The effect of influencer ad disclosures on influencer perception and advertising effectiveness on Instagram

ABSTRACT | This thesis aims to bring insights to the new field of social media influencer advertising. Our findings provide knowledge about how the clarity of different influencer ad disclosures affects influencer perception and the advertising effectiveness on Instagram. These findings are useful for researchers within the field but also influencers themselves, companies and legislators. This quantitative study was conducted as an experiment through an online questionnaire with $N = 195$ participants who were active Instagram users. The experimental manipulation was the ad disclosure which was shown in a sponsored post by a fictional influencer on Instagram. The post featured products from a phone case brand as this is a common product used in influencer advertising on Instagram. The findings show that when influencers use clearer ad disclosures on Instagram it does not lead to significantly different effects on influencer perception and advertising effectiveness compared to if unclear ad disclosures were used. It is in the influencer's interest to clearly disclose sponsored content in order to follow the law that requires explicit ad disclosures and an additional analysis from the study showed indications that clearer ad disclosures can positively affect influencer perception. Companies should also encourage influencers to use clear ad disclosures as this does not have a negative impact on brand attitudes and consumer purchase behavior, and it further ensures that they stand for ethical marketing practices in line with current legislation. Legislators need to provide more direct rules and guidelines specific to today's modern social media platforms such as Instagram as the findings further indicated low ad disclosure recognition. The findings lead to the conclusion that even though influencers may have more to win, both the influencer and brand have nothing to lose from using clearer disclosures for sponsored content on Instagram.

KEY WORDS   influencer marketing | Instagram | ad disclosures | advertising effectiveness | influencer perception

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1. INTRODUCTION

Do you think that you spend more or less than 245 hours on social media every year? This number might sound daunting but the reality is that this is the number of hours that the average person spends on social media annually, and the number continues to grow (IIS, 2016a). Are you a woman? If so, according to statistics you probably spend an even larger amount of time on social media (IIS, 2016b). The number is also significantly higher when looking at younger age groups, specifically within the ages 12 to 25, as they have been shown to spend 568 hours on social networks every year (IIS, 2016b).

1.1 BACKGROUND

Social media has not only become a part of our daily lives but it has also become an important and powerful marketing tool. Advertising through various social media platforms is a new and modern way of advertising compared to the more traditional media that previously has dominated the advertising world. We are no stranger to hearing that advertising messages often get lost in the advertising noise and clutter that exists in today's society. We also live in a world where we are able to block advertising messages and given the opportunity to ignore them, especially on digital devices. It is evident that marketers need other ways to get noticed by these digital device users. Most firms have already incorporated social media into their marketing strategy, and the social media advertising expenditure as a share of digital advertising continues to rise globally, following the previous year's trends (eMarketer, 2014).

There is no surprise in the fact that many advertisements are often seen in a bad light due to that we are often bothered by them. However, when exposed to influencer marketing we are looking at individuals that has chosen to follow the influencer which may lead to less negative views of influencer advertising compared to other digital advertising forms that exist today, as it is nothing that is unexpectedly thrown in the consumer's face. Using influencers on social media as a marketing channel can therefore allow for more receptive consumers to be reached.

Influencer marketing is becoming more and more adopted by companies. Previous research shows how consumers are more likely to make a purchase when they are influenced by an influencer's recommendation. An influencer used to be a family member or friend but has

today evolved into also including social media profiles, as followers have developed friendship-like relationships towards social media influencers known as para-social relationships (Ballentine & Martin, 2005; Horton & Wohl, 1956); this is as the followers become a part of the influencers everyday life and two-way communication is possible (Ballentine & Martin, 2005). Consumers are the most trusting of recommendations when the source is considered to be family or friends (Dichter, 1966) and as a social media influencer can now be perceived as a friend, followers are influenced in their purchase decisions by the social media influencer (Ballentine & Martin, 2005). This makes influencer marketing on social media a very relevant topic to research.

1.1.1 SOCIAL MEDIA AND INSTAGRAM

Among internet users in Sweden 77 percent are social media users and 58 percent are daily users, which shows how social media has integrated with our daily lives (Internetstiftelsen, 2016). The most popular social media platforms in Sweden (in descending order) are: Facebook, Instagram, LinkedIn, Snapchat and Twitter (Internetstiftelsen, 2016).

Instagram is a photo-sharing social media platform that can be described as a micro-blog where both photos and shorter videos can be uploaded, and is thereby centered around visuals. The photo is thereby the main element of a post that is seen in the Instagram feed. Instagram was founded in 2010 and is today the second most popular social media platform in Sweden followed by Facebook (Audience Project, 2016) and ranked number seven worldwide when looking at the number of active users as of April 2017 (We are Social, 2017). Instagram was acquired by Facebook in 2012 and has since 2010 become a huge community with over 600 million active users monthly around the globe (Instagram, 2017). Looking at the period June to December 2016, the number of monthly active users increased from 500 to 600 million which shows how the platform continues to grow everyday (Statista Dossier, 2017).

Looking at data from Internetstiftelsen i Sverige (2016) on the age distribution of active Instagram users in Sweden, we can see that the largest share of users is within the age span 12-15, and then the share of active Instagram users gradually declines the older the age group. 44 percent of all Internet users are Instagram users. Looking at all age groups, there are more women than men using Instagram: 52 percent versus 37 percent of all Internet users. More than half of all women from the age of 12 to 35 use Instagram daily (Internetstiftelsen, 2016).

The use of influencer advertising on Instagram allows the brand to reach desired target groups by targeting a specific influencer and thereby getting access to their audience or following base (individuals who usually have some interest in common); all this done without the marketing message having to come from the firm directly. The use of Instagram as a marketing channel has also shown huge growth in the United States during the recent years, and it has been predicted that approximately 70% of United States businesses will include Instagram as a marketing channel in 2017 (eMarketer, 2017), which shows how it is an important marketing tool.

Instagram is a platform where influencer marketing is common and it is the social media platform that we will focus on in this thesis. Hidden advertisements and the disclosing of sponsored posts are also current topics making advertising disclosures on social media an important and relevant topic to study. Further on, this issue is also of great significance to the sponsoring companies behind the advertisements as they need to find a balance between the legal aspects and the advertising effectiveness.

1.1.2 ADVERTISING LEGISLATION ON SPONSORED CONTENT

According to Swedish law, more specifically Marknadsföringslagen, the rules for advertising are the same regardless of the medium that is used to advertise in. When social media is used as an advertising channel there are no exceptions and the same laws apply for all channels, as if for example television was used. An Instagram post is sponsored by a company, and thereby is an ad, when the influencer or social media user has a deal with a company where he or she receives a monetary or product compensation for uploading a post. Therefore when a product is promoted on Instagram, in the same way as on any social media platform, it is required that the social media profile explicitly discloses the content so consumers recognize the post as an advertisement. It is also required to include the brand name of the sponsoring company.

The law is clear when it states that explicit advertising disclosures are required, but there are no further laws on exactly how these disclosures should be configured. This has led to many debates regarding the issue of when a sponsored post is correctly disclosed as an advertisement. A further consequence is that several Swedish influencers have been and continue to be fined for hidden advertising as their disclosures on posts have been considered

to be deceiving and thereby illegal. Influencers may want the content to be seen as a genuine recommendation rather than sponsored in order to avoid consumers feeling that their opinions have been bought by a company.

More precise laws on how exactly to disclose sponsored content on social media are lacking, nevertheless both in Sweden and internationally some guidelines and recommendations exist. The Swedish 'Reklamombudsmannen' discourages the use of 'in collaboration with..' which is commonly used by many influencers for sponsored social media posts. It is argued that this phrase is not explicit enough as many consumers do not fully understand what this phrase entails, which could make the phrase rather deceptive. Influencers of Sweden (2017) recommends influencers to use words such as 'advertisement' or 'ad' in the disclosure. There are also various international guides on how to correctly disclose a sponsored post. The Federal Trade Commission (FTC) states that they require a clear disclaimer somewhere in the beginning of a sponsored social media post. They further recommend these configurations: '#Ad', 'Ad:' or '#Sponsored', the only requirement being that they are visible to consumers. The alternative recommendation is to include an explicit statement of sponsorship.

1.2 RESEARCH GAP

Research about advertising disclosures online has been made in some areas but is inconclusive. There is a lack of studies made on the social media platform Instagram, especially within the area of advertising disclosures. Research on blogs is the closest we can get to Instagram, but there are differences between these platforms making it difficult to apply findings on one platform to the other. Blogs are more text-focused and Instagram is a more image-focused platform. Blogs has been around for more than a decade while Instagram is a much younger platform.

The Swedish law has stated that advertisements must be clearly marked, and Konsumentverket has given out guidelines on how to do so. However, what is actually perceived as a clear ad disclosure on Instagram?

Previous research has shown that the content of the disclosure itself, attitude towards sponsored content and perception of influencers are important factors in influencer marketing (Boerman & Reijmersdal, 2016). The effects of ad disclosures on different mediums are inconclusive and requires further research. Some research has been made on credibility of the endorser on blogs and has shown a distinct connection between disclosure clarity and

credibility but further research on this is needed on Instagram (Carr & Hayes, 2014; Colliander, 2012). There is also a lack of research on how disclaimers of sponsored content affect attitudes and purchase intentions of consumers (Boerman & Reijmersdal, 2016). We have much to learn about advertising disclosures made by influencers on different social media platforms such as Instagram.

1.3 PURPOSE AND RESEARCH QUESTION

Our purpose is to further look into the relatively new field of social media research, more specifically influencer marketing and advertising disclosures on Instagram; this by studying the effects of different disclosure techniques by influencers in their sponsored posts on Instagram.

We have seen through previous research that credibility is especially important in influencer marketing, and that by law influencers are forced to clearly mark any advertisement, but how do different ad disclosures affect consumer perceptions of influencers on Instagram? Further, do ad disclosures made by influencers have an effect on ad and brand attitudes? Consequently, do ad disclosures affect purchase intentions on Instagram? Our thesis will try to answer these questions by looking at different ad disclosures in terms of perceived clarity, and the impact of differently clear ad disclosures on influencer perception and advertising effectiveness.

Our research question:

Does the perceived clarity of different influencer advertising disclosures on Instagram have an effect on influencer perception and advertising effectiveness?

