTED
	c.	CGA will generate higher WOM intention in a paid social media than in a paid traditional media	

5. Discussion

5.1 General discussion

5.1.1 Media Convergence

The results of the main experiment are somewhat contradictory to previous research on the effects that different media vehicles and media contexts can have on advertising (e.g. Dahlén, 2005; Bronner & Neijens, 2006; De Pelsmacker et al., 2002; Schmitt, 1994; Aaker & Brown, 1972; Moorman, Neijens & Smit, 2002; Fuchs, 1964), in addition to the expected view of CGA to be context based (Lawrence et al., 2010; Ertimur & Gilly, 2012; Thompson & Malaviya, 2013). As the hypotheses 1 to 5 in the main analysis was rejected, the results show that there are no significant differences between agency-generated or consumer-generated advertising across any of the investigated channels or media contexts for the following variables of advertising effectiveness; *ad relevance, ad attitude, brand attitude, willingness to pay a price premium and WOM intention.*

While the additional analysis indicates a difference in the mechanisms taking place for the two types of advertisements across different media, the first part of the discussion will focus on the main analysis presented and the findings that can be drawn from its results. Looking at the results from the main study, it can be concluded that the media in which the ad was embedded did not change the perception of it, regardless of ad creator. Whether the media vehicle or media context according to theory and experiment stimulations, or possibly both, accounted for the unanticipated results is however yet to be discussed.

As outlined, media's impact on advertising effectiveness have been of high interest for the academia for decades and have generated solid scientific results. However, many of the most influential articles on the subject was written before the social media and smartphone boom (e.g. De Pelsmacker et al., 2002; Dahlen 2005). Therefore, the environment and how people consume media is vastly different today, and the digitalisation of the media industry has induced new sources of complexity and uncertainty (McPhilips & Merlo, 2008).

A major effect of this development is what is referred to as media convergence (McPhillips & Merlo, 2008; Altimeter group, 2012). Jenkins (2006) defines convergence of media as a "flow of content across multiple media platforms" while Wilkinson (2008) focuses on the impact of convergence by arguing that the "blending of media" blurs the boundaries of media platforms, uniting them into one digital form. In other words, we suggest that, while media channels are converging, consumers rarely pause to note the origin of the content they are consuming (Lieb & Owyang, 2012). We believe that this development could be one possible explanation to why the

experiment showed no results for either of agency-generated nor consumer-generated advertising across the different media vehicles.

According to the report by Altimeter Group (2012), The media consumption among consumers online is no longer driven by the media sources but by specific goals. The primary quest for consumers is information or entertainment, and the media through where they find such content is simply a facilitator for that goal - rather than the goal in itself (ibid). Practitioners seem to agree with this prospective explanation.

Walter Naeslund, founder and CEO of the advertising agency Honesty, is skeptical about the impact that different media channels is expected to have: "For example, the difference between TV and Youtube is about trackability and target audience, but not much else. I do not believe that people will respond differently depending on where they see an ad - and especially not the younger population". In the report by Altimeter Group (2012) on the converged media imperative, it is suggested that although the media convergence opposes a threat to traditional advertising, it might at the same time give rise to an increased interest in media context. It is argued that the context still has the power to cut through media clutter in the complex media environment where consumers consume content across several devices, screens and media. The above notion thus implies that it was the media vehicle simulation and not the context that made respondents of the experiment indifferent to the different conditions at large. We thus argue, in light of the findings of the main analysis, that the media context deserves an increased focus in attaining advertising effectiveness.

5.1.2 Media context effects

As brought forward in the results section and discussed above, all hypotheses of the experiment were rejected as a result of the main analysis. However, certain indications to interesting results appeared during the less strict additional analysis. As discussed in section 4.3, these indications of significant mean value patterns should not be confused as supported hypotheses. They do however reveal certain patterns and are thus very interesting to discuss for the understanding of CGA and also as an implication for further research. Therefore, the following section will discuss the mechanisms of advertising effectiveness that occur when traditional (agency-generated) advertising is distributed across different media contexts. Subsequently a discussion of the absence of these mechanisms for CGA will follow and plausible explanations for why the same effects do not occur will be provided.