1.4 EXPECTED CONTRIBUTION

This thesis will further contribute with research in the area of advertising disclosures on social media. The results will be directly applicable to sponsored content by influencers on Instagram. Our research will provide knowledge about how the clarity of different disclosures affects influencer perception and the advertising effectiveness. These findings will be useful for researchers within the field but also influencers themselves, companies and legislators. Influencers on Instagram will be able to use these findings as a tool when disclosing sponsored content in a way that affects their credibility and attitudes towards them positively.

It lies in the interest of the company which the influencer works with to know more about ad disclosures to find a balance between the legal aspects and the advertising effectiveness. Since the law has not stated what configuration of disclosures is perceived most clearly on Instagram, only that a sponsored post should be clearly marked, our findings can help both influencers and companies to stay out of conflict with the law by providing them with information of what disclosure configurations are perceived as the clearest on Instagram. Legislators can use the findings when developing further laws and recommendations.

1.5 DELIMITATIONS

Regarding theory, we limited ourselves by excluding the central concept of word-of-mouth which is often looked at when conducting research on social media advertising. We also limited the thesis due to resource constraints by not looking at the cognitive part of the Hierarchy of Effects model, which is centered around prior awareness and knowledge, and the conative part of the model concerning actual consumer purchase behavior.

The experiment that we conducted through our online survey required all participants to be Instagram users and using Instagram at least once a month. All non-users or inactive users were thereby removed from our sample. We also excluded kids and young teenagers under the age of 15 in our sample, even though the age group 12-15 makes up a large share of Instagram users. This was done in order ensure that the survey questions were correctly interpreted and understood by the participants as the questionnaire was in English and the mother tongue of the majority of our participants is Swedish.

The study is limited to testing the following two disclosing techniques of sponsored content that are used by Influencers on Instagram: in text form as a sentence and in hashtag form as a word. We limited the study by testing the hashtag disclaimer in three different positions whiles our text disclaimer was only tested in the beginning of the text, as this is the most common disclosure placement in text form on Instagram. Another limitation was using two types of ad disclosure configurations in terms of wording despite others existing. It would have been interesting to further study the wording used in disclosures but this was beyond the scope of our thesis.

The thesis is limited to the social media platform Instagram. Influencer advertising on other social media platforms lie outside the scope of our thesis. Our results are therefore not generalizable across all social media platforms but instead specific to Instagram, a more

image-focused platform, nevertheless our results can indicate effects to be considered when research is made on these platforms.

It is common for influencers to work with phone case brands on Instagram which makes this product relevant to use in our study. A limitation is that only one product category and one brand was tested - mobile phone cases from iDeal of Sweden. This fashion phone case is a product that we believe can be classified as a low involvement transformational product, and we did not test for an informational or high involvement product.

The use of a fictional influencer cancels out effects that could otherwise have been present if we would have used a real influencer, since people may have strong preconceived opinions about real influencers resulting in skewed biased results. Strong or biased opinions of a real influencer can potentially outweigh the effects of the manipulation, which we can limit from the use of a fictional influencer.

2. THEORETICAL FRAMEWORK

2.1 ADVERTISING DISCLOSURES IN SPONSORED CONTENT ON SOCIAL MEDIA

In both academia and in society deceptive and hidden advertising has gained widespread attention, often due to the lack of ad disclosures in advertisements and as it is seen as unethical advertising communication (Cain, 2011). Research has shown that by hiding the nature of the content, that it is advertising, this can overcome the issue of consumers actively avoiding advertisements. This is due to that consumers do not feel persuaded in the same way they would have if they had recognized the content as an ad, and will thereby be more open and less critical to the advertising message as cognitive defenses are not activated (Bhatnagar, Aksoy, & Malkoc, 2004; Nebenzahl & Jeffe, 1998).

When social media profiles share sponsored content it is required by law that they provide a visible ad disclosure to inform consumers of the fact that it is an ad. The purpose of using an ad disclaimer is therefore to make consumers aware that the content is an advertisement and thereby avoid any confusion from the consumer's side (Cain, 2011). The lack of clearly specified laws or guidelines for influencers on how to correctly create an explicit ad disclosure for their sponsored content on Instagram is an issue that is apparent. It is therefore

something that is crucial to study in order to be able to provide more tailored and explicit guidance for how influencers can oblige to the law. Knowing which disclosures are perceived to be the most obvious and clear on Instagram is essential in order to be able to study how the effects of clear ad disclosures by influencers on Instagram, as required by the law, impacts the influencer and the brand. Therefore, we need to study which ad disclosure types are perceived to be the most and least clear.

Due to the previous research on ad disclosures of sponsored content being so different in terms of dependent variables used, the medium used and the type of disclosures tested, it has shown difficult for researchers to summarize the general effects; inconclusive results have been seen when looking at how these disclosures affect variables such as brand attitudes and purchase intentions (Boerman & Reijmersdal, 2016). This shows how this research area needs to be further studied. Looking at the configuration of the disclosure in terms of wording, the use of the words 'advertising' and 'sponsored' have been shown to result in the highest ad disclosure recognition (Wojdynski & Evans, 2016). Research on reading behavior online has further shown that the position where text is the most noticeable is in the top left corner, and the second most noticeable position for the reader is text extending rightwards from this position, which reflects normal reading behavior (Nielsen 2006; Shrestha & Lentz 2007). To test how clear some of the most commonly used influencer ad disclosures are (on Instagram), we developed hypothesis 1 as follows.

2.1.1 HYPOTHESIS 1

| H1a	A text disclaimer is clearer than a hashtag disclaimer placed in the beginning of a post
H1b	A text disclaimer is clearer than a hashtag disclaimer placed in the end of a post
H1c	A text disclaimer is clearer than a hashtag disclaimer placed in between other hashtags
H1d	A hashtag disclaimer placed in the beginning of a post is clearer than a hashtag disclaimer placed in the end of a post
H1e	A hashtag disclaimer placed in the beginning of a post is clearer than a hashtag disclaimer placed in between other hashtags
H1f	A hashtag disclaimer placed in the end of a post is clearer than a hashtag disclaimer placed in between other hashtags

2.2 SOCIAL MEDIA AND INFLUENCER MARKETING

Influencer marketing has been defined by Wong (2014) as a form of marketing with the use of individuals who have influence over potential consumers. These individuals with influence are a form of micro-celebrities but are seen more as ordinary people than celebrities since they share more of their everyday lives. This allows followers to more easily identify with an influencer than a celebrity. Furthermore, social media advertising, unlike other online advertising, allows for interaction between the influencer and the consumer, making this communication channel stand out from more traditional ones. This type of relationship between followers and a media performer, in our case an influencer, is known as para-social interaction (Colliander & Dahlén, 2011; Horton & Wohl, 1956). Both the fact that it is easier for followers to identify with an influencer than a celebrity and the possibility of interaction with an influencer make followers form a kind of relationship toward influencers, where they can be regarded as peers by the followers (Horton & Wohl, 1956). Research on consumer-generated advertising (CGA) has shown that ads made by consumers are more trustworthy and generate more positive attitudes than traditional advertising from companies, since the source of the message is a peer and is therefore seen more as a recommendation (Lawrence *et al*., 2013; Paek *et al*., 2011). Influencer advertising can be seen as a form of CGA, due to the para-social relationship, which can make followers regard them as peers. This type of relationship would include evaluations of the influencer such as if this person can be perceived authentic and trustworthy.

It is beneficial for companies to choose endorsers who are regarded to be dependable, honest and believable (Shimp, 1997), which all are attributes that can be connected to trustworthiness. How trustworthy an influencer is in terms of sharing credible information and messages is defined by Kang (2010) as the concept of source credibility. Studies on source credibility repeatedly show that the higher the source credibility the higher the persuasion towards the consumer (Pornpitakpan, 2004). When looking at influencer advertising the source credibility refers to the influencer credibility. As Friedman *et al.* (1978) stated that trustworthiness is the key component in source credibility, trustworthiness is looked at in this thesis. We use trustworthiness to measure influencer credibility. Further, as defined by Erdogan (1999), the source credibility model states that information coming from an endorser who is considered highly credible can influence attitudes towards the influencer positively. Measuring credibility of the influencer and attitudes toward the

influencer is necessary to get a deeper understanding of the influencer perception. We thereby form our framework for measuring influencer perception accordingly (figure 1).

FIGURE 1: OUR FRAMEWORK FOR MEASURING INFLUENCER PERCEPTION
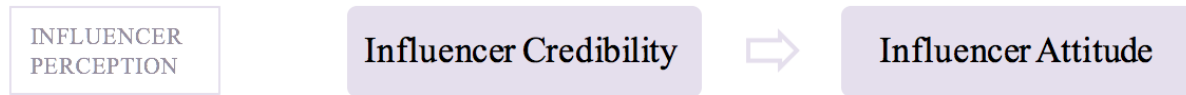
The majority of previous research that has been done on ad disclaimers for sponsored content within the field of social media has been done on blogs. Research made on blogs has shown a distinct connection between disclosure clarity and credibility. Studies on blogger credibility has shown that when a blogger included explicit disclaimers in their sponsored blog posts, the blogger was perceived to be more credible in the eyes of their blog readers, compared to if an impartial, implicit or no disclaimer was used; whereas if the disclaimer was perceived as deceitful this raised suspicion and resulted in lower credibility (Carr & Hayes, 2014). Skepticism and credibility have been defined as opposites on a spectrum (Isaac & Grayson, 2017). Carr and Hayes (2014) concluded through previous and their own research on blogs that the content of disclaimers is in fact important and that being transparent, honest and clear is highly valued among the bloggers audience as it leads to higher blogger credibility. Other research has shown that when clear ad disclaimers are used by bloggers, this results in blogger credibility and attitudes towards the influencers being upheld (Colliander, 2012). Rycyna *et al.* (2009) have stated that interpersonal relationships have continuously shown negative effects of deceiving disclosures, which is in alignment with unclear disclosures leading to lower source credibility and clear disclaimers increasing source credibility. Braunsberger and Munch (1998) and Wood and Kallgren (1988), among other researchers, has shown that higher endorser credibility contributes to more favorable attitudes towards the endorser. The following hypotheses were created to study how the clarity of influencer ad disclosures on Instagram affects the influencer perception.

2.2.1 HYPOTHESIS 2

H2a	Clearer ad disclosures lead to higher influencer credibility
H2b	Clearer ad disclosures lead to more favorable attitudes towards the influencer

2.3 THE HIERARCHY OF EFFECTS

The Hierarchy of Effects model introduced by Lavidge & Steiner (1961) consists of steps that consumers go through when their brand attitudes and purchase intentions are formed and has been important for understanding advertising effectiveness (Lavidge & Steiner, 1961). The Lavidge and Steiner model has been the most frequently cited hierarchy of effects model but has also been criticized and altered during the years by various advertising researchers. The essence of the cognitive-affective-conative sequence basis in the model is however still present among the various adapted or extended hierarchy of effects models that exist today. Within the hierarchy, the set of relationships most widely studied is that the attitude towards an advertisement (or ad attitude) tends to have an evident impact on and positively correlate with the attitude towards the brand (brand attitude). The brand attitude further has a strong impact on purchase intentions (Brown & Stayman, 1992). This set of relationships have continuously and widely been shown to exist and have become commonly accepted.

Rossiter and Percy (1985) talks about the five communication effects of advertising, in which brand attitude and purchase intention are included. The authors also argue that ad attitude is an important measure when it comes to transformational advertising. Rossiter, Percy and Donavan (1991) categorizes brand attitudes differently as transformational or informational depending on type of motivation, and high or low involvement depending on type of decision. It is important that the target audience likes the ad itself in transformational advertising of low involvement products since a favorable ad attitude leads to a more favorable brand attitude. The relationship here between ad and brand attitude is congruent with the Hierarchy of Effects model.

Brand attitude and purchase intention measures have frequently been used in research during the last decades. Despite the popularity of these constructs, there is no single established standard measurement, instead different studies use a variety of items within these measures. Furthermore, there are no single standardized scales, instead a variety of scales are used to

measure these constructs (Spears & Singh, 2012). Therefore, the lack of standardization opens for a range of choices when conducting studies using brand attitude and purchase intentions as dependent variables.

An ad attitude theoretical framework is widely used in advertising studies when measuring attitudes and purchase intentions (Brown *et al*., 1998; Edell & Burk, 1987; MacKenzie & Lutz 1989; MacKenzie *et al*., 1986) and is featured in the meta-analysis done on ad attitudes by Brown and Stayman (1992). Attitude towards the ad - attitude towards the brand - and purchase intentions is a widely-used sequence of constructs within advertising. These constructs are also central to the Hierarchy of Effects model and the most relevant ones to look at in this thesis when studying the effects of disclosures on brands. Advertising effectiveness in its broader term would include all buyer response steps instead of only focusing on certain components or part of the chain, but this is beyond our thesis' scope. To study how brands are affected by ad disclosures, we build our framework used in this thesis as an advertising effectiveness chain through the discussed constructs (figure 2).

FIGURE 2: OUR FRAMEWORK FOR MEASURING ADVERTISING EFFECTIVENESS
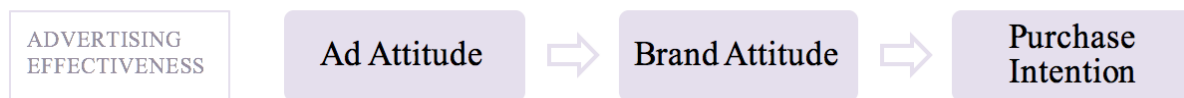
Despite the fact that clear disclaimers for sponsored posts has had positive effects on social media influencers (such as bloggers) there is also research showing how clear ad disclaimers can bring undesired negative effects on brands. This research has shown that seeing disclaimers of sponsored content results in activation of persuasion knowledge among consumers (Boerman & Reijmersdal, 2016; Colliander, 2012). As the consumer becomes aware that he or she is being influenced it can lead the consumer to become more critical towards the advertising message. The disclosure in itself can contribute to a resistance from the consumer in terms of being open to the advertising message or causing advertising avoidance (Boerman & Reijmersdal, 2016). Cameron and Curtin (1995) also show that disclosures have been seen to make consumers less interested in the content that is being disclosed. Previous research on disclosures in online native advertising has also shown that ad disclosure recognition, as in a consumer noticing an ad disclaimer, often results in worsened evaluations and attitudes leading to a decreased advertising effectiveness (Wojdynski and Evans, 2016). Our thesis thereby lastly looks at how the clarity of influencer

advertising disclaimers on Instagram affects advertising effectiveness. This leads us to the hypothesis below.

2.3.1 HYPOTHESIS 3

H3a	Clearer ad disclosures lead to less favorable attitudes towards the ad
H3b	Clearer ad disclosures lead to less favorable attitudes towards the brand
H3c	Clearer ad disclosures lead to lower purchase intentions

2.4 AN OVERVIEW OF THE FRAMEWORK OF OUR STUDY

We summarized our framework for the effects of ad disclosures on influencer perception and advertising effectiveness in figure 3, with the help of our hypotheses.

FIGURE 3: OVERVIEW OF OUR FRAMEWORK
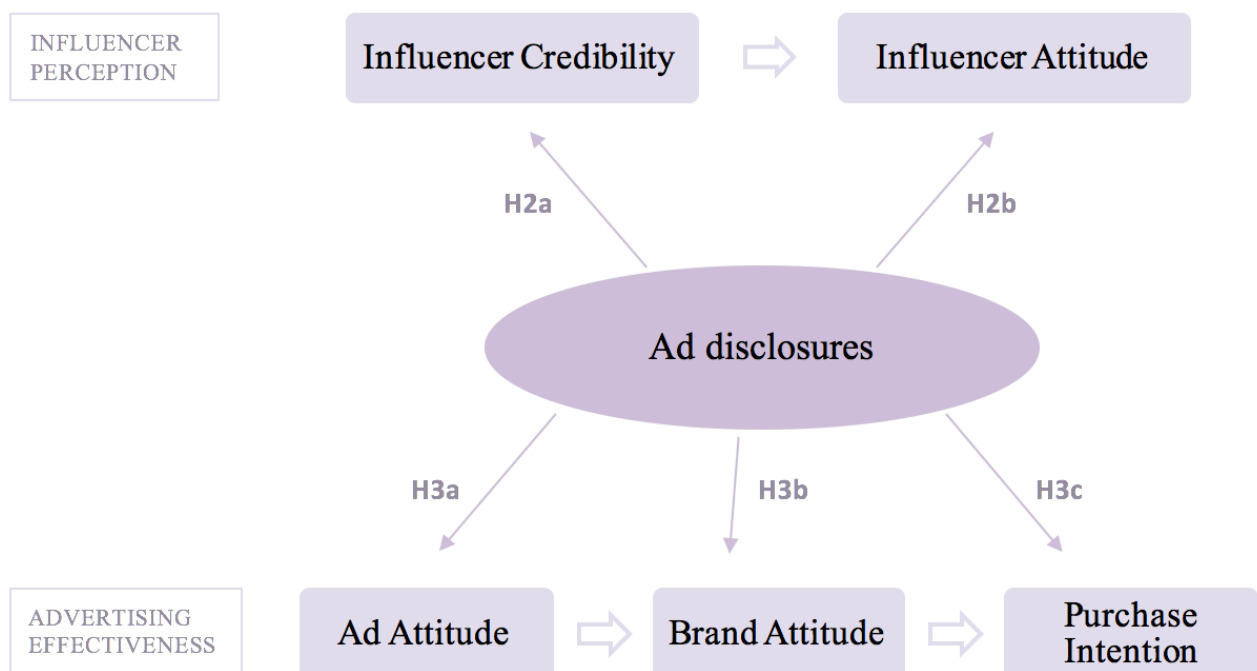
3. METHODOLOGY

This methodology section will introduce the scientific approach and study design that has been chosen in our thesis. Two pre-studies and one main study will be presented in this section and measures, statistical methods, reliability and validity of our thesis can further be found in this section.

3.1 SCIENTIFIC APPROACH

Established theories and concepts were used when generating the hypotheses to examine whether these apply on advertising disclaimers within influencer marketing on Instagram, labeling our approach as deductive. Chosen theories are used for causal research within the area of marketing, and the main method used within this area is experimentation. Data collection in experiments is most frequently done using quantitative methods (Malhotra, 2010). Quantitative research was considered the best option for research on this topic since this method enables the possibility to manipulate independent variables, randomization of treatment, and a straightforward execution of the study. The quantitative approach allows the study to have an objective approach, to be more easily replicated and enables generalization of results to a wider extent than a qualitative research approach would have allowed.

An easy at hand quantitative research method is used to collect data by distributing online surveys at random to strangers in public places. Data was collected from 195 participants and the four different experiment groups were made up of between 45-50 participants each. To make sure the study has ecological validity, the treatment was made to resemble a real Instagram context. In order to create realistic configurations of the treatment, an observational pre-study was conducted at the social media platform Instagram. After configurations were made based on the first pre-study, a second pre-study was conducted to make sure the treatment was effective and behaved in the way it was supposed to, and to make sure the manipulation was perceived correctly. After these pre-studies the main study in the form of an experiment with four different treatments was carried out.
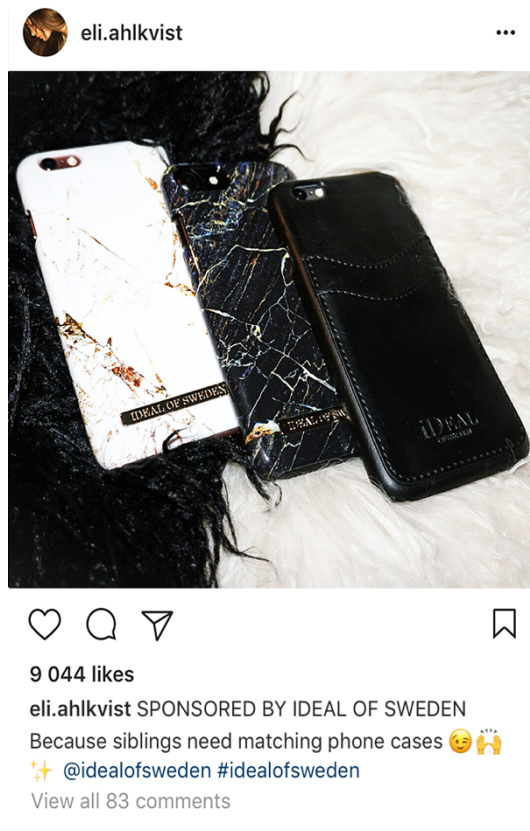
3.2 STUDY DESIGN

This study was conducted as an experiment through an online questionnaire, a commonly used form of quantitative data collection (Bryman & Bell, 2015). Only active Instagram users

were able to participate in the study while the non-users or non-active users were excluded. The questionnaire consists of four different versions of a sponsored Instagram post by a fictional influencer, only one treatment being displayed to each respondent, followed by a set of questions. The Instagram posts were constructed to resemble being posted by a real influencer. Only the ad disclosures were manipulated within the Instagram post while the rest of the post was kept the same. The different treatments were randomly distributed among participants meaning that there was equal chance for each participant to be exposed to each manipulated ad disclosure. The randomization feature ensures that the different treatment groups are not systematically different before exposed to the different Instagram posts, and also allows us to ensure that the differences between the treatment groups are attributable to our manipulation of the advertising disclaimer and no other factors. In order to make sure that the same individuals did not answer our pre-study and main study questionnaires we used a convenience sample of close friends and family for the pre-study and a random sample for our main study.