For the reference groups, i.e. the agency-created ads, the additional analysis reveals that there are in fact significant mean value differences between the *paid traditional* and earned social media contexts for *ad relevance*, *ad attitude*, and *WOM intention*. As discussed in section 4.3.1, no significant results were found for the variables *brand attitude* and *willingness to pay a price premium* after the Bonferroni adjustment was applied.

Despite that however, one can see that a full hierarchy of effects model, initiated by stimuli exposure with increased perceived *ad relevance* and *WOM intention* as a result, is achieved when the *earned social* media is tested against the *traditional paid*. In other words, a significantly higher degree of advertising effectiveness is reached by distributing the ad through an *earned social* media in comparison to a *traditional paid* media.

These findings are in line with our reasoning how *earned* and *owned* media has grown stronger at the expense of *paid* media, which shows an overall decline in advertising effectiveness (Lieb & Owyang, 2012). This observation is further supported by the results revealed in the trust report by Nielsen (2015), which showed that trust for *earned* and *owned* media is significantly higher compared to *paid*. However, though the theoretical framework boiled down into hypotheses proposing that earned medias should be superior over other forms of media for each of the dependent variables, no overarching theoretically based explanation for the whole pattern of observed effects has yet been provided.

5.1.3 Lack of Credibility

In an attempt to generate some insights and explanations to the outcome of our study, we introduce two simultaneously occurring effects that we believe could have had a significant impact on the results. The first effect is referred to as *ad credibility*, while the second is referred to as *advertising avoidance*. Combined, we believe that these two effects contribute to why the effectiveness of the consumer-generated ad was not improved by an earned social media context, as was the case for the agency-generated ad.

Advertising credibility is linked to persuasiveness and has been shown to impact *ad attitude* (Goldsmith, Lafferty & Newell, 2000). According to the dual credibility model (Lafferty, Goldsmith & Newell, 2002), credibility can be sourced from both the brand in itself and its spokespersons. In the case of consumer-generated advertising, we argue that the creator could be classified as a form of spokesperson. In our study, we argue that the explanatory part of the overall credibility is thus sourced from the ad creator as the brand shown in the experiment was the same across all channels. As shown in the additional insights section, when merging all respondents according to ad creator treatment and without taking the media settings into account, comparing

the reference group with the treatment group shows that perceived competence of the ad creator is significantly higher in the reference group. In other words, when a consumer is shown an ad made by a professional advertising agency, he/she perceives the competence of the creator to be significantly higher than when being shown the same ad but with the information that it was created by a fellow consumer. This finding is fully in line with skepticism-effect found by Thompson & Malaviya (2013). As we also found in the additional insights section, perceived production cost was significantly lower for the group who got the information that the ad was created by a consumer. This finding further confirms the perceived lack of credibility for the consumer-generated ad.

5.1.4 Advertising Avoidance

Advertising avoidance is another factor we believe could have had an impact on the results in our study. As explained, advertising avoidance occur when the "advertising scheme" is activated and the risk for that to happen is greater in a media where consumers are more used to encounter advertising. When it happens, the risk of negative *ad attitude* increases (Friestad and Wright 1994; Dahlen & Edenius 2007). We argue that advertising avoidance in our case could originate from both the media context or the media vehicles - i.e. the *paid*, *owned*, or *earned* media framing as well as the media being traditional or social. Hence, in our case, *traditional paid* media should bare the highest risk as it represents the most classical form of advertising. *Earned social* media should on the other hand imply the lowest risk, as a recommendation from a friend to view the commercial should frame it as worth seeing, in addition to social media still being relatively new to the advertising scene in comparison to traditional media.

With these two forces in mind, the significant difference between agency-generated advertising seen through an *earned* social media compared to a paid traditional media is not too surprising. Given the experiment's priming information that the ad was created by a leading agency, the creator was perceived to have relatively high credibility. That, in combination with mitigated avoidance generated by the earned social media setting made the means for that group significantly higher for *ad relevance, ad attitude,* and *WOM intention* compared to *paid* traditional media.

To conclude, in our study the level of ad credibility derived from the perceived competence of the ad creator is significantly lower for the consumer-generated ad compared to the agency-generated. *Earned social* media significantly improves the effectiveness of the agency-generated ad compared to *paid* traditional media. For the consumer-generated ad, the level of ad credibility is not high enough for that effect to occur. What can be concluded here, is that credibility is the major force, and that combined with a media that mitigates advertising avoidance it generates the highest advertising effectiveness.

5.2 Managerial implications

The study at hand generated several valuable insights for brands and marketers who are planning to include consumer-generated advertising in their marketing strategies. Firstly, our results are in line with previous research on CGA, indicating that it bears the risk of being met by skepticism among consumers. Our study shows that the media vehicle and context through where a CGA is shown does not seem to be powerful enough to mitigate or reverse this skepticism in order to generate higher advertising effectiveness.

What the study showed however, was that even though the media vehicle in itself does not seem to be of great importance - the context aspect of *paid*, *owned*, or *earned* media does seem to have an impact. The means for *earned social* media when measured on agency-generated advertising were steadily superior to all other media settings throughout the study. Therefore, in order to get the same effect for consumer-generated advertising, we propose for marketers to make an effort to somehow highlight the credibility of the creator. Here, marketers could also highlight identification to the ad creator via personal information, as proposed by Thompson & Malaviya (2013) in order to maximise the chance of getting positive reactions from other consumers.

To conclude, though no definitive impact of media on consumer-generated advertising was found in this study, our additional analysis suggest that marketing managers involved in consumer-generated advertising should strive for getting the consumer-generated ad shared in a social media network - as that is the most effective media setting for agency-generated ads. Since getting one's advertising content shared or passed forward is not something a brand could fully control - we argue that setting up *owned* channels in social media is a good starting point, as that is usually from where content gets viral spread in the first place. If other conditions, such as highlighted credibility for the ad creator, are met – our results indicate that social media will generate the highest chance of getting positive reactions from other consumers on CGA.

5.3 Criticism of the study

This section aims to address the limitations associated with the study and its design. The first limitation we would like to highlight is how the laboratory setting of the experiment and the manipulated media settings might have influenced the results. Although a lot effort was put on designing the manipulations and to conduct pre-tests in order to assure that the conditions were perceived as intended, the forced exposure approach of the study may have affected the results.

For instance, the intended feeling of voluntarily approaching an owned media was probably not as high as it would have been in a real-life setting. Additionally, the level of involvement for the different media probably did not come through as it would in reality either. To compensate for these limits implied by the study design, focus was laid on having strict manipulation controls. These assured that even though respondents were forcefully exposed to specific scenarios, the final sample fully understood and perceived the media settings they were subjected to correctly. Nevertheless, conducting the experiment in a real-life setting would have mitigated some of the limitations associated to the laboratory nature of the experiment and thus further enhanced the validity of our findings.

Another limitation to the study is the sample of respondents. Due to constraints regarding time and resources, a convenience sample method was employed in collecting data. Thus, the results are not deemed to be representative for the Swedish population nor can the sample be seen as random. Due to the nature of the sample, the results can thus not be generalized beyond the survey sample and to a greater population. Although the findings are intended to serve as a springboard for further research it would have been of use to conduct the experiment based on a more refined sampling method, which is also proposed for further research. Further, a larger sample would probably not only have generated indications to results for the reference groups in the additional analysis but rather provided actual results in the stricter ANOVA-analysis. As the treatment groups (CGA) are those of focus for the hypotheses generation, no specific differences would be evident during the hypotheses tests. However, a larger sample size would have allowed for stronger results on the differences of advertising effectiveness between the treatment and reference groups and would therefore had been desirable.

Moreover, the experiment was limited to one brand and one media vehicle per context category. In order to achieve full comparison between the *paid*, *owned*, and *earned* media context, the ad should have been displayed in each context on all of the media channels included (TV4 Play, Facebook, Youtube, and Twitter). Such a study would also have captured the potential attitudes towards the media channels *as such*, in order to rule out the possibility that Twitter is a more favourable media channel for brand messages than TV4 Play, for example. In this study, one can not be fully confident that specific media attitudes did not have an impact the results. Finally, the study was limited to one brand, thus representing only one product category. The results are therefore not guaranteed to be applicable on other product categories.