3.2.1 THE TREATMENT

The treatment in our experiment is the manipulated ad disclosure. The photo and the text used for the sponsored Instagram post was constructed by us in order to have unseen material and thereby avoid any opinion bias towards the content from previous exposure. The photo and text, but not the ad disclosure, was the same in all four versions of the Instagram post and thereby all respondents were exposed to the same Instagram post design. This was done to ensure that possible differences in results were caused by the treatment, also known as the experimental manipulation. Three phone cases from the brand iDeal of Sweden were featured in the sponsored Instagram post by the fictional influencer. We aimed to construct a neutral photo in order to appeal to as many participants as possible and excluded all forms of human elements and other products in the photo. Gender of the person in the photo, visible tattoos, products from other brands, jewelry and watches could otherwise have impacted our results. The size of the Instagram post shown to the participants was made to be as closely resembling the true size seen on Instagram on your mobile device, as this is where the majority of Instagram users use Instagram. This was done in order to closely recreate a real Instagram experience contributing to ecological validity.

Treatment 1:
Text disclaimer in the beginning

eli.ahlkvist · · ·

♡ ○ ▽ ⊓

9 044 likes

eli.ahlkvist SPONSORED BY IDEAL OF SWEDEN Because siblings need matching phone cases 😉🙌✨ @idealofsweden #idealofsweden

View all 83 comments

Treatment 2:
Hashtag disclaimer in the beginning

eli.ahlkvist · · ·

♡ ○ ▽ ⊓

9 044 likes

eli.ahlkvist #Ad Because siblings need matching phone cases 😉🙌✨ @idealofsweden #idealofsweden

View all 83 comments
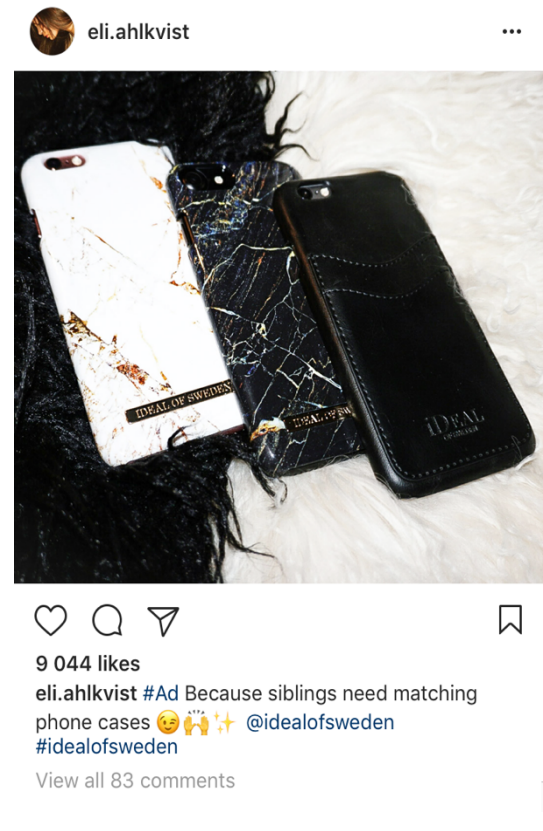
Treatment 3:
Hashtag disclaimer in the end

eli.ahlkvist · · ·

♡ ○ ▽ ⊓

9 044 likes

eli.ahlkvist Because siblings need matching phone cases 😉🙌✨ @idealofsweden #idealofsweden #Ad

View all 83 comments
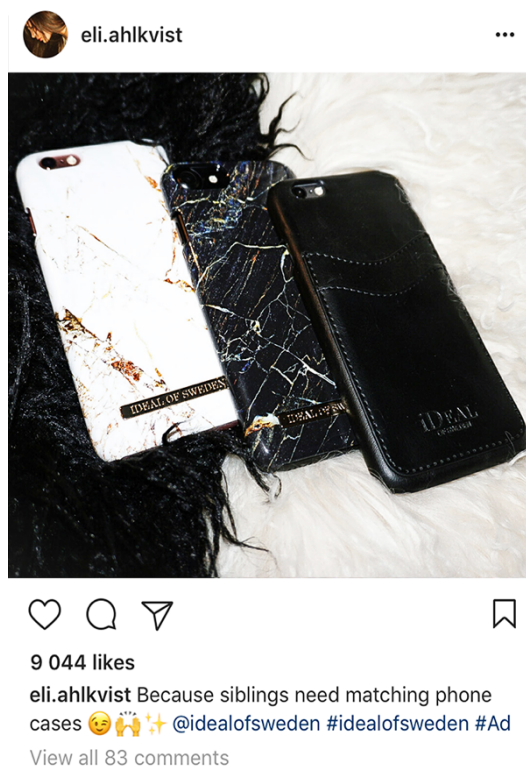
Treatment 4:
Hashtag disclaimer in between other hashtags

eli.ahlkvist · · ·

♡ ○ ▽ ⊓

9 044 likes

eli.ahlkvist Because siblings need matching phone cases 😉🙌✨ @idealofsweden #siblinggoals#matching#marble#fashion#blackandwhite#Ad#idealofsweden#phonecase#love#perfect

View all 83 comments
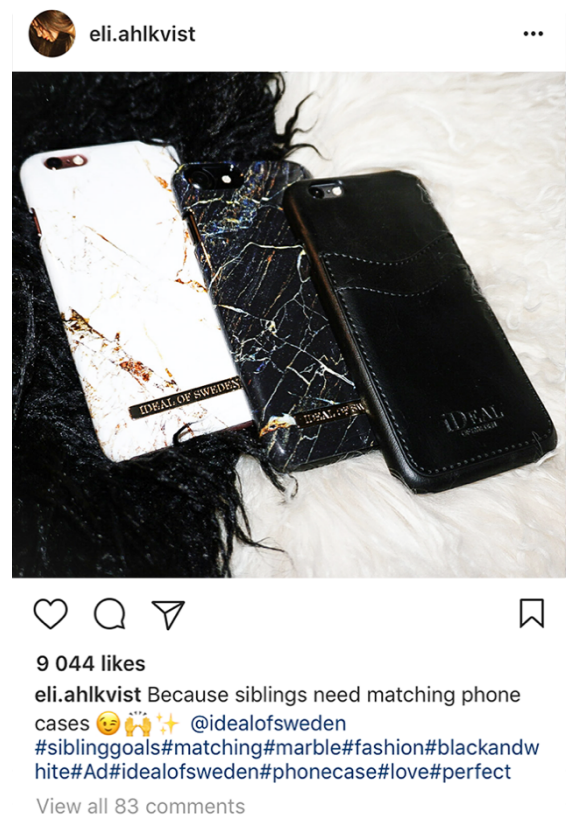
The ad disclosures in the posts seen above differ in terms of either being in text or hashtag form, and in the placement of the disclosures. From now on, when we say text disclaimer in the beginning we refer to the disclaimer in treatment 1: 'This is a sponsored post' written in the beginning of the post's text, and a hashtag disclaimer refers to '#Ad' with different placement in the post's text, see treatment 2, 3 and 4.

3.2.2 PRE-STUDY 1

To be able to construct an Instagram post resembling the real configuration of a post, we carried out a preparatory pre-study. This pre-study included exploratory research on Instagram, where $N = 34$ real influencers' sponsored posts were observed. This pre-study's purpose was to find common wording, phrases and placements of disclaimers used when influencers disclose sponsored posts on Instagram in order to resemble the most commonly used disclosure techniques. In the pre-study, we found that there are two ways for an influencer to disclose sponsored content on Instagram, either in text form or in hashtag form. The most common wordings we found in text form was 'this is a sponsored post' and in hashtag form it was '#Ad'. The text disclaimers were mostly seen being placed in the beginning of the text in a post. The hashtag disclaimers frequently occurred in different positions within the sponsored posts. The hashtag disclaimer was most often placed in the beginning or end of a post's text, and sometimes harder to detect as it was placed in between other hashtags below the text. Many influencers place a hashtag disclaimer in between other hashtags in order to hide the sponsorship. Research also states that the use of the words 'advertising' and 'sponsored' have been shown to result in the highest ad disclosure recognition (Wojdynski and Evans, 2016). By these findings, we constructed four versions of a fictional sponsored post with the following four commonly used disclosure configurations, each one being a treatment: 'This is a sponsored post' placed in the beginning of text in the post, '#Ad' placed in the beginning of text in the post, '#Ad' placed in the end of text in the post and '#Ad' placed in middle of other hashtags below the text in the post.

3.2.3 PRE-STUDY 2

A second pre-study was conducted with $N = 29$ respondents, previous to the main experiment in order to see if the treatments that were constructed for the main experiment was perceived the way that was anticipated. A questionnaire was made to collect data and a convenience sample was used. The respondents were asked 'does this look like a post that could have been posted by an Instagram influencer with a large follower audience?' in order to make sure that

our self-made post was believable. The results from the pre-test showed that 93 percent of the respondents perceived our fictitious influencer's Instagram post to be believable. On a ten-point scale of how plausible it is that an influencer would post this, $M = 7.86$ ($SD = 1.68$) which is above the scale's midpoint. This implies that our self-made post was perceived to be believable and could thereby be used in the main experiment representing a real influencer's sponsored post on Instagram. The respondents were then shown all posts simultaneously with different ad disclosures and were asked to rate the clarity of the ad disclosures by ranking the four posts from having the clearest to the least clear ad disclosure. Based on how frequently (in percentage) each disclosure was ranked a certain ranking position, the outcome was as follows.

TABLE 1. PRE-TEST FINDINGS: RANKING OF AD DISCLOSURES BASED ON PERCEIVED CLARITY

Ranking of Ad Disclosures		
Ranking	Disclosure	Percentage
1	This is a sponsored post placed in the beginning	90 %
2	#Ad placed in the beginning	79 %
3	#Ad placed in the end	72 %
4	#Ad placed in between other hashtags	66 %

Table 1 shows that 90 percent of the respondents ranked the text disclaimer in the beginning as number one, the most clear disclosure, followed by hashtag disclaimer in the beginning on second place (79 percent of respondents) and hashtag disclaimer in the end on third place (72 percent of respondents). Lastly, 66 percent of respondents ranked the hashtag disclaimer in between other hashtags on fourth place as the least clear disclosure.

3.2.4 SURVEY DESIGN AND MEASURES

The self-completion questionnaire was constructed in Qualtrics, an online survey program, and thereby the mode of survey administration was through the web (see appendix for the questionnaire). Questions were divided into different blocks mainly based on the Hierarchy of Effects model defined in the theoretical framework in this thesis. The survey started off with general questions about participants' Instagram user habits followed by exposure to one

of the four treatments at random. This randomization was done through a function in Qualtrics called Randomizer, a feature which was critical in order to ensure that the participants were randomly allocated to the different treatment groups. We further controlled that this randomizer function had been working correctly by seeing that we had roughly evenly sized treatment groups in terms of participants at the end of our experiment. After the initial exposure it was not possible for the participants to go backwards in the questionnaire to look at the post again.

Our independent variable was *ad disclosure*, which constitutes four different ways of disclosing sponsored content in line with the most common disclosures we have seen in our pre-study 1. Our different treatment groups are represented by this independent variable. Our dependent variables were *perceived clarity*, *ad attitude, brand attitude, purchase intention*, *influencer credibility* and *influencer attitude*.

The questionnaire started by asking participants about their Instagram habits in order to exclude non-users. The first main block of questions focused on the perceived clarity of the ad disclaimer. Perceived clarity of ad disclosures was measured on a seven-point Likert scale with an index consisting of two questions 'how clearly is this Instagram post marked as a sponsored post?' (from 1 = Very unclearly to 7 = Very clearly) and 'how do you perceive the ad disclaimer in this post?' (from 1 = Hidden to 7 = Obvious). A third question was initially to be included in the index, but was excluded due to low validity. The two questions together had a Cronbach's alpha of 0.86 which shows that there is a higher level of internal reliability. Basing the perceived clarity on two questions that are asking the same thing but with different wordings contributes to an increased level of reliability compared to if we had not constructed an index here and only used one question to determine the perceived clarity (Bryman & Bell, 2015).

Influencer attitude, ad attitude and brand attitude were all measured separately with a question in the form of 'how would you describe your feelings towards the (influencer/post/brand)?'. A seven-point semantic differential scale was used which consisted of the following four items: bad-good, dislike-like, unpleasant-pleasant and unfavorable-favorable (Dahlén 2005; Dahlén *et al.,* 2008). Looking at Cronbach's alpha for influencer attitude index ($\alpha = 0.96$), ad attitude index ($\alpha = 0.93$) and brand attitude index ($\alpha = 0.96$), high alpha values indicate high internal reliability for our indexes. Influencer credibility was measured using Erdogan's (1999) definition of endorser trustworthiness defined by honesty,

believability and integrity. The following question was used: 'To what extent do you agree that the words describe the influencer?' and measured with the three items: 'Believable', 'Honest' and 'Has integrity' on a seven-point Likert scale (from 1 = Strongly disagree to 7 = Strongly agree). This multi-item question made up an influencer credibility index with Cronbach's alpha = 0.86. Purchase intention was measured with the question 'I would like to buy a product from the brand iDeal of Sweden' on a seven-point Likert scale (from 1= Strongly disagree to 7 = Strongly agree). The item used in this question was taken from Söderlund and Öhman (2003). The last part of the questionnaire consisted of demographics questions and general questions. The questions were all closed questions with a vertical format in order to avoid any potential confusion due to the layout of the questions as the vertical format has been shown to be clearer to the respondent of a questionnaire (Sudman & Bradburn, 1982). A seven-point scale was used in order to allow for a mid-point scale neutral response.

TABLE 2. MAIN QUESTIONS FROM THE QUESTIONNAIRE

Main Questions		
Dependent variables	**Questions**	**Scale**
CLARITY PERCEPTION ***Perceived clarity of ad disclosures***	How clearly is the Instagram post marked as a sponsored post? How do you perceive the ad disclaimer in this post?	1-7 Very unclearly - Very clearly Hidden - Obvious
INFLUENCER PERCEPTION ***Influencer credibility***	To what extent do you agree that the words describe the influencer: Believable Honest Has integrity	1-7 Strongly disagree - Strongly agree
INFLUENCER PERCEPTION ***Attitude towards influencer***	How would you describe your feelings towards the influencer?	1-7 Bad-Good Dislike-Like Unpleasant-Pleasant Unfavorable-Favorable
ADVERTISING EFFECTIVENESS ***Ad attitude***	How would you describe your feelings towards the post?	1-7 Bad-Good Dislike-Like Unpleasant-Pleasant Unfavorable-Favorable
ADVERTISING EFFECTIVENESS ***Brand attitude***	How would you describe your feelings towards the brand?	1-7 Bad - Good Dislike - Like Unpleasant - Pleasant Unfavorable - Favorable
ADVERTISING EFFECTIVENESS ***Purchase intention***	I would like to buy a product from the brand iDeal of Sweden	1-7 Strongly disagree -Strongly agree

3.3 EXECUTION

Participants were recruited in person by handing out links and QR-codes printed on a smaller piece of paper. The link and QR-code were created in Qualtrics which directly led to the online survey. The participants answered the survey either on their mobile devices or on their computers. Data was collected from March to April 2017 during a period of 3 weeks. During this time, we visited five public places in Stockholm where a wide variety of people could be reached. The locations visited were the central station, Mall of Scandinavia, the city library, Odenplan train station and Frescati library.

3.4 SAMPLE

Previous research on advertising in social media has, to a large extent, been based on strictly convenience university student samples; this group of individuals may represent a larger share of social media users but still do not fully represent the social media population where older age groups are also becoming active social media and Instagram users (Knoll, 2016). Therefore, we instead chose to use a random sample for our experiment and responses were collected as we approached strangers of various ages. Instagram users were targeted, and non-users were excluded or removed from the sample since they were not in our target group.

Due to the large amount of people exposed to the possibility to participate we could not keep track of the exact number of people asked, making it difficult to calculate the actual response rate. To provide an estimate, we successfully handed out about 600 printed pieces of paper with the link to our questionnaire, and received 316 responses of which all the incomplete or partially completed questionnaires were removed from our collected sample. The responses from the participants who answered the control question incorrectly were also excluded and thereby removed from the sample. Left was 195 complete and usable responses. What should be noted is that posters with the link were also hung up in public places that we did not oversee. An exact response rate is difficult to attain, but an approximate one is a 30 percent response rate.

The total sample of our study consisting of $N = 195$ participants is made up of $n = 125$ women, $n = 67$ men and $n = 3$ non-binary individuals. This shows that 64 percent of our participants were women and 34 percent were men which reflects the higher share of active female Instagram users in Sweden (Internetstiftelsen, 2016). The age range among our

participants is between 15 and 76 years old. The mean age of the respondents is 25 years of age, which makes our sample congruent with the majority of active Instagram users being under 35 years old (Internetstiftelsen, 2016). The majority of our participants were from Sweden, and 12 other nationalities were seen among our participants. Our participants represented 13 different regions within Sweden, most of them from the Stockholm region. The diversity in demographic profiles increases the relevance and validity of our experiment.

After conducting Chi-Square tests between the independent variable *ad disclosure* and demographics, the results show that there are no significant differences in gender ($p = 0.26$), age ($p = 0.80$), or occupational ($p = 0.78$) distributions of the participants between the four different treatment groups. This ensures that any seen differences in the dependent variables between treatments groups are not explained by potential differences in demographic profiles of the participants. We checked that the participants in different experiment groups had been randomly assigned different treatments and that there were enough participants in each group ($n_1 = 50$, $n_2 = 47$, $n_3 = 50$, $n_4 = 48$).

3.5 STATISTICAL METHODS

Data was collected using a self-made Qualtrics online survey, which was then exported for analysis into IBM SPSS Statistics 24. First, a one-way ANOVA was used to compare means on perceived clarity of different ad disclosures. Together with the one-way ANOVA a post-hoc analysis was performed, using Scheffe's Method due to unequal group sizes, to compare specific mean differences between our treatment groups. In this way, we could analyze which group means were significantly different from each other. This test was used to answer hypotheses 1a-1f. Second, a MANOVA was conducted to analyze the effects of different ad disclosures on influencer perception and advertising effectiveness. *Ad disclosure* was used as the independent variable tested against our dependent variables: *ad attitude*, *brand attitude*, *purchase intention*, *influencer credibility* and *influencer attitude*. This test was used to answered our hypotheses 2a-3c and 3a-3c. Furthermore, an additional independent samples t-test was conducted to deepen the analysis on the effects of perceived clarity on ad effectiveness and influencer perception. The tests were performed at the 0.05 significance level, and some of them were accepted at a 0.10 significance level however with the knowledge that this entails a lower confidence.

3.6 RELIABILITY

The use of multiple indicator measures of a concept to create indexes increases reliability in our measures since a wider range of aspects can be accounted for (Bryman & Bell, 2015). Multiple indicators can rule out errors caused by confusion on wording and interpretation of the questions. Also, our high Cronbach's alphas for our indexes show high internal consistency and reliability. The use of randomization in the distribution of our survey strengthens the reliability, since we were unable to know which participant received what version of the survey and thereby we could not influence the results. The fact that the questionnaire was written in English has to be considered as potentially decreasing reliability due to the risk of loss in translation among participants who do not have the English language as mother tongue. To avoid this as much as possible we attempted to be as clear as possible and also we defined key concepts to facilitate understanding.

3.7 VALIDITY

The measures and the corresponding items we used are frequently recurrent in research on advertising and we chose commonly used measures for endorser credibility, endorser attitude, ad attitude, brand attitude and purchase intention which has recurrently been proven valid. Therefore, this can be considered to increase the validity of this thesis. By using well known measures our results can be considered more generalizable within the area of ad disclosures on Instagram than if we would have used less common measures.

Our treatments of different ad disclosures were selected to resemble disclosures on real sponsored content made by real influencers on Instagram. Furthermore, the configuration of the remaining parts in the post, such as the picture, influencer name, text and number of likes, were visible to show an Instagram context in order to be presented as realistic as possible to participants. The pre-study confirmed that the post design was perceived as it has been posted by a real influencer. These together can be considered to increase ecological validity since both the configuration of the post and the ad disclosures reflects reality. The more real the post is perceived, the more valid and applicable in real world settings the results are.