5.4 Further research

As the main purpose with the study at hand was to provide an initial ground with guiding results for future research on the subject, we suggest a range of further studies that could be of interest to conduct. Firstly, to fully capture the nuances and behavioral differences between the different media, we would like to call for studies that investigate the media's impact on consumer-generated advertising in real-life settings. Furthermore, with the results from the additional analysis in mind, we suggest future researchers to conduct a study where the three specific conditions for increased CGA effectiveness that Thompson & Malaviya (2013) suggested would get more consideration. These conditions, in combination with an *earned social* media setting, we believe has the potential to improve reception of such ads. One of the conditions proposed by Thompson & Malaviya (2013) was high loyalty towards the brand advertised. We think that a study comparing brands with low and high loyalty and simultaneously look at different levels of loyalty towards the media channel would be interesting to assess loyalty's overall impact on the effectiveness of CGA.

Additionally, as also proposed by Thompson & Malaviya (2013), providing more information about the consumer behind the ad would have been interesting to do - in order to see if the skepticism effect could get more or less mitigated through different media channels and contexts. Finally, we suggest further research to look at several different product categories in addition to testing the *paid*, *owned*, and *earned* context on more than one media vehicle each.

5.5 Conclusion and attempt to answer research question

What impact will the choice of media vehicle and context have on the effectiveness of consumer generated advertising and its reception among consumers?

The study at hand shows that the choice of media vehicle and context does not have a significant impact on the effectiveness and reception of consumer-generated advertising among other consumers. What it shows however, is that *earned* social media generates significantly higher results on the measures *ad relevance*, *ad attitude*, and *word-of-mouth intention* in comparison to *paid traditional* media for *agency-generated advertising*. We conclude that the reason for why consumer-generated advertising does not become significantly more positive in the same context is due to the lack of perceived ad credibility, derived from skepticism about the ad creator that arise among consumers when they are informed that the ad is created by a fellow consumer. Therefore, the potential impact of choosing the optimal media for consumer-generated advertising is not strong enough to improve its effectiveness.

6. References

6.1 Literature

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6.3 Interviews

Liljedal, Karina T. (2016). PhD Student at Stockholm School of Economics, Department of Marketing and Strategy. Interview, Stockholm 2016-02-17

Naeslund, Walter (2016). Founder and CEO. Honesty.
Phone interview 2016-04-05

Wennerborg, Tård (2016). Marketing Manager. Loopia.
Phone interview 2016-04-01

7. Appendix

7.1 Video commercial options in pre study 1

Coca-Cola commercial, "This is Ah":
https://www.youtube.com/watch?v=XokGFN86ljc

Doritos commercial, "Superbolw contest commercial":
https://www.youtube.com/watch?v=X96RjH8WC5o

Lipton commercial, "Be more tea":
https://www.youtube.com/watch?v=C5Aa8-dfB-0

7.2 Text stimulus

Respondents were provided one of each of the following sets of text: Creator information (a/b) and media setting (i/ii/iii/iv).

a) CGA: På nästa sida kommer du att få se en reklamfilm som är skapad av en konsument. Den är det vinnande bidraget i en reklamfilmstävling för snacksföretaget Doritos, där konsumenter fick skapa och skicka in egna reklamfilmer.

b) Agency-generated: På nästa sida kommer du att få se en reklamfilm som är skapad av en ledande reklambyrå på uppdrag av snacksföretaget Doritos.

i) Owned/Social: Föreställ dig att du ser denna reklamfilm för Doritos *genom företagets egna Youtube-kanal.*
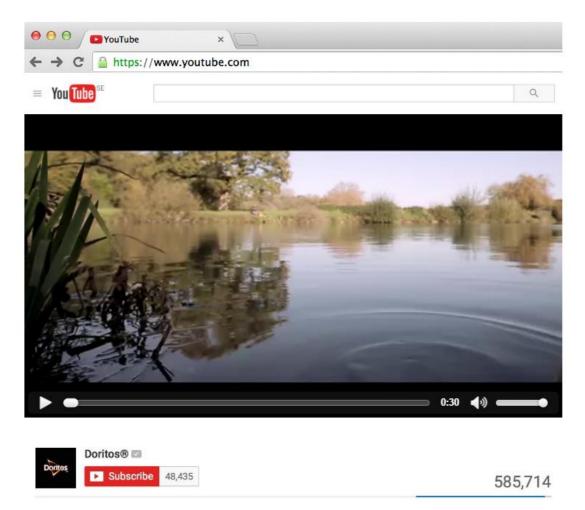
ii) Paid/Social: Föreställ dig att du ser denna reklamfilm för Doritos *som en betald annons i ditt nyhetsflöde på Facebook.*