4. RESULTS AND ANALYSIS

In this section, we present the results from our study. We have performed a one-way ANOVA, a MANOVA and an independent samples t-test to gather further insight on what effects influencer ad disclosures on Instagram can have on perceived clarity, influencer perception and advertising effectiveness.

4.1 MANIPULATION CHECK

An additional manipulation test was performed to ensure that the treatments behaved as the pre-test suggested they would. A Chi-square test was conducted between the independent variable *ad disclosure* and the dependent variable *perceived clarity* and the results were significant ($X^2(36, N = 195) = 59.06, p < 0.01$), showing that there is a significant relationship between treatment groups and how clearly they perceived the disclaimers. This is congruent with our pre-test, which showed that the disclaimers were perceived differently in terms of clarity (see table 1 in 3.2.3 for further information).

4.2 CLARITY OF AD DISCLOSURES IN INFLUENCER ADVERTISING ON INSTAGRAM

A one-way analysis of variance (ANOVA) was run to study the perceived clarity of the different ad disclosures, in order to answer hypothesis 1. There was a significant effect for ad disclosures ($F(3, 191) = 11.22, p < 0.001$) on the perceived clarity of the disclosure. A post-hoc test with Scheffe's method was performed together with the one-way ANOVA to further analyze the mean differences in perceived clarity between the different ad disclosures. See table 3 for results.

	Text disclaimer in beginning	Hashtag disclaimer in beginning	Hashtag disclaimer in end
Hashtag disclaimer in between other hashtags	M=4.67** / M=2.75**	M=4.50** / M=2.75**	M=3.55 / M=2.75
Hashtag disclaimer in end	M=4.67** / M=3.55**	M=4.50* / M=3.55*	
Hashtag disclaimer in beginning	M=4.67 / M=4.50		

* The mean difference is significant at the 0.10 level
**The mean difference is significant at the 0.05 level

Table 3 shows the combinations of the four different ad disclosures means against each other where the four ad disclosures are seen in bold. A simple means comparison was done and the mean values on the perceived clarity of the disclosures are presented against each other in the table. When the mean difference between the two types of disclosures is significant at a 0.05 level the means are marked with two stars, and one star if the difference is significant at a 0.10 level.

4.2.1 THERE IS NO DIFFERENCE IN THE PERCEIVED CLARITY BETWEEN A TEXT DISCLAIMER IN THE BEGINNING OF A POST AND A HASHTAG DISCLAIMER IN THE BEGINNING OF A POST

Looking at hypothesis 1a, no significant difference ($p = 0.98$) in perceived clarity of the disclosures was found between the mean values of a text disclaimer in the beginning of a post, $M = 4.67$ ($SD = 1.83$), and a hashtag disclaimer in the beginning of a post, $M = 4.50$ ($SD = 2.15$), see Table 3 and 4. Thus, hypothesis 1a is not supported. This implies that we cannot conclude that one of these disclosures is clearer than the other in an influencer's Instagram post.

H1a	A text disclaimer is clearer than a hashtag disclaimer placed in the beginning of a post	Not Supported

4.2.2 A TEXT DISCLAIMER PLACED IN THE BEGINNING OF A POST IS CLEARER THAN A HASHTAG DISCLAIMER PLACED IN THE END OF A POST OR BETWEEN OTHER HASHTAGS

Moving on to hypotheses 1b and 1c, the text disclaimer in the beginning showed $M = 4.67$ ($SD = 1.83$) in terms of the perceived clarity of the disclosure, which is significantly greater on the 0.05 level than for both a hashtag disclaimer in the end, $M = 3.55$ ($SD = 1.83$), and a hashtag disclaimer in between other hashtags, $M = 2.75$ ($SD= 1.58$). See table 3 and 4. Thereby, hypothesis 1b and 1c are supported. This shows that a text disclaimer in the beginning is perceived to be clearer than hashtag disclaimers either in the end or in between other hashtags in an influencer's Instagram post.

H1b	A text disclaimer is clearer than a hashtag disclaimer placed in the end of a post	Supported
H1c	A text disclaimer is clearer than a hashtag disclaimer placed in between other hashtags	Supported

4.2.3 A HASHTAG DISCLAIMER PLACED IN THE BEGINNING OF A POST IS CLEARER THAN A HASHTAG DISCLAIMER PLACED IN THE END OF A POST OR IN BETWEEN OTHER HASHTAGS

Turning to hypothesis 1d and 1e, the perceived clarity of the disclosures was significantly higher for a hashtag disclaimer in the beginning, $M = 4.50$ ($SD = 2.15$), compared to a hashtag disclaimer in the end, $M = 3.55$ ($SD = 1.83$), and a hashtag disclaimer in between other hashtags, $M = 2.75$ ($SD = 1.58$), this on the 0.10 and 0.05 level respectively. See table 3 and 4. Hypothesis 1d and hypothesis 1e are therefore supported. This result indicates that a hashtag disclaimer in the beginning is clearer than a hashtag disclaimer in the end or in between other hashtags in an influencer's Instagram post.

H1d	A hashtag disclaimer placed in the beginning of a post is clearer than a hashtag disclaimer placed in the end of a post	Supported
H1e	A hashtag disclaimer placed in the beginning of a post is clearer than a hashtag disclaimer placed in between other hashtags	Supported

4.2.4 THERE IS NO DIFFERENCE IN THE CLARITY BETWEEN A HASHTAG DISCLAIMER PLACED IN THE END OF A POST OR A HASHTAG DISCLAIMER PLACED IN BETWEEN OTHER HASHTAGS

Looking at hypothesis 1f, there was no significant difference ($p = 0.21$) in mean values between a hashtag disclaimer in the end, $M = 3.55$ ($SD = 1.83$), and a hashtag disclaimer in between other hashtags, $M = 2.75$ ($SD = 1.58$). See table 3 and 4. Thus, hypothesis 1f is not supported. This result shows that we cannot claim that one is clearer than the other in an influencer's Instagram post.

H1f	A hashtag disclaimer placed in the end of a post is clearer than a hashtag disclaimer placed in between other hashtags	Not Supported

TABLE 4. MEAN DIFFERENCES ON PERCEIVED CLARITY OF AD DISCLOSURES (SHOWN IN ABSOLUTE VALUES)

	Text disclaimer in beginning	Hashtag disclaimer in beginning	Hashtag disclaimer in end
Hashtag disclaimer in between other hashtags	1.92**	1.75**	0.8
Hashtag disclaimer in end	1.12**	0.95*	
Hashtag disclaimer in beginning	0.17		

* The mean difference is significant at the 0.10 level
**The mean difference is significant at the 0.05 level

The largest mean difference of 1.92 is seen in table 4 between the text disclaimer in the beginning and the hashtag disclaimer in between other hashtags which was significant on the 0.05 level. This was in accordance with what we were expecting based on the pre-studies; where text disclaimer in the beginning was the most frequently ranked as the clearest and the hashtag disclaimer between other hashtags most frequently ranked as the least clear.

These findings are also in alignment with Nielsen (2006) and Shrestha and Lentz's (2007) research on that consumers are most likely to notice text positioned in the top left corner and further extending to the right from this position, as a hashtag disclaimer in the beginning and

a text disclaimer in the beginning are perceived as significantly clearer than the other disclosures. The findings of their research are even more evident in our results when strictly comparing the three positions of our hashtag disclaimers. The hashtag disclaimer in the beginning, located in the top left corner, is perceived to be significantly clearer than the hashtag disclaimer in the end or in between other hashtags, located in the bottom.

4.3 THE EFFECTS OF AD DISCLOSURE CLARITY ON INFLUENCER PERCEPTION

To answer hypothesis 2, we tested the effects of the independent variable, *ad disclosure*, on influencer perception. This was done by using *ad disclosure* as a factor in a multivariate analysis of variance (MANOVA) and it was run simultaneously on our dependent variables: *influencer credibility* and *influencer attitude.*

TABLE 5. MEAN ANALYSIS ON INFLUENCER CREDIBILITY AND ATTITUDE FOR THE AD DISCLOSURES

Table 5 illustrates the mean and standard deviation values of influencer credibility and influencer attitude for the four different ad disclosures.

	Influencer Credibility Mean (SD)	Influencer Attitude Mean (SD)
Text disclaimer in beginning	3.48 (1.29)	3.82 (1.39)
Hashtag disclaimer in beginning	3.14 (1.23)	4.00 (1.33)
Hashtag disclaimer in end	3.08 (1.23)	3.60 (1.21)
Hashtag disclaimer in between other hashtags	3.33 (1.20)	3.71 (1.31)

4.3.1 CLARITY OF AD DISCLOSURES DOES NOT AFFECT INFLUENCER CREDIBILITY OR ATTITUDES TOWARDS THE INFLUENCER

Considering hypothesis 2a and 2b, there were no significant differences in mean values of influencer credibility ($F(3,191) = 1.08$, $p = 0.36$) or influencer attitude ($F(3,191) = 0.83$, $p = 0.48$) for the ad disclosures. Therefore, hypothesis 2a and 2b were not supported. This indicates how clearer influencer ad disclosures on Instagram do not have a significant effect on influencer credibility or influencer attitude. These findings do not conform to previous research done mainly on blogs showing that higher clarity should contribute to higher influencer credibility and attitudes; instead we see that there are no effects of clearer influencer ad disclaimers on influencer perception on Instagram.

H2a	Clearer ad disclosures lead to higher influencer credibility	Not Supported
H2b	Clearer ad disclosures lead to more favorable attitudes towards the influencer	Not Supported

4.4 THE EFFECTS OF INFLUENCER AD DISCLOSURE CLARITY ON ADVERTISING EFFECTIVENESS

In order to answer hypothesis 3, we tested the effects of the independent variable, *ad disclosures*, on advertising effectiveness. To do this we used *ad disclosures* as a factor in a multivariate analysis of variance (MANOVA), and it was run simultaneously on our dependent variables: *ad attitude, brand attitude, and purchase intention*.

TABLE 6: MEAN ANALYSIS ON AD ATTITUDE, BRAND ATTITUDE AND PURCHASE INTENTION FOR THE DIFFERENT AD DISCLOSURES

	Ad Attitude Mean (SD)	Brand Attitude Mean (SD)	Purchase Intention Mean (SD)
Text disclaimer in beginning	3.93 (1.43)	4.11 (1.43)	2.68 (1.73)
Hashtag disclaimer in beginning	3.81 (1.47)	4.24 (1.43)	2.40 (1.58)
Hashtag disclaimer in end	3.92 (1.19)	4.03 (1.30)	2.54 (1.67)
Hashtag disclaimer in between other hashtags	3.84 (1.34)	4.38 (1.41)	2.90 (1.83)

Table 6 illustrates the means and standard deviations of ad attitude, brand attitude, and purchase intention for the different ad disclosures.

4.4.1 CLARITY OF AD DISCLOSURES DOES NOT AFFECT ATTITUDES TOWARDS THE AD, ATTITUDES TOWARDS THE BRAND OR PURCHASE INTENTIONS

Looking at hypothesis 3a, 3b and 3c, there were no significant differences in mean values of ad attitude ($F(3,191) = 0.31$, $p = 0.82$), brand attitude ($F(3,191) = 0.61$, $p = 0.61$) or purchase intention ($F(3,191) = 0.73$, $p = 0.54$) between the ad disclosures. Thereby, hypothesis 3a, 3b and 3c are not supported. These findings indicate that the clarity of influencer ad disclosures on Instagram does not significantly affect attitudes towards the ad, brand or purchase intentions. What we hypothesized, the effect of clearer ad disclaimers leading to lower advertising effectiveness was not found. Thereby we can see tendencies that activation of persuasion knowledge does not seem to be a major issue on Instagram, within the framework of what we studied in our thesis.

H3a	Clearer ad disclosures lead to less favorable attitudes towards the ad	**Not Supported**
H3b	Clearer ad disclosures lead to less favorable attitudes towards the brand	**Not Supported**
H3c	Clearer ad disclosures lead to lower purchase intentions	**Not Supported**

4.5 SUMMARY OF HYPOTHESES

Considering clarity of disclosures, the results showed some significant differences between different disclosures. Text disclaimer and a hashtag disclaimer placed in the beginning of a post was both perceived significantly clearer than hashtag disclaimer placed in the end of a post or in between other hashtags. This is congruent with Nielsen (2006) and Shrestha and Lenz (2007) previous research about the clearest text positioning. However, we saw no significant difference between the two most clear disclaimers - text disclaimer placed in the beginning and hashtag disclaimer in the beginning of a post. Neither was there a significant difference between the two least clear disclaimers - hashtag disclaimer placed in the end of a post and a hashtag disclaimer placed in between other hashtags.

To summarize, when looking at influencer perception, our mean analysis did not provide empirical support for clearer ad disclaimers having a significant effect on influencer credibility or attitudes towards the influencer. When looking at advertising effectiveness, our

mean analysis once again did not provide empirical support for clearer ad disclaimers having a significant effect on attitudes toward the ad and brand, or on purchase intentions. Therefore, our hypotheses 2a, 2b, 3a, 3b and 3c are not supported.

H1a	A text disclaimer is clearer than a hashtag disclaimer placed in the beginning of a post	**Not Supported**
H1b	A text disclaimer is clearer than a hashtag disclaimer placed in the end of a post	**Supported**
H1c	A text disclaimer is clearer than a hashtag disclaimer placed in between other hashtags	**Supported**
H1d	A hashtag disclaimer placed in the beginning of a post is clearer than a hashtag disclaimer placed in the end of a post	**Supported**
H1e	A hashtag disclaimer placed in the beginning of a post is clearer than a hashtag disclaimer placed in between other hashtags	**Supported**
H1f	A hashtag disclaimer placed in the end of a post is clearer than a hashtag disclaimer placed in between other hashtags	**Not Supported**
H2a	Clearer ad disclosures lead to higher influencer credibility	**Not Supported**
H2b	Clearer ad disclosures lead to more favorable attitudes towards the influencer	**Not Supported**
H3a	Clearer ad disclosures lead to less favorable attitudes towards the ad	**Not Supported**
H3b	Clearer ad disclosures lead to less favorable attitudes towards the brand	**Not Supported**
H3c	Clearer ad disclosures lead to lower purchase intentions	**Not Supported**

4.6 FURTHER ANALYSIS

Our data analysis did not support hypotheses 2a-b and 3a-c, but we still believed there could exist an effect of perceived clarity on influencer perception and advertising effectiveness. From further analysis on ad disclosure recognition, $N = 50$ participants were exposed to the treatment text disclaimer in the beginning and were asked the question 'did you notice the text: This is a sponsored post?' (yes/no). The results showed that exactly 50 percent of the

participants saw the text disclaimer whiles 50 percent of the participants did not, meaning that one of the clearest ad disclaimers (and the most clear according to regulatory guidelines) possible to make today on Instagram had a surprisingly low ad disclosure recognition in the form of seeing the disclosure. This entails that some participants did not see the manipulation at all, resulting in divisions within treatment groups between participants who did see and did not see the disclosure, which could generate differences in effects. We could not account for this in our main experiment, but with this at hand, we believe that participants perception of clarity, regardless of what treatment they received, still could have an effect on influencer perception and advertising effectiveness. Based on this, we conducted a further analysis taking on a different approach.

Instead of looking at separate treatment groups based on ad disclosures, we now looked at the entire sample, with perceived clarity as our new independent variable. We divided the sample into two new groups based on our clarity variable (7-point Likert scale ranging from 1 = unclear to 7 = clear). The first group consisted of participants who perceived clarity of the disclaimer to be low regardless of which treatment they received (those who answered between 1-3 on a 7-point Likert scale). The second group consisted of participants who perceived clarity of the disclaimer to be high regardless of which treatment they received (answers between 5-7 on a 7-point Likert scale). Remaining participants who gave a mid-point response on clarity (answered 4 on a 7-point Likert scale) were excluded because their answers can be considered neutral with no opinion of whether the seen ad disclaimer was clear or unclear. This resulted in a removal of $n = 36$ participants. With this approach, we no longer considered the four treatment groups, but instead looked at one large sample of $N = 159$ participants, which we divided into two new groups with larger sample sizes than previous groups ($n_{\text{low perceived clarity}} = 83$, $n_{\text{high perceived clarity}} = 76$).

We conducted an independent samples t-test, with a new independent variable *perceived clarity* consisting of the two groups, and the dependent variables *ad attitude, brand attitude, purchase intention, influencer credibility* and *influencer attitude*. The results were significant for two of the dependent variables; *influencer credibility* (t (157) = -2.68, p < 0.05) and *influencer attitude* (t (157) = -1.84, p < 0.10). It is relevant to point out that influencer attitude was only significant on the 0.10 level, which is a somewhat weaker result.

These findings contribute to a further understanding. While *ad disclosures* as an independent variable did not significantly show effects on influencer perception and advertising

effectiveness, this further analysis with *perceived clarity* as our independent variable did show somewhat significant effects on influencer perception (*influencer credibility* and *influencer attitude*) regardless of the treatment.

Our further analysis delivered the following results: people who perceived clarity to be high also perceived the influencer to be more credible, and they also had higher attitudes towards the influencer. So, despite the fact that hypothesis 2a and 2b are not supported, we can still see indications that clearer ad disclaimers lead to higher influencer credibility and more favorable attitudes towards the influencer.

5. DISCUSSION

In this section, we discuss our findings from our data analysis and further suggest implications for influencers, legislators, brands and researchers on how to apply and make use of our findings from our study.

5.1 DOES THE CLARITY OF DIFFERENT INFLUENCER ADVERTISING DISCLOSURES ON INSTAGRAM HAVE AN EFFECT ON INFLUENCER PERCEPTION AND ADVERTISING EFFECTIVENESS?

Our findings answered the research question by showing how different ad disclosures are perceived differently in terms of clarity but that this does not have an effect on influencer perception and advertising effectiveness. Our additional further analysis however showed indications of the perceived clarity of ad disclosures affecting influencer perception.

5.1.1 PERCEPTION OF AD DISCLOSURE CLARITY

The results connected to our first hypothesis provided us with insight that consumers perceive different disclosures as differently clear. We learned that the text disclaimer and hashtag disclaimer in the beginning are perceived to be clearer than the hashtag disclaimers in the end and in between other hashtags. What is interesting here is that despite having different wordings in the two clearest disclaimers our results do not show them significantly different from each other. This means that the placement which they have in common seems to be more important than the wording of the disclaimer which differs between them, this in line with research by Nielsen (2006) and Shrestha and Lenz (2007). In contrary, the least clear

disclaimers were placed in an opposite position to the clearest ones, which is an area that is not paid too much attention according to Nielsen (2006).

Based on this analysis, the clearest way of disclosing sponsored content would be to combine the two clearest ad disclaimers, using '#Ad' and 'This is sponsored post' since Swedish law states that marketers should disclose advertising clearly and thereby explicitly state sponsorship. This also corresponds to recommendations by the FTC who states that '#Ad' visible in the beginning of the text is one of the best disclosures. To disclose sponsored content clearly is beneficial for both influencers and companies to avoid a common issue which is getting in conflict the law, and further to maintain ethical marketing practices.

5.1.2 AD DISCLOSURE EFFECT ON INFLUENCER PERCEPTION AND ADVERTISING EFFECTIVENESS

Our findings show that influencer perception and advertising effectiveness are not affected by the clarity of influencer ad disclosures on Instagram. The lack of effect on influencer perception in our findings can indicate that the effect of higher influencer credibility and attitude towards the influencer does not have to exist in all contexts and on all mediums or have the same strength. It is relevant to note that Instagram is a more image-focused social media platform whiles blogs are more text-focused which can be one of the underlying causes to differences in the effects. This as a blog may allow for a stronger para-social relationship due to a more in-depth insight in their daily lives allowed by the text focus which Instagram lacks.

To be able to see the anticipated positive effects on influencer perception as well as negative effects on advertising effectiveness it is crucial that the participants actually perceived the ad disclaimer to be clear. Our analysis showed that exactly 50 percent of the respondents did not see the text disclaimer, which from our findings was the clearest disclaimer together with the hashtag disclaimer in the beginning of a post. From this we learned that people do not pay as much attention to disclaimers on Instagram as we initially expected. The fact that we did not see significant results on clarity affecting influencer perception or advertising effectiveness may therefore in part be explained by how not all participants noticed the ad disclosures, which is our experimental manipulation. However, from the clarity ranking in our pre-study of the ad disclosures, we could see that our treatments were perceived and behaved the way that was intended, meaning that this was not an issue. Our finding of low recognition and

awareness of disclosures is interesting as it shows that consumers presumably direct more of their attention to the image part of the post rather than the text part where the disclaimers are. This makes sense as Instagram is an image-focused social media platform. Another possible explanation may be that there is no one formal standardized structure for these type of ads on Instagram, since it is a relatively new form of advertising. Methods to make influencer ad disclaimers on Instagram even clearer may be needed in order to ensure that consumers actually are aware that the content is sponsored.