iii) Earned/Social: Föreställ dig att du ser denna reklamfilm för Doritos genom en delning (retweet) av en person du följer på Twitter.

iv) Paid/Traditional: Föreställ dig att du ser denna reklamfilm för Doritos *som en betald annons innan det program du ska se på TV4 Play*
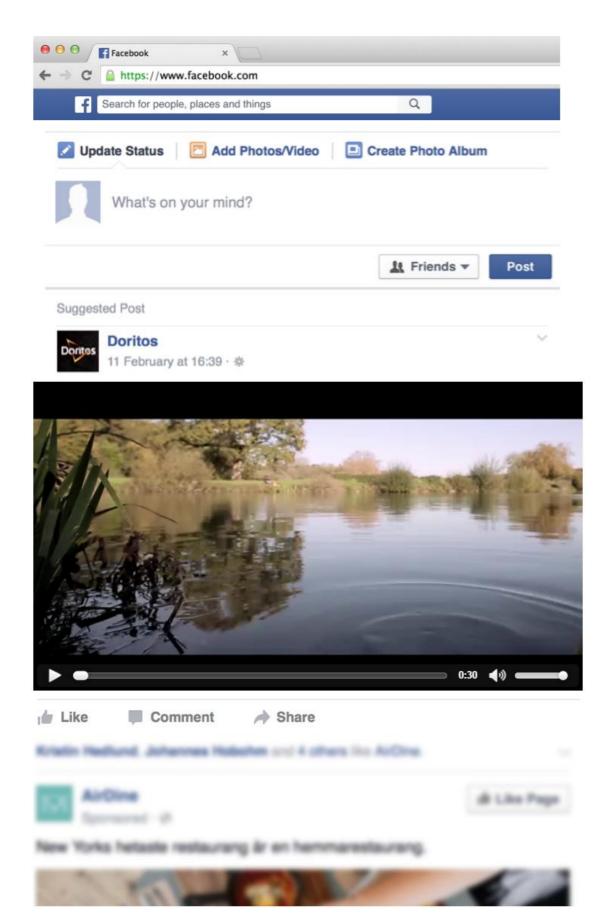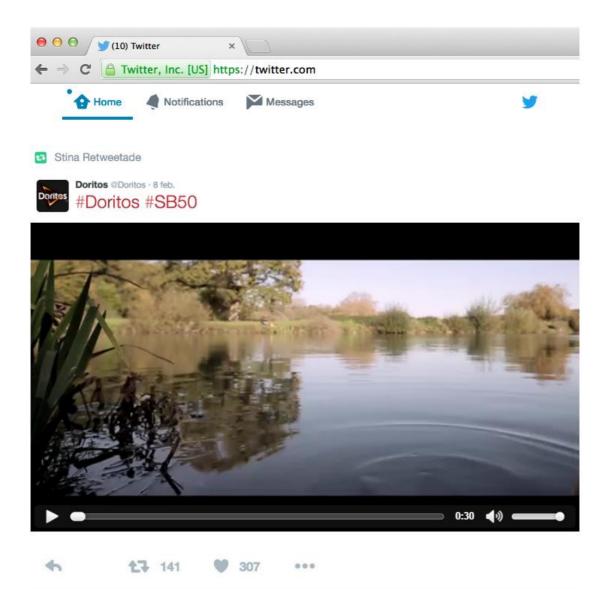
7.3 Stimuli design

7.3.1 Owned/Social –YouTube

7.3.2 Paid/Social – Facebook

7.3.3 Earned/Social – Twitter

7.3.4 Paid/Traditional – TV4 Play