There is also a possibility that consumers do not react to or reflect over the fact that an ad disclosure is hidden or unclear as unclear disclosures by influencers is common today on Instagram. This implies that they may not actually perceive the least clear ones as negatively as we had anticipated. This can contribute to why we did not see significant results for the effects of disclaimer clarity on influencer perception and advertising effectiveness.

5.3 DISCUSSION ABOUT FURTHER ANALYSIS

Results from our further analysis gave us a different perspective on clarity of disclaimers. Moving on from no longer looking at treatment groups separately, we now looked at all participants in order to get a larger sample size and divided them into two new groups; those who perceived the ad disclaimers as clear, and those who perceived them as unclear. Looking at this new distinct division based on participants' perception of the clarity regardless of which treatment they received, the result generated some significant mean differences. Our additional findings showed that the higher the ad disclaimer clarity was perceived among consumers regardless of treatment group, the higher they rated the influencer's credibility and attitudes toward the influencer. Despite that our hypothesis 2 was not supported, our additional further analysis showed indications of the perceived clarity of ad disclosures positively affecting influencer perception. Significance on this test may depend on that we now look at fewer groups and thereby also larger samples within the two new groups than the previous analysis. What also could affect these results was the fact that all respondents who answered in the middle of the clarity scale (answered 4 on a 1-7 Likert scale from not clear to clear) were not included in the groups due to their indifference on the matter since this can be seen as a neutral answer. In this way, we only included participants with more prominent opinions.

5.4 CONCLUSION

Within the frame of our research, the research question is answered below.

Does the perceived clarity of different influencer advertising disclosures on Instagram have an effect on influencer perception and advertising effectiveness?

No, perceived clarity of different influencer advertising disclosures on Instagram does not have an effect on influencer perception and advertising effectiveness.

The findings show that when influencers use clearer ad disclosures on Instagram it does not lead to significantly different effects on influencer perception and advertising effectiveness than if unclear ad disclosures were used. This suggests that influencers and companies can focus on generating clear ad disclosures in alignment with the law without worrying about negative impacts on consumer attitudes. Further insights include that placement of ad disclosures plays an important role in how clearly a disclosure is perceived on Instagram.

Although we did not see any effects of the different disclosures on influencer perception or advertising effectiveness, our additional further analysis indicated that more clearly perceived ad disclosures can contribute to a more positive influencer perception. In other words, our findings lead to the conclusion that even though influencers have more to win, both the influencer and brand have nothing to lose from using clearer ad disclosures for sponsored content on Instagram.

5.5 IMPLICATIONS AND SUGGESTIONS

Our results can contribute with insights for researchers and decision makers concerned with influencer advertising on social media. A suggestion for influencers and companies on how to make the disclaimers clearer is through combining the two clearest ad disclaimers from our study, '#Ad' and 'This is a sponsored post', both placed together in the beginning of a post. Influencers could benefit from disclosing sponsored content clearly because they can avoid getting in conflict with the law and our further analysis suggests that influencer credibility and attitudes may also increase. Companies should encourage influencers to use clear ad disclosures on Instagram as we have seen that clearer ad disclosures do not have a negative impact on brand attitudes and consumer behavior, and it further ensures that they too stand for ethical marketing practices in line with current legislation.

Legislators need to provide clearer and more direct rules and guidelines specific to today's modern media platforms, especially looking at Instagram and possibly other various image-focused social media platforms. We propose standard compulsory features for all influencers to use on Instagram when a post is sponsored. Such features could involve highlighting text in a bright color or having a colored frame around the photo that is always used when posts are sponsored. As the attention is low on text parts and seems to be centered on the photo this will make it more obvious and directly recognizable as a sponsored post.

5.6 RESEARCH LIMITATIONS AND CRITIQUE

A main limitation of the study is the time and cost aspects which restricted sample size and the depth and width of this study in terms of basing our study on one social media platform, and restricting ourselves to one product category. Therefore, our results should be interpreted with caution and one should be careful when attempting to generalize our findings.

A study design limitation is the risk of receiving overly-rational answers. A questionnaire requires the participants focus and more attention is put on the treatment than if the participants would have seen the post in their real Instagram feed. Another limitation is that we were unable to control the environmental conditions of our experiment, such as surroundings and mood. Further, we were unable to control if participants answered on a mobile phone or on a computer, however any effects caused by the used device is beyond the scope of this thesis.

The use of a fictional influencer however limits us in studying the effects of para-social relationships that exists between a real influencer and hers/his real followers. If studying a real influencer, one must have the influencer's followers as participants in order to pick up the full para-social effect, which we were unable to do. Featuring a real brand in the sponsored post can potentially lead to somewhat biased answers due to strong opinions that participants can have had towards the brand prior to our experiment, that could later have disrupted the effects of the manipulation in our study.

A methodological limitation of our study is that ad disclosure recognition was not used as a main component in our framework. If we would have placed larger emphasis on ad disclosure recognition it could have contributed to an even deeper understanding of perception of clarity.

5.7 FURTHER RESEARCH

More research is needed on actual ad disclosure recognition and not only on perceived clarity, since this can contribute to further understanding of ad disclosures clarity on image-focused social media platforms. Since our research did not fully support previous findings more research on influencer ad disclosures is needed on image-focused social media platforms in comparison to text-focused platforms. Other research on disclosures in the form of warning messages has shown pictures to be more effective than text (Noar *et al.*, 2016) making disclosures in images an alternative area of interest to research on for the Instagram platform. Different ad disclaimer configurations in terms of wording is also relevant to be further researched. Further research should also be done on testing different product categories, both looking at low and high involvement products. A high involvement product entails a higher risk purchase which can make a consumer more prone to seek more information and thereby could lead to the consumer paying closer attention to information provided in the post, including the ad disclaimers. Thereby doing further research on influencer ad disclaimers on Instagram using image-focused disclaimers, different product categories and both low and high involvement products can contribute to a more in-depth and complete understanding in this research field and in practical use.

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7. APPENDIX

Thesis experiment

Thank you for contributing to research! This is a survey for our Bachelor thesis in marketing at SSE. All answers are anonymous. Please answer truthfully. Thank you for taking our survey! Sara and Natalia BSc students, Stockholm School of Economics

Are you an Instagram user?

○ Yes
○ No

Approximately how frequently do you use Instagram? (either scrolling through your feed or posting photos)

○ On a daily basis
○ On a weekly basis
○ On a monthly basis
○ On a yearly basis
○ Never

You will now be shown an Instagram post made by an influencer who has a fashion and lifestyle account with a large following. You will then be asked to answer questions based on your impressions. An influencer is a social media personality with a larger following. Look at the post closely, you will only see it once.

(HERE EACH PARTICIPANT WAS EXPOSED TO ONE OF THE 4 TREATMENTS)

Does this look like a normal post or a sponsored post on Instagram?

○ Normal post
○ Sponsored post

To what extent do you think this is a sponsored post (ad)?

○ 1= I do not think this is an ad
○ 2
○ 3
○ 4
○ 5
○ 6
○ 7= I am confident that this is an ad

How clearly is this Instagram post marked as a sponsored post?

○ 1 = Very unclearly
○ 2
○ 3
○ 4
○ 5
○ 6
○ 7 = Very clearly

How do you perceive the ad disclaimer in this post?   Ad disclaimer = any form of clarification to specify that the content is sponsored/an ad

○ 1 = Hidden
○ 2
○ 3
○ 4
○ 5
○ 6
○ 7 = Obvious

How would you describe your feelings towards the post?

	1	2	3	4	5	6	7
Bad:Good	○	○	○	○	○	○	○
Dislike:Like	○	○	○	○	○	○	○
Unpleasant:Pleasant	○	○	○	○	○	○	○
Unfavorable:Favorable	○	○	○	○	○	○	○

How would you describe your feelings towards the influencer?

	1	2	3	4	5	6	7
Bad:Good	❍	❍	❍	❍	❍	❍	❍
Dislike:Like	❍	❍	❍	❍	❍	❍	❍
Unpleasant:Pleasant	❍	❍	❍	❍	❍	❍	❍
Unfavorable:Favorable	❍	❍	❍	❍	❍	❍	❍

To what extent do you agree that the words describe the influencer

	1 = Strongly disagree	2	3	4	5	6	7 = Strongly agree
Believable	❍	❍	❍	❍	❍	❍	❍
Honest	❍	❍	❍	❍	❍	❍	❍
Has integrity	❍	❍	❍	❍	❍	❍	❍

Have you previously heard of the brand iDeal of Sweden?

❍ Yes
❍ No

How would you describe your feelings towards the brand?

	1	2	3	4	5	6	7
Bad:Good	❍	❍	❍	❍	❍	❍	❍
Dislike:Like	❍	❍	❍	❍	❍	❍	❍
Unpleasant:Pleasant	❍	❍	❍	❍	❍	❍	❍
Unfavorable:Favorable	❍	❍	❍	❍	❍	❍	❍

I would like to buy a product from the brand iDeal of Sweden

❍ 1 =Strongly disagree
❍ 2
❍ 3
❍ 4
❍ 5
❍ 6
❍ 7= Strongly agree

What brand was seen in this post?

- Malene Birger
- Richmond & Finch
- iDeal of Sweden

What is your age? (Answer only in numbers)

_____

What is your gender?

- Male
- Female
- Other/Prefer not to say

What is your current occupation?

- Employed
- In between jobs
- Student
- Retired
- Other / prefer not to say

What country do you live in?

- Sweden
- Other _____

Which region do you live?

○ Blekinge
○ Bohuslän
○ Dalarna
○ Dalsland
○ Gotland
○ Gästrikland
○ Halland
○ Hälsningland
○ Härjedalen
○ Jämtland
○ Lappland
○ Medelpad
○ Norrbotten
○ Närke
○ Skåne
○ Småland
○ Södermanland
○ Uppland
○ Värmland
○ Västerbotten
○ Västergötland
○ Västmanland
○ Ångermanland
○ Öland
○ Östergötland

We thank you for your answers! A special thanks to iDeal of Sweden who provided us with these phone cases. Please click 'NEXT' to complete the survey!